

HOMELESS HOUSING AND ASSISTANCE  
CORPORATION  
(A Component Unit of the State of New York)  
Financial Statements and  
Management's Discussion and Analysis  
March 31, 2021 and 2020  
(With Independent Auditors' Report Thereon)

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 4
Financial Statements:	
Statements of Net Position	5
Statements of Revenue, Expenses and Changes in Net Position	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 17
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	18 - 19
Report on Investment Compliance With Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York	20 - 21

\* \* \* \* \*

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Homeless Housing and Assistance Corporation:

### Report on the Financial Statements

We have audited the accompanying financial statements of Homeless Housing and Assistance Corporation (the Corporation), a New York State public benefit corporation, as of March 31, 2021 and 2020, and for the years then ended and the related notes to financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Homeless Housing and Assistance Corporation as of March 31, 2021 and 2020, and the changes in its financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 and 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 2, 2021, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 2, 2021

# HOMELESS HOUSING AND ASSISTANCE CORPORATION

## Management's Discussion and Analysis

March 31, 2021

The Homeless Housing and Assistance Corporation (the Corporation) is a component unit of the State of New York and reports its activities as an enterprise fund following generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB). As an enterprise fund, the Corporation reports under the accrual basis of accounting. The government wide financial statements required by GASB Statement No. 34 are the only statements required for this entity.

Chapter 215 of the laws of 1990 established the Homeless Housing and Assistance Corporation as codified under Section 45-c of the Private Housing Finance Law. Pursuant to this, the Corporation is authorized to administer the Homeless Housing and Assistance Program (HHAP). The Corporation is a New York State public benefit corporation and a subsidiary of the New York State Housing Finance Agency (HFA). HFA issues bonds, which are the source of capital funds utilized by the Corporation.

### Financial Highlights

- The Corporation's total assets decreased from \$23,925,405 as of March 31, 2020 to \$22,850,995 as of March 31, 2021. The cash balance decreased from \$23,925,405 as of March 31, 2020 to \$22,850,995 as of March 31, 2021.
- The Corporation's total liabilities decreased from \$22,287,798 as of March 31, 2020 to \$21,261,787 as of March 31, 2021.
- There was no significant capital asset or long-term debt activity during the year. As of March 31, 2021, all fixed assets are fully depreciated and no fixed assets were purchased during the year.
- New notes were recorded during fiscal year 2020 - 2021 amounting to \$21,111,549 and interest of \$5,494,743 was accrued on notes receivable. All notes and interest accrued on the notes have been written off as uncollectible.
- Notes expired during the fiscal year 2020 - 2021 amounting to \$4,891,374.
- The Corporation is operated by staff from the New York State Office of Temporary and Disability Assistance. The Corporation received a \$126,000,000 appropriation for HHAP in the state fiscal year 2020 - 2021. Appropriated funds are drawn down as required during the year.
- Total revenues amounted to \$95,135,606 during the fiscal year 2020 - 2021, representing a 27% or a \$20,360,546 increase from the 2019 - 2020 fiscal year.
- Capital projects expenditures were \$58,736,422 and mandated expenditures were \$1,239,525 for the 2020 - 2021 fiscal year. This represents a 1% increase from the 2019 - 2020 for capital projects and a 2% increase for mandated expenditures.

HOMELESS HOUSING AND ASSISTANCE CORPORATION  
Management's Discussion and Analysis, Continued

Financial Reporting

This report contains several financial statements that provide more detailed information regarding the financial activities and the financial state of the Corporation. There are no decisions, conditions, or other factors that are expected to significantly effect the financial position or results of the Corporation presented herein.

Request for Information

This financial report is designed to provide a general overview for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the President, Homeless Housing and Assistance Corporation, 40 North Pearl Street, Albany, New York 12243-0001.

HOMELESS HOUSING AND ASSISTANCE CORPORATION  
 Statements of Net Position  
 March 31, 2021 and 2020

	<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:			
Cash:			
Operating		\$ 22,821,203	23,925,176
Special revenue account - administrative expenses		<u>29,792</u>	<u>229</u>
Total cash		22,850,995	23,925,405
Mortgage notes receivable, less allowance of \$507,076,439 in 2021 and \$490,856,264 in 2020		-	-
Accrued interest receivable, less allowance of \$51,728,906 in 2021 and \$41,031,524 in 2020		<u>-</u>	<u>-</u>
Total current assets		<u>22,850,995</u>	<u>23,925,405</u>
<u>Liabilities and Net Position</u>			
Liabilities - unearned revenue		21,261,787	22,287,798
Contingencies (note 8)		<u>                    </u>	<u>                    </u>
Net position		<u>\$ 1,589,208</u>	<u>1,637,607</u>

See accompanying notes to financial statements.

HOMELESS HOUSING AND ASSISTANCE CORPORATION  
 Statements of Revenue, Expenses and Changes in Net Position  
 Years ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenue:		
New York State appropriations	\$ 59,975,948	59,470,991
Medicaid Redesign Team	3,076,348	3,912,183
Mortgage Insurance Fund	32,064,715	10,958,919
Interest income	18,595	375,017
Miscellaneous income	-	57,950
Total operating revenue	<u>95,135,606</u>	<u>74,775,060</u>
Operating expenses:		
Capital projects	58,736,422	58,251,026
Medicaid Redesign Team	3,076,348	3,912,183
Mortgage Insurance Fund	32,064,715	10,958,919
Mandated expenditures	1,239,525	1,219,965
Administrative expenses	66,995	311,612
Total operating expenses	<u>95,184,005</u>	<u>74,653,705</u>
Change in net position	(48,399)	121,355
Net position at beginning of year	<u>1,637,607</u>	<u>1,516,252</u>
Net position at end of year	<u>\$ 1,589,208</u>	<u>1,637,607</u>

See accompanying notes to financial statements.



HOMELESS HOUSING AND ASSISTANCE CORPORATION  
 Statements of Cash Flows  
 Years ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
New York State appropriations	\$ 105,345,882	52,251,676
Mortgage Insurance Fund	27,155,758	10,000,001
Interest income	18,595	375,017
Miscellaneous income	<u>-</u>	<u>57,950</u>
Operating receipts	<u>132,520,235</u>	<u>62,684,644</u>
Capital projects	97,147,062	58,169,532
Medicaid Redesign Team	3,076,348	3,912,183
Mortgage Insurance Fund	32,064,715	10,958,919
Mandated expenditures	1,239,525	1,219,965
Administrative expenses	<u>66,995</u>	<u>311,612</u>
Operating disbursements	<u>133,594,645</u>	<u>74,572,211</u>
Net cash used in operating activities	(1,074,410)	(11,887,567)
Cash at beginning of year	<u>23,925,405</u>	<u>35,812,972</u>
Cash at end of year	<u>\$ 22,850,995</u>	<u>23,925,405</u>
Cash flows from operating activities:		
Change in net position	(48,399)	121,355
Adjustments to reconcile change in net position to net cash used in operating activities - changes in:		
Advances receivable	-	81,493
Unearned revenue	<u>(1,026,011)</u>	<u>(12,090,415)</u>
Net cash used in operating activities	<u>\$ (1,074,410)</u>	<u>(11,887,567)</u>

See accompanying notes to financial statements.

# HOMELESS HOUSING AND ASSISTANCE CORPORATION

## Notes to Financial Statements

March 31, 2021 and 2020

### (1) Organization

The Homeless Housing and Assistance Corporation (the Corporation), a New York State public benefit corporation, was established on June 8, 1990, by the Legislature of the State of New York (the State). The Corporation is a component unit of the State and is included in the State's financial statements. The Corporation was created to administer the Homeless Housing and Assistance Program (HHAP) that was formerly administered by the Department of Social Services (DSS), now known as the New York State Office of Temporary and Disability Assistance (OTDA). Funding received by the Corporation is used for the purpose of expanding the availability of housing for homeless persons by preserving and creating affordable housing. The monies may be used to construct new properties, rehabilitate under-utilized property, or convert vacant nonresidential property to residential use for occupancy by persons of low income who are homeless. The Corporation's Board of Directors is comprised of the Commissioner of OTDA, the Commissioner of the Housing Finance Agency (HFA), and a member appointed by the Commissioner of OTDA. In addition, the Board of Directors includes a non-voting advisory member consisting of the Commissioner of New York State Office of Alcoholism and Substance Abuse Services (OASAS). The Board is chaired by the Commissioner of OTDA.

### (2) Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

#### (a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Corporation's reports are based on all applicable GASB pronouncements.

#### (b) Basis of Presentation

The accompanying financial statements have been prepared in accordance with GAAP for government entities as prescribed by the GASB for enterprise funds. The Corporation reports its financial activity in one enterprise fund.

#### (c) Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### (d) Cash

For purposes of reporting cash flows, cash includes money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

## HOMELESS HOUSING AND ASSISTANCE CORPORATION

### Notes to Financial Statements, Continued

#### (2) Significant Accounting Policies, Continued

##### (e) Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

##### (f) Mortgage Notes and Accrued Interest Receivable

The Corporation considers that the collection of its mortgage notes and accrued interest receivable are not reasonably assured and, accordingly, has fully reserved the balances. Repayments of the notes are considered revenue when received.

##### (g) Investments

The investment policy of the Corporation stipulates that the Corporation may invest in obligations of the State, the United States government, repurchase agreements, or money market deposit accounts. Repurchase agreements must be collateralized by obligations guaranteed by the United States government, which are equal in value to the repurchase agreement. The agreements shall not exceed sixty days and payment shall be made only upon delivery of collateral to the Corporation's agent. All investments and related collateral are held by the Corporation's agent in the Corporation's name.

##### (h) Capitalization and Depreciation

Equipment is recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of revenue, expenses and changes in net position.

##### (i) Unearned Revenue and Revenue Recognition

The Corporation recognizes appropriations from the State at the time capital projects or mandated expenditures are recognized. Interest income is recognized as revenue when earned. Other revenues are recognized as cash is received.

##### (j) Capital Projects Expenditures

Capital projects expenditures consist of awards to fund projects for eligible homeless housing facilities. Project costs include the costs of any or all undertakings necessary for planning, financing, land acquisition, demolition, construction, rehabilitation, equipment and site development, per Social Services Law Section 42(3), other than project costs which the commissioner finds to be necessary in accordance with Social Services Law 43(9); and technical assistance expenditures. Disbursements are made upon approval of certified vouchers. Claims which have approved certified vouchers and are not paid at March 31 are shown as "warrants payable."

## HOMELESS HOUSING AND ASSISTANCE CORPORATION

### Notes to Financial Statements, Continued

#### (2) Significant Accounting Policies, Continued

##### (k) Income Tax

The revenues of the Corporation are exempt from all federal and state income taxes under the provisions of its enabling legislation.

##### (l) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

##### (m) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

#### (3) Special Revenue Account - Administrative Expenses

OTDA provides administrative services to the Corporation. Services provided include, but are not limited to drafting policies and procedures, preparation and issuance of requests for proposals, evaluation of applications, recommendation of allocations of available funds, and technical assistance. Funds used to pay these services are held by the New York State Office of the State Comptroller. There were no costs charged to the Corporation for these services for the years ended March 31, 2021 and 2020.

#### (4) Mortgage Notes Receivable

On June 8, 1990, the DSS held mortgage notes receivable totaling \$10,031,340, that were made to project sponsors. These loans were made in accordance with Section 43 of the Social Services Law regarding homeless housing and assistance contracts. The mortgages were assumed by the Corporation at its inception.

At March 31, 2021 and 2020, the Corporation had recorded notes receivable of \$507,076,439 and \$490,856,264, respectively, and accrued interest totaling \$51,728,906 and \$41,031,524, respectively. Management of the Corporation considers that the collection of these mortgage notes and related accrued interest receivable are not reasonably assured and, accordingly, has fully reserved the balances. Revenue (note payments) is recognized when received by the Corporation. A summary of mortgage notes receivable at March 31, 2021 is as follows:

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

					March 31, 2021	
<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>		<u>Principal</u>	<u>Accrued Interest</u>	
5/12/1992	5/12/2022	0.25%	\$	1,317,824	98,381	
8/29/1996	12/15/2025	1.00%		2,500,000	650,075	
6/25/1997	9/1/2027	1.00%		2,936,835	726,974	
7/30/1998	2/12/2029	1.00%		378,768	95,980	
7/28/1998	8/8/2030	1.00%		1,443,032	263,582	
2/8/1999	11/1/2026	1.00%		399,716	101,589	
9/11/1995	11/1/2027	1.00%		2,113,216	527,365	
8/7/1995	11/25/2027	1.00%		4,693,235	1,210,227	
8/8/1995	7/7/2027	1.00%		1,150,000	294,010	
6/22/2012	4/23/2027	1.00%		4,760,631	1,127,681	
10/31/1997	8/29/2028	1.00%		695,170	161,715	
3/25/1998	1/4/2029	1.00%		2,100,000	491,051	
6/26/1997	7/30/2029	1.00%		1,175,240	274,370	
12/4/1997	5/22/2029	1.00%		2,075,000	475,450	
10/16/1995	12/29/2025	1.00%		400,000	101,495	
1/14/1998	2/26/2029	1.00%		1,819,022	128,224	
4/1/1996	10/2/2026	1.00%		160,000	39,429	
12/20/1996	1/1/2055	1.00%		4,000,000	973,396	
3/6/1998	10/1/2029	1.00%		4,000,000	923,836	
7/28/1998	11/8/2030	1.00%		950,000	212,680	
3/10/2006	3/10/2036	1.00%		15,000	2,265	
10/1/2002	10/12/2034	1.00%		2,200,000	399,781	
11/24/1999	10/31/2030	1.00%		1,421,000	295,880	
2/2/2001	1/2/2033	1.00%		5,048,046	965,351	
7/25/2000	11/13/2032	1.00%		5,070,000	1,013,848	
9/28/2001	5/26/2034	1.00%		1,280,100	222,533	
6/25/2001	2/12/2033	0.00%		3,005,100	-	
12/20/2004	5/31/2037	1.00%		6,046,981	944,013	
3/11/2002	9/16/2032	1.00%		725,600	136,421	
7/22/2002	11/2/2035	1.00%		2,106,200	359,697	
6/10/2003	11/29/2035	1.00%		2,471,700	403,968	
12/3/2002	10/6/2036	1.00%		1,218,652	224,137	

(Continued)

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

					March 31, 2021	
<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>		<u>Principal</u>	<u>Accrued</u>	<u>Interest</u>
9/29/2003	10/2/2036	1.00%	\$	2,903,100	451,627	
1/16/2003	5/15/2035	1.00%		5,469,414	934,873	
9/26/2003	4/30/2030	1.00%		1,295,070	217,807	
7/26/2007	4/9/2038	0.25%		6,200,387	444,082	
5/3/2007	1/31/2037	1.00%		2,340,000	251,722	
11/25/2003	7/1/2035	0.25%		3,647,000	148,851	
6/29/2004	5/8/2036	1.00%		2,529,000	406,765	
12/30/2003	3/31/2036	1.00%		3,675,000	575,784	
9/8/2005	4/14/2035	1.00%		2,890,000	485,082	
8/3/2004	8/3/2030	0.00%		1,468,170	-	
6/28/2004	5/31/2036	1.00%		3,100,000	504,805	
5/17/2006	12/27/2037	1.00%		3,140,000	434,566	
3/7/2006	3/15/2038	1.00%		3,282,777	498,088	
8/8/2005	7/13/2036	1.00%		3,698,400	554,048	
9/19/2005	6/1/2037	1.00%		2,000,000	276,340	
12/23/2005	4/30/2039	1.00%		6,749,800	968,415	
2/23/2006	1/1/2038	1.00%		2,480,224	336,687	
12/27/2006	8/7/2059	1.00%		3,600,000	520,452	
9/24/2009	12/1/2041	1.00%		4,632,300	453,383	
6/20/2006	6/20/2047	0.25%		1,950,000	68,650	
7/11/2006	7/1/2037	1.00%		1,150,000	163,826	
10/27/2006	10/21/2039	1.00%		4,500,000	599,260	
12/28/2006	1/31/2041	1.00%		6,521,157	828,495	
12/28/2006	11/24/2058	1.00%		3,732,450	505,875	
4/16/2007	12/5/2037	1.00%		720,700	98,884	
6/26/2007	3/31/2039	0.00%		2,000,000	-	
11/2/2007	3/15/2045	1.00%		3,327,170	411,452	
12/19/2007	1/14/2040	0.00%		3,500,000	441,340	
11/8/2007	11/29/2041	1.00%		3,150,000	336,656	
12/18/2009	12/20/2061	0.00%		5,000,000	-	
8/4/2008	4/30/2039	1.00%		1,300,000	160,959	
7/30/2008	2/28/2040	1.00%		1,007,400	121,013	

(Continued)

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

					<u>March 31, 2021</u>	
<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>		<u>Principal</u>	<u>Accrued Interest</u>	
12/23/2008	8/31/2040	1.00%	\$	5,500,000	646,094	
6/17/2011	4/14/2042	1.00%		3,185,950	352,876	
6/8/2009	3/29/2041	1.00%		1,803,600	209,284	
10/14/2009	6/10/2042	1.00%		2,750,000	267,189	
11/4/2009	10/18/2042	0.00%		4,423,620	-	
8/2/2010	12/31/2062	1.00%		4,800,000	449,163	
6/10/2010	4/15/2042	1.00%		5,580,554	580,527	
8/13/2010	3/29/2041	1.00%		721,386	292,189	
7/8/2010	12/5/2042	0.00%		4,869,485	-	
7/20/2010	8/1/2062	0.00%		4,572,614	-	
9/1/2010	8/31/2042	1.00%		3,000,000	281,827	
6/29/2011	12/31/2043	1.00%		5,200,000	458,003	
10/18/2011	12/9/2043	1.00%		3,575,390	325,483	
9/8/2011	11/22/2042	0.00%		1,000,000	-	
6/15/2012	6/15/2044	1.00%		4,000,000	334,300	
9/26/2012	1/19/2044	1.00%		2,340,519	187,073	
2/15/2012	11/30/2044	0.00%		3,000,000	-	
6/21/2012	12/31/2063	6.25%		2,402,490	1,325,960	
7/16/2012	1/31/2044	0.00%		3,500,000	-	
10/11/2012	9/1/2064	1.00%		4,481,621	341,966	
12/20/2012	11/13/2044	1.00%		4,629,750	307,100	
4/26/2013	12/22/2045	4.85%		7,000,000	2,712,795	
6/26/2013	12/30/2075	6.25%		3,500,000	1,149,486	
6/28/2013	10/28/2075	4.50%		3,250,000	976,170	
6/25/2013	6/27/2044	1.00%		5,500,000	401,195	
6/27/2013	1/20/2046	1.00%		3,720,000	262,331	
6/27/2013	12/30/2045	1.00%		1,677,469	88,102	
11/19/2013	9/30/2046	4.50%		5,684,000	1,532,158	
12/19/2013	10/14/2046	0.00%		3,825,000	-	
12/31/2013	12/31/2044	6.00%		3,179,128	1,643,443	
6/23/2014	3/15/2047	5.25%		6,000,000	1,779,293	
8/18/2015	9/28/2046	0.00%		1,500,000	-	

(Continued)

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

March 31, 2021				
<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Accrued Interest</u>
12/18/2014	8/15/2047	1.00%	\$ 7,500,000	313,549
12/30/2014	1/28/2048	0.00%	2,000,000	-
3/13/2015	6/16/2046	0.00%	1,672,000	-
6/3/2015	9/19/2078	4.50%	3,680,000	112,024
6/15/2015	9/29/2046	5.50%	5,240,915	1,634,190
6/30/2015	10/15/2047	3.75%	6,000,000	1,096,795
6/26/2018	10/14/2045	5.00%	3,765,000	178,674
10/27/2015	6/1/2068	1.00%	3,000,000	143,746
11/18/2015	12/5/2048	0.00%	2,500,000	-
12/23/2015	TBD	1.00%	5,133,891	114,564
2/11/2016	7/31/2047	0.00%	1,907,120	-
2/25/2016	5/1/2047	0.00%	4,283,637	-
4/26/2015	TBD	1.00%	6,508,240	229,154
4/27/2016	5/31/2058	0.00%	1,717,911	-
6/23/2016	8/6/2073	2.22%	4,250,000	342,174
9/22/2016	TBD	2.25%	5,850,000	233,964
11/7/2016	TBD	5.00%	5,500,000	924,575
11/10/2016	4/9/2048	1.00%	2,015,000	69,406
11/29/2016	3/16/2068	1.00%	1,711,839	51,117
2/28/2017	2/8/2047	0.00%	2,762,865	114,771
3/16/2017	TBD	4.50%	3,500,000	517,864
3/22/2017	10/1/2045	0.00%	2,500,000	-
5/17/2017	TBD	1.00%	2,700,000	71,100
5/12/2017	TBD	0.00%	2,993,268	-
6/28/2017	TBD	1.00%	5,060,000	159,352
6/29/2017	TBD	0.00%	3,120,000	-
6/29/2017	TBD	1.00%	6,222,012	139,595
6/29/2017	TBD	0.00%	5,900,000	-
8/30/2017	TBD	0.00%	3,771,676	-
10/2/2017	10/1/2048	1.00%	3,021,260	98,765
9/28/2017	TBD	4.00%	770,000	51,354
12/7/2017	TBD	0.00%	1,250,000	-

(Continued)



HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

			<u>March 31, 2021</u>	
<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Accrued Interest</u>
1/22/2018	TBD	3.61%	\$ 5,498,735	418,078
3/14/2018	TBD	0.00%	2,222,219	-
10/4/2017	TBD	5.00%	3,500,000	859,670
6/6/2016	TBD	5.00%	7,750,000	679,927
12/6/2017	TBD	0.00%	3,112,670	-
6/25/2018	TBD	0.00%	7,000,000	-
12/5/2018	TBD	0.00%	1,318,316	-
11/14/2018	TBD	1.00%	2,152,000	30,464
6/25/2018	TBD	0.00%	8,925,000	-
6/21/2019	TBD	1.00%	5,776,625	46,400
6/20/2019	TBD	1.00%	2,850,000	21,355
6/27/2019	TBD	0.00%	2,700,000	-
7/18/2019	TBD	1.00%	4,689,000	56,333
9/6/2019	TBD	1.00%	2,970,000	14,697
8/28/2019	TBD	0.00%	3,255,528	-
11/6/2019	TBD	0.00%	2,750,000	-
11/6/2019	TBD	0.00%	3,380,000	-
12/18/2019	TBD	2.07%	5,500,000	39,837
1/30/2020	TBD	0.00%	1,962,500	-
4/15/2020	TBD	0.00%	3,750,000	-
4/11/2020	TBD	3.50%	1,694,049	7,628
9/24/2020	TBD	0.00%	3,580,000	-
12/3/2020	TBD	4.25%	8,250,000	8,586
2/24/2021	TBD	0.00%	<u>1,875,000</u>	<u>-</u>
			<u>\$ 507,076,439</u>	<u>51,728,906</u>

## HOMELESS HOUSING AND ASSISTANCE CORPORATION

### Notes to Financial Statements, Continued

#### (5) Other Asset - Advance Receivable

The Corporation advances funds to various projects during the fiscal year. When services are performed by the contracting vendor and warrants are submitted to the Corporation, amounts are then recognized as an expense and reflected in the statements of revenue, expenses, and changes in net position. There were no advance receivables as of March 31, 2020 or 2021.

#### (6) Unearned Revenue

Unearned revenue amounted to \$21,261,787 and \$22,287,798 at March 31, 2021 and 2020, respectively. This amount primarily represents appropriations from the State to the Corporation in advance of the period to be benefited.

#### (7) Related Party Transactions

Related party transactions for the years ended March 31, 2021 and 2020 are as follows:

##### (a) Fiscal Intermediary Fees

The Corporation pays quarterly fees to the New York State Department of Taxation and Finance (the Department) who acts as a fiscal intermediary for the Corporation. Total fees incurred for the Department's services amounted to \$35,000 for the year ended March 31, 2020. There were no fees incurred for the year ended March 31, 2021.

##### (b) Due From Related Party

The HFA agreed to make up to \$500,000 in Infrastructure Development Demonstration Program (IDDP) funds available to the Corporation. No amounts were expended for the years ended March 31, 2021 and 2020.

##### (c) Component Unit

The Corporation is a component unit of the State and is included in the State's financial statements.

#### (8) Contingencies

The Corporation is involved in various claims and lawsuits against the Corporation arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Corporation's financial position.

## HOMELESS HOUSING AND ASSISTANCE CORPORATION

### Notes to Financial Statements, Continued

#### (9) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61. Effective for fiscal year beginning after December 15, 2019.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors  
Homeless Housing and Assistance Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Homeless Housing and Assistance Corporation (the Corporation), a New York State public benefit corporation, which comprise the statement of net position as of March 31, 2021, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated June 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 2, 2021

**REPORT ON INVESTMENT COMPLIANCE WITH SECTION 201.3  
OF TITLE TWO OF THE OFFICIAL COMPILATION OF CODES,  
RULES AND REGULATIONS OF THE STATE OF NEW YORK**

The Board of Directors  
Homeless Housing and Assistance Corporation:

We have examined the Homeless Housing and Assistance Corporation's (the Corporation), a New York State public benefit corporation, compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York (Section 201.3) during the year ended March 31, 2021. Management is responsible for the Corporation's compliance with Section 201.3. Our responsibility is to express an opinion on the Corporation's compliance with Section 201.3 based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about the Corporation's compliance with Section 201.3. An examination involves performing procedures to obtain evidence about the Corporation's compliance with Section 201.3. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Corporation's compliance with Section 201.3, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Corporation complied in all material respects with Section 201.3 during the year ended March 31, 2021.

In accordance with Government Auditing Standards, we are required to report significant deficiencies in internal control, violations of provisions of laws, regulations, contracts, or grant agreements, and abuse that are material to the Corporation's compliance with Section 201.3 and any fraud or illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain views of management on those matters. We performed our examination to express an opinion on Corporation's compliance with Section 201.3 and not for the purpose of expressing an opinion on internal control over compliance with Section 201.3 or other matters; accordingly, we express no such opinion. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of Corporation management, the Board of Directors, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 2, 2021