

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

**MID-YEAR UPDATE TO
THE APPROVED BUDGET FOR FISCAL YEAR 2020-21 AND
MULTI-YEAR FINANCIAL PLAN FOR FISCAL YEARS 2020-21 THROUGH 2023-24
(As of September 30, 2020)**

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 2020-21.

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, 2020. The following information is presented for each of the Corporation’s two funds:

- Actual results for the fiscal year ended March 31, 2020;
- Approved budget for fiscal year ending March 31, 2021;
- Financial activities that were anticipated in the budget for the period ended September 30, 2020;
- Results of actual financial activities for the period ended September 30, 2020;
- Variances between actual financial activities and anticipated financial activities as of the period ended September 30, 2020; and
- Revised fiscal year 2020-21 Budget and Multi-Year Plan.

Financial Activities for the Period Ended September 30, 2020

Anticipated and actual results of financial activities in the General and Debt Service Funds for the period ended September 30, 2020 are presented in this report.

Revised Budget for the Period Ending March 31, 2021

General Fund

The Corporation experienced a reduction of \$857 thousand in liquidity support costs and a reduction of \$105 thousand in variable rate bond remarketing fees due to all of the Corporation’s remaining variable rate bonds being defeased on March 26, 2020 with proceeds from the refunding issuance of the New York State Urban Development Corporation State Sales Tax Revenue Bonds. The resulting standby bond purchase agreements and remarketing agent contracts were terminated on April 10, 2020.

There were no State appropriation receipts during the 2020-21 fiscal year. This is due to the Corporation having sufficient General Fund cash on hand to cover all remaining projected expenses.

The Corporation experienced lower than anticipated investment earnings as a result of the reduction in State appropriation receipts during the first half of the 2020-21 fiscal year, and therefore the budgeted amount for investment receipts has been revised downward by \$21 thousand.

Debt Service Fund

Repayment of principal has been decreased by \$125.5 million and payment of interest has been decreased by \$20 million as a result of the March 2020 defeasance.

State appropriation receipts have been adjusted downward by \$169.6 million, which reflects the above-mentioned defeasance, an anticipated \$12.2 million cash release from the Corporation's Capital Reserve Fund, and a \$527 thousand settlement with UBS regarding LIBOR rate resetting practices.

Investment receipts have been reduced by \$2.1 million due to the large decrease in State appropriation receipts by the Corporation during the 2020-21 fiscal year.

Multi-Year Financial Plan

The current multi-year financial plan covering fiscal years ending March 31, 2022 through March 31, 2024 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 Update to the Approved Budget for Fiscal Year 2020-21
Statement of Revenues, Expenditures and Changes in Fund Balances
With Actual Results Through September 30, 2020
Modified Accrual Basis of Accounting with Adjustment for Cash
Amounts in Thousands

GENERAL FUND

FISCAL PERIOD	Actual Fiscal	Approved	Anticipated	Actual	Variance
	Year Ended	Budget Fiscal	Mid-Year Ended	Mid-Year Ended	Mid-Year Ended
	March 31, 2020 (1)	March 31, 2021	September 30, 2020	September 30, 2020 (2)	September 30, 2020
Beginning of Period Cash and Investments	\$ 1,881	\$ 1,830	\$ 1,554	\$ 1,554	\$ -
Receipts/Revenues:					
State appropriation receipts	1,616	1,434	-	-	-
Investment receipts	28	22	-	-	-
Total receipts	<u>1,644</u>	<u>1,456</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjustment for accrual of investment earnings	-	-	-	-	-
Total revenues	<u>1,644</u>	<u>1,456</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements/Expenditures:					
Liquidity support costs	1,554	1,141	284	284	-
Variable rate bond remarketing fees	196	156	51	51	-
Other costs	221	216	223	223	-
Total disbursements	<u>1,971</u>	<u>1,513</u>	<u>558</u>	<u>558</u>	<u>-</u>
Adjustment for accounts payable	65	-	-	(450)	(450)
Total expenditures	<u>2,036</u>	<u>1,513</u>	<u>558</u>	<u>108</u>	<u>(450)</u>
Excess (Deficiency) of Revenues over General Fund Expenditures	<u>(392)</u>	<u>(57)</u>	<u>(558)</u>	<u>(108)</u>	<u>450</u>
End of Period Cash and Investments	<u>\$ 1,554</u>	<u>\$ 1,773</u>	<u>\$ 996</u>	<u>\$ 996</u>	<u>\$ -</u>

Notes:

1. Amounts reported for the fiscal year ended March 31, 2020 reflect audited amounts.
2. Amounts reported for the mid-year ended September 30, 2020 reflect unaudited amounts.

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DEBT SERVICE FUND					
FISCAL PERIOD	Actual Fiscal Year Ended	Approved Budget Fiscal Year Ending	Anticipated Mid-Year Ended	Actual Mid-Year Ended	Variance Mid-Year Ended
	March 31, 2020 (1)	March 31, 2021	September 30, 2020	September 30, 2020 (2)	September 30, 2020
Beginning of Period Cash and Investments:					
Amounts required for current debt maturities	\$ 400,669	\$ 304,651	\$ 169,688	\$ 169,688	\$ -
Restricted bond reserves	111,870	90,604	12,238	12,238	-
Total beginning of period cash and investments	<u>512,539</u>	<u>395,255</u>	<u>181,926</u>	<u>181,926</u>	<u>-</u>
Receipts/Revenues:					
State appropriation receipts	300,785	249,020	-	-	-
Public Authority proceeds	381,304	-	-	-	-
Settlement income	-	-	-	527	527
Investment receipts	4,601	2,111	-	1	1
Total receipts	<u>686,690</u>	<u>251,131</u>	<u>-</u>	<u>528</u>	<u>528</u>
Adjustment for accrual of investment earnings	<u>(390)</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Total revenues	<u>686,300</u>	<u>251,131</u>	<u>-</u>	<u>535</u>	<u>535</u>
Disbursements/Expenditures:					
Repayment of principal	941,890	288,505	162,975	162,975	-
Payment of interest	74,905	26,622	4,514	4,514	-
Total disbursements	<u>1,016,795</u>	<u>315,127</u>	<u>167,489</u>	<u>167,489</u>	<u>-</u>
Adjustment for accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,016,795</u>	<u>315,127</u>	<u>167,489</u>	<u>167,489</u>	<u>-</u>
Excess (Deficiency) of Revenues over Debt Service Fund Expenditures					
	<u>(330,495)</u>	<u>(63,996)</u>	<u>(167,489)</u>	<u>(166,954)</u>	<u>535</u>
Change in accruals for investment	<u>(508)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Period Cash and Investments:					
Amounts required for current debt maturities	169,688	240,655	2,201	2,727	526
Restricted bond reserves	12,238	90,604	12,236	12,238	2
Total end of period cash and investments	<u>\$ 181,926</u>	<u>\$ 331,259</u>	<u>\$ 14,437</u>	<u>\$ 14,965</u>	<u>\$ 528</u>

Notes:

1. Amounts reported for the fiscal year ended March 31, 2020 reflect audited amounts.
2. Amounts reported for the mid-year ended September 30, 2020 reflect unaudited amounts.

New York Local Government Assistance Corporation
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Including multi-year financial plan with actual results for fiscal year 2019-20 and a revised forecast for fiscal years 2020-21 through 2023-24
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GENERAL FUND							
FISCAL PERIOD END	March 31, 2020 (Actual) (1)	March 31, 2021 (Approved Budget)	March 31, 2021 (Revised Forecast)	Change in Budget	March 31, 2022 (Revised Forecast)	March 31, 2023 (Revised Forecast)	March 31, 2024 (Revised Forecast)
Beginning of Period Cash and Investments	\$ 1,881	\$ 1,830	\$ 1,554	\$ (276)	\$ 974	\$ 940	\$ 927
Receipts/Revenues:							
State appropriation receipts	1,616	1,434	-	(1,434)	-	-	-
Investment receipts (2)	28	22	1	(21)	1	1	1
Total receipts	<u>1,644</u>	<u>1,456</u>	<u>1</u>	<u>(1,455)</u>	<u>1</u>	<u>1</u>	<u>1</u>
Adjustment for accrual of investment earnings	-	-	-	-	-	-	-
Total revenues	<u>1,644</u>	<u>1,456</u>	<u>1</u>	<u>(1,455)</u>	<u>1</u>	<u>1</u>	<u>1</u>
Disbursements/Expenditures:							
Liquidity support costs	1,554	1,141	284	(857)	-	-	-
Variable rate bond remarketing fees	196	156	51	(105)	-	-	-
Other costs	221	216	246	30	35	14	-
Total disbursements	<u>1,971</u>	<u>1,513</u>	<u>581</u>	<u>(932)</u>	<u>35</u>	<u>14</u>	<u>-</u>
Adjustment for accounts payable	65	-	-	-	-	-	-
Total expenditures	<u>2,036</u>	<u>1,513</u>	<u>581</u>	<u>(932)</u>	<u>35</u>	<u>14</u>	<u>-</u>
Excess (Deficiency) of Revenues over General Fund Expenditures	<u>(392)</u>	<u>(57)</u>	<u>(580)</u>	<u>(523)</u>	<u>(34)</u>	<u>(13)</u>	<u>1</u>
End of Period Cash and Investments	<u>\$ 1,554</u>	<u>\$ 1,773</u>	<u>\$ 974</u>	<u>\$ (799)</u>	<u>\$ 940</u>	<u>\$ 927</u>	<u>\$ 928</u>

Notes:

1. Amounts reported for the fiscal year ended March 31, 2020 reflect audited amounts.
2. Fiscal year 2020-21 investment receipts are based on the rate of interest experienced in the first six months of fiscal year 2020-21. Investment receipts for fiscal years after 2020-21 are projected using the remaining General Fund cash balance at an assumed rate of 0.074%.

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DEBT SERVICE FUND							
FISCAL PERIOD END	March 31, 2020 (Actual) (1)	March 31, 2021 (Approved Budget)	March 31, 2021 (Revised Forecast)	Change in Budget	March 31, 2022 (Revised Forecast)	March 31, 2023 (Revised Forecast)	March 31, 2024 (Revised Forecast)
Beginning of Period Cash and Investments:							
Amounts required for current debt maturities	\$ 400,669	\$ 304,651	\$ 169,688	\$ (134,963)	\$ 80,035	\$ 4	\$ 4
Restricted bond reserves	111,870	90,604	12,238	(78,366)	12,238	-	-
Total beginning of period cash and investments	<u>512,539</u>	<u>395,255</u>	<u>181,926</u>	<u>(213,329)</u>	<u>92,273</u>	<u>4</u>	<u>4</u>
Receipts/Revenues:							
State appropriation receipts	300,785	249,020	79,430	(169,590)	70	-	-
Public Authority proceeds	381,304	-	-	-	-	-	-
Settlement income	-	-	527	527	-	-	-
Investment receipts (2)	4,601	2,111	15	(2,096)	-	-	-
Total receipts	<u>686,690</u>	<u>251,131</u>	<u>79,972</u>	<u>(171,159)</u>	<u>70</u>	<u>-</u>	<u>-</u>
Adjustment for accrual of investment earnings	(390)	-	-	-	-	-	-
Total revenues	<u>686,300</u>	<u>251,131</u>	<u>79,972</u>	<u>(171,159)</u>	<u>70</u>	<u>-</u>	<u>-</u>
Disbursements/Expenditures:							
Repayment of principal	941,890	288,505	162,975	(125,530)	90,135	-	-
Payment of interest	74,905	26,622	6,650	(19,972)	2,136	-	-
Arbitrage rebate	-	-	-	-	68	-	-
Total disbursements	<u>1,016,795</u>	<u>315,127</u>	<u>169,625</u>	<u>(145,502)</u>	<u>92,339</u>	<u>-</u>	<u>-</u>
Adjustment for accounts payable	-	-	-	-	-	-	-
Total expenditures	<u>1,016,795</u>	<u>315,127</u>	<u>169,625</u>	<u>(145,502)</u>	<u>92,339</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Debt Service Fund Expenditures							
	<u>(330,495)</u>	<u>(63,996)</u>	<u>(89,653)</u>	<u>(25,657)</u>	<u>(92,269)</u>	<u>-</u>	<u>-</u>
Change in accruals for investments	<u>(508)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Period Cash and Investments:							
Amounts required for current debt maturities	169,688	240,655	80,035	(160,620)	4	4	4
Restricted bond reserves	12,238	90,604	12,238	(78,366)	-	-	-
Total end of period cash and investments	<u>\$ 181,926</u>	<u>\$ 331,259</u>	<u>\$ 92,273</u>	<u>\$ (238,986)</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>

Notes:

1. Amounts reported for the fiscal year ended March 31, 2020 reflect audited amounts.
2. Investment receipts are based largely on the level of investment receipts anticipated from existing investments of funds in the Corporation's Capital Reserve Fund.