

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**

**MID-YEAR UPDATE TO  
THE APPROVED BUDGET FOR FISCAL YEAR 2016-17 AND  
MULTI-YEAR FINANCIAL PLAN FOR 2017-18 THROUGH 2019-20  
(As of September 30, 2016)**

## **Introduction**

In accordance with Title 2, Section 203.8 of the *Official Compilation of Codes, Rules and Regulations of the State of New York*, the New York Local Government Assistance Corporation (the “Corporation” or “LGAC”) presents an update to the Corporation’s annual budget for fiscal year 2016-17.

The following pages present information to update the status of the budget based upon actual results of financial activities of the Corporation through the second quarter which ended September 30, 2016. The following information is presented for each of the Corporation’s two funds:

- Actual results for the fiscal year ended March 31, 2016;
- Approved budget for fiscal year 2016-17;
- Financial activities that were anticipated in the budget for the period ended September 30, 2016;
- Results of actual financial activities for the period ended September 30, 2016;
- Variances between actual financial activities and anticipated financial activities as of the period ended September 30, 2016; and
- Revised fiscal year 2016-17 Budget and Multi-year Plan.

## **Financial Activities for the period ended September 30, 2016**

Anticipated and actual results of financial activities in the General and Debt Service Funds for the period ended September 30, 2016 are presented in this report.

## **Revised 2016-17 Budget**

### General Fund

The Corporation experienced higher than anticipated investment earnings during the first half of the fiscal year, and therefore the budgeted amount for Investment receipts has been revised upward by \$6 thousand.

### Debt Service Fund

Investment receipts have been increased by \$203 thousand as a result of the higher than anticipated investment earnings that the corporation has received on its Debt Service fund investments. Consequently, the State appropriations receipts category has been reduced by \$200 thousand.

The amount anticipated for the Payment of interest during the 2016-17 fiscal year has been revised upward by \$356 thousand, reflecting higher actual interest paid by the Corporation on its variable rate bonds than what had been projected at the time the 2016-17 budget was developed.

## **Multi-Year Financial Plan**

The current multi-year financial plan covering fiscal years ending March 31, 2018 through March 31, 2020 is included in this report and has been updated to reflect projected activity based on the Corporation’s current portfolio.

**New York Local Government Assistance Corporation**  
**Mid-Year Report to Annual Budget for Fiscal Year 2016-17**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**With Actual Results Through September 30, 2016**  
**Modified Accrual Basis of Accounting w/Adjustment for Cash**  
*Amounts in Thousands*

**GENERAL FUND**

FISCAL PERIOD END	Actual Year	Approved	Anticipated	Actual	Variance
	Ended	Budget	Mid-Year	Mid-Year	Mid-Year
	March 31, 2016 (1)	Fiscal Year	Ended	Ended	Ended
		March 31, 2017	September 30, 2016	September 30, 2016 (2)	September 30, 2016
<b>Beginning of Period Cash and Investments</b>	\$ 3,028	\$ 3,007	\$ 3,046	\$ 3,046	\$ -
<b>Receipts/Revenues:</b>					
State appropriations receipts	3,453	3,045	1,510	1,510	-
Investment receipts	4	1	1	3	2
Total receipts	<u>3,457</u>	<u>3,046</u>	<u>1,511</u>	<u>1,513</u>	<u>2</u>
Adjustment for accrual of investment earnings	-	-	-	-	-
Total revenues	<u>3,457</u>	<u>3,046</u>	<u>1,511</u>	<u>1,513</u>	<u>2</u>
<b>Disbursements/Expenditures:</b>					
Liquidity support costs	2,715	2,473	1,236	1,236	-
Variable rate bond remarketing fees	428	331	180	197	17
Other costs	296	276	147	147	-
Total disbursements	<u>3,439</u>	<u>3,080</u>	<u>1,563</u>	<u>1,580</u>	<u>17</u>
Adjustment for accounts payable	(26)	-	-	12	12
Total expenditures	<u>3,413</u>	<u>3,080</u>	<u>1,563</u>	<u>1,592</u>	<u>29</u>
Excess (deficiency) of revenues over General Fund expenditures	<u>44</u>	<u>(34)</u>	<u>(52)</u>	<u>(79)</u>	<u>(27)</u>
<b>End of Period Cash and Investments</b>	<u>\$ 3,046</u>	<u>\$ 2,973</u>	<u>\$ 2,994</u>	<u>\$ 2,979</u>	<u>\$ (15)</u>

**Notes:**

1. Amounts reported for actual year ended March 31, 2016 reflect audited amounts.
2. Amounts reported for the actual mid-year ended September 30, 2016 reflect unaudited amounts.

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**Amounts in Thousands**

<b>DEBT SERVICE FUND</b>					
<b>FISCAL PERIOD END</b>	<b>Actual Year Ended</b>	<b>Approved Budget Fiscal Year</b>	<b>Anticipated Mid-Year Ended</b>	<b>Actual Mid-Year Ended</b>	<b>Variance Mid-Year Ended</b>
	<b>March 31, 2016 (1)</b>	<b>March 31, 2017</b>	<b>September 30, 2016</b>	<b>September 30, 2016 (2)</b>	<b>September 30, 2016</b>
<b>Beginning of Period Cash and Investments</b>					
Amounts required for current debt maturities	\$ 341,758	\$ 349,109	\$ 347,941	\$ 347,941	\$ -
Restricted bond reserves	<u>147,236</u>	<u>147,185</u>	<u>147,131</u>	<u>147,131</u>	<u>-</u>
Total beginning of period cash and investments	488,994	496,294	495,072	495,072	-
<b>Receipts/Revenues:</b>					
State appropriations receipts	389,549	368,120	38,353	38,353	-
Investment receipts	<u>1,345</u>	<u>1,253</u>	<u>736</u>	<u>736</u>	<u>-</u>
Total receipts	<u>390,894</u>	<u>369,373</u>	<u>39,089</u>	<u>39,089</u>	<u>-</u>
Adjustment for accrual of investment earnings	<u>82</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
Total revenues	<u>390,976</u>	<u>369,373</u>	<u>39,089</u>	<u>39,095</u>	<u>6</u>
<b>Disbursements/Expenditures:</b>					
Repayment of principal	286,640	300,225	300,225	300,225	-
Payment of interest	<u>97,955</u>	<u>83,693</u>	<u>46,185</u>	<u>46,185</u>	<u>-</u>
Total disbursements	<u>384,595</u>	<u>383,918</u>	<u>346,410</u>	<u>346,410</u>	<u>-</u>
Adjustment for Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>384,595</u>	<u>383,918</u>	<u>346,410</u>	<u>346,410</u>	<u>-</u>
Excess (deficiency) of revenues over Debt Service Fund expenditures	<u>6,381</u>	<u>(14,545)</u>	<u>(307,321)</u>	<u>(307,315)</u>	<u>6</u>
<b>Net Change In Fund Balance</b>	<u>6,381</u>	<u>(14,545)</u>	<u>(307,321)</u>	<u>(307,315)</u>	<u>6</u>
Change in accruals for investment income	<u>(221)</u>	<u>-</u>	<u>-</u>	<u>(493)</u>	<u>(493)</u>
<b>End of Period Cash and Investments:</b>					
Amounts required for current debt maturities	347,941	335,784	41,758	41,265	(493)
Restricted bond reserves	<u>147,131</u>	<u>145,965</u>	<u>145,993</u>	<u>145,993</u>	<u>-</u>
Total end of period cash and investments	<u>\$ 495,072</u>	<u>\$ 481,749</u>	<u>\$ 187,751</u>	<u>\$ 187,258</u>	<u>\$ (493)</u>

**Notes**

1. Amounts reported for actual year ended March 31, 2016 reflect audited amounts.
2. Amounts reported for the actual mid-year ended September 30, 2016 reflect unaudited amounts.

**New York Local Government Assistance Corporation**  
**Mid-Year Report to Annual Budget for Fiscal Year 2016-17**  
**Including multi-year financial plan with actual results for fiscal year 2015-16 and a revised forecast for fiscal years 2016-17 through 2019-20**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
Modified Accrual Basis of Accounting w/Adjustment for Cash  
Amounts in Thousands

<b>GENERAL FUND</b>							
<b>FISCAL PERIOD END</b>	<b>March 31, 2016</b>	<b>March 31, 2017</b>	<b>March 31, 2017</b>	<b>Change in</b>	<b>March 31, 2018</b>	<b>March 31, 2019</b>	<b>March 31, 2020</b>
	<b>(Actual) (1)</b>	<b>(Approved Budget)</b>	<b>(Revised Forecast)</b>	<b>Budget</b>	<b>(Revised Forecast)</b>	<b>(Revised Forecast)</b>	<b>(Revised Forecast)</b>
<b>Beginning of Period Cash and Investments</b>	\$ 3,028	\$ 3,007	\$ 3,046	\$ 39	\$ 3,018	\$ 2,997	\$ 2,985
<b>Receipts/Revenues:</b>							
State appropriations receipts	3,453	3,045	3,045	-	2,909	2,880	2,475
Investment receipts (2)	4	1	7	6	7	7	7
Total receipts	<u>3,457</u>	<u>3,046</u>	<u>3,052</u>	<u>6</u>	<u>2,916</u>	<u>2,887</u>	<u>2,482</u>
Adjustment for accrual of investment earnings	-	-	-	-	-	-	-
Total revenues	<u>3,457</u>	<u>3,046</u>	<u>3,052</u>	<u>6</u>	<u>2,916</u>	<u>2,887</u>	<u>2,482</u>
<b>Disbursements/Expenditures:</b>							
Liquidity support costs (3)	2,715	2,473	2,473	-	2,410	2,346	2,049
Variable rate bond remarketing fees	428	331	331	-	267	251	224
Other costs	296	276	276	-	260	302	299
Total disbursements	<u>3,439</u>	<u>3,080</u>	<u>3,080</u>	<u>-</u>	<u>2,937</u>	<u>2,899</u>	<u>2,572</u>
Adjustment for accounts payable	(26)	-	-	-	-	-	-
Total expenditures	<u>3,413</u>	<u>3,080</u>	<u>3,080</u>	<u>-</u>	<u>2,937</u>	<u>2,899</u>	<u>2,572</u>
Excess (deficiency) of revenues over General Fund expenditures	<u>44</u>	<u>(34)</u>	<u>(28)</u>	<u>6</u>	<u>(21)</u>	<u>(12)</u>	<u>(90)</u>
<b>End of Period Cash and Investments</b>	<u>\$ 3,046</u>	<u>\$ 2,973</u>	<u>\$ 3,018</u>	<u>\$ 45</u>	<u>\$ 2,997</u>	<u>\$ 2,985</u>	<u>\$ 2,895</u>

**Notes:**

1. Amounts reported for the fiscal year ended March 31, 2016 reflect audited amounts.
2. Fiscal year 2016-17 investment receipts are based on the rate of interest experienced in first six months of fiscal year 2016-17. Investment receipts for fiscal years after 2016-17 are anticipated to approximate investment receipts from fiscal year 2016-17.
3. Expenditures for Liquidity support costs in fiscal years 2016-17 through 2019-20 reflect current rates.

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<b>DEBT SERVICE FUND</b>							
<b>FISCAL PERIOD END</b>	<b>March 31, 2016 (Actual) (1)</b>	<b>March 31, 2017 (Approved Budget)</b>	<b>March 31, 2017 (Revised Forecast)</b>	<b>Change in Budget</b>	<b>March 31, 2018 (Revised Forecast)</b>	<b>March 31, 2019 (Revised Forecast)</b>	<b>March 31, 2020 (Revised Forecast)</b>
<b>Beginning of Period Cash and Investments</b>							
Amounts required for current debt maturities	\$ 341,758	\$ 349,109	\$ 347,941	\$ (1,168)	\$ 334,054	\$ 259,403	\$ 370,745
Restricted bond reserves	147,236	147,185	147,131	(54)	145,993	145,938	145,938
Total beginning of period cash and investments	488,994	496,294	495,072	(1,222)	480,047	405,341	516,683
<b>Receipts/Revenues:</b>							
State appropriations receipts (2)	389,549	368,120	367,920	(200)	286,730	392,510	387,500
Investment receipts (3)	1,345	1,253	1,456	203	1,435	1,435	1,435
Total receipts	390,894	369,373	369,376	3	288,165	393,945	388,935
Adjustment for accrual of investment earnings	82	-	-	-	-	-	-
Total revenues	390,976	369,373	369,376	3	288,165	393,945	388,935
<b>Expenditures:</b>							
Repayment of principal	286,640	300,225	300,225	-	292,495	224,395	341,080
Payment of interest (4)	97,955	83,693	84,176	483	70,376	58,208	44,124
Total disbursements	384,595	383,918	384,401	483	362,871	282,603	385,204
Adjustment for Accounts payable	-	-	-	-	-	-	-
Total expenditures	384,595	383,918	384,401	483	362,871	282,603	385,204
Excess (deficiency) of revenues over Debt Service Fund expenditures	6,381	(14,545)	(15,025)	(480)	(74,706)	111,342	3,731
<b>Net Change in Fund Balance</b>	<b>6,381</b>	<b>(14,545)</b>	<b>(15,025)</b>	<b>(480)</b>	<b>(74,706)</b>	<b>111,342</b>	<b>3,731</b>
Change in accruals for investment income	(221)	-	-	-	-	-	-
<b>End of Period Cash and Investments</b>							
Amounts required for current debt maturities	347,941	335,784	334,054	(1,730)	259,403	370,745	379,514
Restricted bond reserves	147,131	145,965	145,993	28	145,938	145,938	140,899
Total end of period cash and investments	\$ 495,072	\$ 481,749	\$ 480,047	\$ (1,702)	\$ 405,341	\$ 516,683	\$ 520,413

**Notes:**

1. Amounts reported for the fiscal year ended March 31, 2016 reflect audited amounts.
2. State appropriations receipts for debt service in fiscal year 2016-17 through 2019-20 are based on projected debt service.
3. Investment receipts are based largely on the level of investment receipts anticipated from existing investments of funds in the Corporation's Capital Reserve Fund.
4. The revised forecasted debt service for fiscal year 2016-17 reflects the actual amounts paid through September 30, 2016 and the projected debt service for the period October 1, 2016 through March 31, 2017. Projected debt service payments on variable rate bonds were calculated using the following assumed rates: 3.151 percent, 3.261 percent and 3.194 percent in each fiscal year. These rates are based on the fixed interest rate leg of the relevant interest rate exchange agreement associated with the variable rate bonds.