

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**

**PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2010-11**

**AND**

**MULTI-YEAR FINANCIAL PLAN FOR  
FISCAL YEARS 2010-11 THROUGH 2013-14**

**December 30, 2009**

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## **Introduction**

In accordance with Section 2801 of Public Authorities Law and Title 2, Chapter 5, Part 203 of the *Official Compilation of Codes, Rules and Regulations of the State of New York*, the New York Local Government Assistance Corporation (the Corporation) presents herewith its proposed annual budget and multi-year financial plan (the plan) for fiscal years 2010-11 through 2013-14 for review and approval by the Corporation's Board of Directors.

## Organization

The Corporation was established by Chapter 220, of the Laws of 1990 (the Act, as amended) to issue up to \$4.7 billion in long-term debt in order to finance certain local assistance payments made by the State, in addition to bonds necessary to fund a capital reserve account, costs of issuance and a limited amount of capitalized interest. The fiscal year ended March 31, 2009 was the eighteenth year of the Corporation's existence. The Corporation's continued operations are entirely dependent upon the annual appropriations received from the State. Pursuant to the Act establishing the Corporation, the State deposits sales and use tax revenues equal to a rate of taxation of one percent into a special fund (the Local Government Assistance Tax Fund, or the Fund), which is used by the State to make necessary payments to the Corporation. Payments of debt service on the Corporation's bonds are made from appropriations received from the State. The Corporation's bondholders do not have a lien on monies deposited in the Fund.

In accordance with the Municipal Assistance Refinancing Act effective July 1, 2003, the Corporation is also responsible for annually certifying, through June 30, 2034, the release of \$170 million out of the Fund after appropriation by the Legislature, for payment to the Sales Tax Asset Receivable Corporation (STARC). STARC was created by the City of New York to securitize the annual payments from the Fund used to refinance all bonds of the Municipal Assistance Corporation for City of New York (MAC) and all debt of the City of New York held by MAC. In August 2003, the New York State Court of Appeals found that any annual payment required by the State could not interfere with the Corporation's bondholders' rights. Amounts in excess of the payment to STARC and the Corporation's needs are transferred from the Fund to the State's General Fund after the Corporation's requirements have been met as provided by statute.

The Corporation's Enabling Act requires the State to enter into an agreement with the State Comptroller whereby the Comptroller is made the exclusive agent for issuance of the Corporation's bonds and notes. Exclusive Agent agreements to date have also delegated the administration of a number of on-going responsibilities including the investment of the Corporation's funds. The Corporation utilizes the staff of the Office of the State Comptroller, the Division of the Budget and the Attorney General in order to provide for on-going operational activities at no cost to the Corporation. The Corporation is governed by a seven-member Board of Directors, comprised of the State Comptroller and the Director of the Budget of the State of New York, both of whom serve "ex officio," and five other Directors appointed by the Governor. In addition, the Secretary to the Senate Finance Committee of the New York State Senate and the Secretary to the Ways and Means Committee of the New York State Assembly are non-voting representatives on the Board.

The Corporation does not compensate its Directors. The Corporation's Directors appoint its key officers (General Counsel, Executive Directors, Treasurer, Secretary and Internal Control Officer). The Board of Directors has provided the Treasurer and Secretary with the authorization to appoint assistants. The Board of Directors, non-voting representatives and officers of the Corporation as of December 1, 2009 are presented on pages five and six of this document, respectively.

# **New York Local Government Assistance Corporation**

## **Board of Directors**

### Board Chair

Vacant

### Vice Chair and Director

Robert L. Megna

### Director

Honorable Thomas P. DiNapoli

Priscilla Almodovar

Diana Jones Ritter

Marc Shaw

Kevin Murray

## **Non-Voting Representatives**

Joseph Pennisi

Secretary to the Senate Finance Committee

Dean Fuleihan

Secretary to the Assembly Ways and Means Committee

# New York Local Government Assistance Corporation

## Officers

Co-Executive Director

Margaret Becker

Office of the NY State Comptroller

Co-Executive Director

Ronald Greenberg

NYS Division of the Budget

General Counsel

Honorable Andrew M. Cuomo

Attorney General of the State of New York

Secretary

Joseph Conroy

NYS Division of the Budget

Treasurer

Patricia Warrington

Office of the NY State Comptroller

Assistant Secretary

Melissa Pangburn

NYS Division of the Budget

Assistant Treasurer

Deborah DeGenova

Office of the NY State Comptroller

Internal Control Officer

Kristee Iacobucci

Office of the NY State Comptroller

## **Budget Process**

### Proposed Plan

The plan is prepared in accordance with accounting principles generally accepted in the United States of America on a modified accrual basis, but also includes adjustments for cash basis accounting. Comparative amounts for the fiscal year ended March 31, 2009 were derived from the Corporation's audited financial statements, copies of which were previously delivered to and approved by the Board. Estimated amounts have been developed using assumptions disclosed in plan notes. Working papers that document the reasonable assumptions and methods of estimation consistent with prudent budgetary practices have been prepared contemporaneously with the plan and will be maintained by the Corporation.

The proposed plan is required to be submitted to the Corporation's Board for review no later than 90 days prior to the commencement of the Corporation's next fiscal year along with a certification by the Corporation's Co-Executive Directors attesting to the reasonableness of assumptions and methods of estimation used to prepare the plan in accordance with Part 203 of Title Two of the *Official Compilation of Codes, Rules and Regulation of the State of New York*.

The proposed plan and certification are also required to be submitted to the Governor, Chairman and Ranking Minority Member of the Senate Finance Committee, and Chairman and Ranking Minority Member of the Assembly Ways and Means Committee not less than 90 days before commencement of the Corporation's fiscal year. In addition, the plan and certification must be posted on the Corporation's website and made available to the public for a period of not less than 45 days, at least 30 of which must be prior to approval by the Board, in no less than 5 convenient public places throughout the State. Additionally, the public inspection period must be not less than 60 days before commencement of the Corporation's fiscal year. A hard copy of the plan will be available for public review at the regional offices of the Office of the State Comptroller and the Office of the State Deputy Comptroller for the City of New York. See Appendix A for a listing of locations where the proposed plan can be viewed.

### Approved Plan

The plan is required to be submitted to the State Comptroller within 7 days of approval by the Board in the format prescribed by the State Comptroller, along with the certification document signed by the Co-Executive Directors. The approved plan is also required to be posted on the Corporation's website and made available to the public for a period of not less than 45 days in no less than 5 convenient public places throughout the State. The approved plan will be made available for public inspection in the same manner and in the same locations as the proposed plan.

The Treasurer is required to provide written quarterly and mid-year updates on the enacted plan as well as actual versus budgeted results from the prior fiscal year, not later than 90 days after the close of the Corporation's fiscal year.

## **Principal Budgetary Assumptions and Assessment of Budgetary Risks**

State appropriation estimates included in the Corporation's financial plan for fiscal years 2010-11 through 2013-14, which constitute the majority of the Corporation's projected revenue, are equal to amounts projected in the 2009-10 Enacted Budget Capital Program and Financing Plan. Annually, the Legislature appropriates an amount necessary to pay all obligations of the Corporation including debt service and related expenses pursuant to Section 3240(1) of Public Authorities Law. The plan also assumes the annual payment of \$170 million to the City of New York or its assignee will be paid directly by the State to the City or its assignee.

The plan includes estimates developed using assumptions as disclosed in notes to the plan. Estimates are subject to risk due to assumptions made about future costs. Significant future cost risks include: 1) if actual interest rates on the Corporation's variable rate bonds are significantly higher than those assumed in the plan; and 2) if liquidity support costs increase at a rate higher than assumed in the plan.

Debt service payments on unhedged variable rate bonds in the plan were calculated using an interest rate of 3.50 percent. This is consistent with interest rate assumptions under consideration by the Division of the Budget for the 2010-11 Executive Budget development. Interest rates on LGAC's fixed rate bonds, including synthetic fixed rate bonds, range from 2.75 percent to 7.4 percent. The payments on variable rate and synthetic fixed rate bonds may vary based on changes in interest rates. Debt service payments are routinely paid by the Corporation from appropriations it receives from the State, monthly swap receipts and earnings on investments.

New York Local Government Assistance Corporation

Annual Budget for Fiscal Year 2010-11

Including multi-year financial plan with actual results for fiscal year 2008-09 and a revised forecast for fiscal year 2009-10

Statement of Revenues, Expenditures and Changes in Fund Balances

Modified Accrual Basis of Accounting w/Adjustment for Cash

Amounts in Thousands

**GENERAL FUND**

FISCAL PERIOD END	March 31, 2009 (Actual) (1)	March 31, 2010 (Approved Budget)	March 31, 2010 (Revised Forecast)	March 31, 2011 (Proposed Budget)	March 31, 2012 (Forecast)	March 31, 2013 (Forecast)	March 31, 2014 (Forecast)
<b>Beginning of Period Cash and Investments</b>	\$ 4,091	\$ 8,695	\$ 5,172	\$ 5,759	\$ 5,785	\$ 2,854	\$ 1,036
<b>Receipts/Revenues:</b>							
State appropriations receipts	10,468	11,400	11,218	14,200	14,200	14,800	18,000
Investment receipts (2)	37	67	5	5	6	6	6
Receipts Subtotal	<u>10,505</u>	<u>11,467</u>	<u>11,223</u>	<u>14,205</u>	<u>14,206</u>	<u>14,806</u>	<u>18,006</u>
Adjustment for accrual of investment earnings	6	-	-	-	-	-	-
Total revenues	<u>10,511</u>	<u>11,467</u>	<u>11,223</u>	<u>14,205</u>	<u>14,206</u>	<u>14,806</u>	<u>18,006</u>
<b>Disbursements/Expenditures:</b>							
Liquidity support costs (3)	7,101	9,199	8,341	12,510	15,498	15,012	15,660
Variable rate bond remarketing fees (3)	1,886	1,628	1,516	1,197	1,177	1,155	1,125
Other costs	437	527	779	472	462	457	458
Total disbursements	<u>9,424</u>	<u>11,354</u>	<u>10,636</u>	<u>14,179</u>	<u>17,137</u>	<u>16,624</u>	<u>17,243</u>
Adjustment for accounts payable	591	-	-	-	-	-	-
Total expenditures	<u>10,015</u>	<u>11,354</u>	<u>10,636</u>	<u>14,179</u>	<u>17,137</u>	<u>16,624</u>	<u>17,243</u>
Excess (deficiency) of revenues over General Fund expenditures	<u>496</u>	<u>113</u>	<u>587</u>	<u>26</u>	<u>(2,931)</u>	<u>(1,818)</u>	<u>763</u>
<b>End of Period Cash and Investments</b>	<u>\$ 5,172</u>	<u>\$ 8,808</u>	<u>\$ 5,759</u>	<u>\$ 5,785</u>	<u>\$ 2,854</u>	<u>\$ 1,036</u>	<u>\$ 1,799</u>

**Notes:**

1. Amounts reported for the fiscal year ended March 31, 2009 reflect audited amounts.
2. Fiscal year 2009-10 investment receipts are based on a decreased rate of interest as experienced in the first six months of fiscal year 2009-10. Investment receipts for fiscal years after 2009-10 are anticipated to approximate actual investment receipts from 2009-10.
3. Expenditures for Liquidity Support and Remarketing Services in fiscal years 2009-10 through 2013-14 reflect current rates and anticipated changes.

**New York Local Government Assistance Corporation**

**Annual Budget for Fiscal Year 2010-11**

**Including multi-year financial plan with actual results for fiscal year 2008-09 and a revised forecast for fiscal year 2009-10**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

Modified Accrual Basis of Accounting w/Adjustment for Cash

Amounts in Thousands

<b>DEBT SERVICE FUND</b>							
<b>FISCAL PERIOD END</b>	<b>March 31, 2009</b>	<b>March 31, 2010</b>	<b>March 31, 2010</b>	<b>March 31, 2011</b>	<b>March 31, 2012</b>	<b>March 31, 2013</b>	<b>March 31, 2014</b>
	<b>(Actual) (1)</b>	<b>(Approved Budget)</b>	<b>(Revised Forecast)</b>	<b>(Proposed Budget)</b>	<b>(Forecast)</b>	<b>(Forecast)</b>	<b>(Forecast)</b>
<b>Beginning of Period Cash and Investments:</b>							
Amounts required for current debt maturities	\$ 277,304	\$ 301,918	\$ 290,945	\$ 307,321	\$ 329,678	\$ 352,569	\$ 377,739
Restricted bond reserves	245,360	243,808	243,705	238,280	238,280	238,280	238,280
Total beginning of period cash and investments	<u>522,664</u>	<u>545,726</u>	<u>534,650</u>	<u>545,601</u>	<u>567,958</u>	<u>590,849</u>	<u>616,019</u>
<b>Receipts/Revenues:</b>							
State appropriations (2)	361,266	363,581	363,581	384,778	384,826	386,664	380,841
Investment receipts (3)	7,992	7,055	7,055	7,045	7,045	7,045	7,045
Receipts subtotal	<u>369,258</u>	<u>370,636</u>	<u>370,636</u>	<u>391,823</u>	<u>391,871</u>	<u>393,709</u>	<u>387,886</u>
Adjustment for accrual of investment earnings	(200)	-	-	-	-	-	-
Total revenues	<u>369,058</u>	<u>370,636</u>	<u>370,636</u>	<u>391,823</u>	<u>391,871</u>	<u>393,709</u>	<u>387,886</u>
<b>Expenditures:</b>							
Repayment of principal	200,045	212,685	212,685	218,165	228,100	239,090	252,920
Payment of interest (4)	153,850	154,114	147,055	147,983	140,329	128,680	117,299
Cost of issuance for refundings	1,853	730	2,472	1,068	551	569	588
Arbitrage rebate (5)	495	-	249	2,250	-	200	600
Total expenditures	<u>356,243</u>	<u>367,529</u>	<u>362,461</u>	<u>369,466</u>	<u>368,980</u>	<u>368,539</u>	<u>371,407</u>
Adjustment for Accounts Payable	(171)	-	-	-	-	-	-
Total expenditures	<u>356,072</u>	<u>367,529</u>	<u>362,461</u>	<u>369,466</u>	<u>368,980</u>	<u>368,539</u>	<u>371,407</u>
Excess (deficiency) of revenues over Debt Service Fund expenditures	<u>12,986</u>	<u>3,107</u>	<u>8,175</u>	<u>22,357</u>	<u>22,891</u>	<u>25,170</u>	<u>16,479</u>
<b>Other Financing Sources and Uses:</b>							
Issuance of refunding bonds	791,875	-	284,995	-	-	-	-
Premiums on refunding bonds, net of discounts	17,299	-	34,119	-	-	-	-
Swap Termination Fee	-	-	(19,188)	-	-	-	-
Payments to refunding bond escrow agent	(807,395)	-	(297,150)	-	-	-	-
Net other financing sources and uses	<u>1,779</u>	<u>-</u>	<u>2,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>14,765</u>	<u>3,107</u>	<u>10,951</u>	<u>22,357</u>	<u>22,891</u>	<u>25,170</u>	<u>16,479</u>
Change in accruals for investments and cost of issue	(2,808)	-	-	-	-	-	-
<b>End of Period Cash and Investments:</b>							
Amounts required for current debt maturities	290,945	305,025	307,321	329,678	352,569	377,739	394,218
Restricted bond reserves	243,705	243,808	238,280	238,280	238,280	238,280	238,280
Total end of period cash and investments	<u>\$ 534,650</u>	<u>\$ 548,833</u>	<u>\$ 545,601</u>	<u>\$ 567,958</u>	<u>\$ 590,849</u>	<u>\$ 616,019</u>	<u>\$ 632,498</u>

**Notes:**

1. Amounts reported for the fiscal year ended March 31, 2009 reflect audited amounts.
2. State appropriations for debt service in fiscal year 2009-10 reflect the Approved Budget. Amounts for 2010-11 through 2013-14 equal amounts projected for debt service in the 2009-10 Enacted Budget Capital Program and Financing Plan.
3. Fiscal year 2009-10 investment receipts are based on a decreased rate of interest as experienced in the first six months of fiscal 2009-10. Investment receipts subsequent to 2009-10 are anticipated to approximate actual investment receipts from 2009-10 and reflect a reduction in the capital reserve funds due to a reduction in the maximum annual debt service.
4. The revised forecasted debt service for fiscal year 2009-10 reflects the scheduled amounts paid through September 30, 2009 and the projected debt service for the period October 1, 2009 through March 31, 2010. Projected unhedged variable rate debt service payments were calculated using an assumed rate of 3.5 percent in each fiscal year. Projected hedged variable rate debt service payments were calculated using the following assumed rates: 3.151 percent, 3.261 percent and 3.194 percent in each fiscal year, as applicable.
5. Arbitrage rebate expenditures represent estimated liabilities as of September 30, 2009.

## **Reconciliation of Changes from Previous Budget for Fiscal Year 2009-10**

As reflected in the March 31, 2010 Revised Forecast column in the annual budget and multi-year financial plan above, the Corporation has revised the previous forecast of the current year's budget.

### General Fund

*Investment Receipts* – As of September 30, 2009, the current year investment earnings related to LGAC's bond portfolio fell short of the projected budget due to a lower than anticipated interest rate environment. This reduction is reflected in the revised March 31, 2010 forecast.

*Liquidity Support Costs, Variable Rate Bond Remarketing Fees and Other Costs* - It is projected that current year costs in these categories will be lower than budgeted. The reduction in the projected total disbursements from the General Fund is largely due to LGAC's converting certain of its Series 2003A and Series 2008B Variable Rate Bonds to the fixed rate mode, thereby reducing LGAC's liquidity support costs substantially. Additionally, effective October 1, 2009, certain broker-dealer fees were significantly reduced in the event of failed auctions. The revised March 31, 2010 forecast reflects this reduction.

*Other Costs* - The increase in the Revised Forecast is largely attributable to the transaction costs wherein LGAC's Series 2003A-8V insured variable rate bonds were converted to uninsured variable rate bonds in August 2009. The transaction was authorized by the Board on April 30, 2009.

### Debt Service Fund

*State Appropriations* – The Revised Forecast does not anticipate any change from the Corporation's Approved Budget for fiscal year 2009-10 in the amount of appropriations to be received from the State.

*Investment Receipts* – The Revised Forecast reflects a marginal change in the amount of investment receipts from the Corporation's Approved Budget and Multi-Year Financial Plan beginning in fiscal year 2010-11. This is largely related to a decline in the capital reserve fund requirement of approximately \$10.9 million due to a reduction in maximum annual debt service.

*Payment of Interest* – The Revised Forecast anticipates a \$7.1 million decrease in interest payments on the Corporation's bonds. This is mainly attributable to interest rates on variable rate bonds being less than budgeted. Therefore, the forecast has been revised accordingly.

*Cost of Issuance* – The Revised Forecast includes cost of issuance of \$1.9 million, to be paid from bond proceeds, relative to the conversion of certain of LGAC's Series 2003A and Series 2008B Variable Rate Bonds in June 2009 to the fixed rate mode. The transaction was authorized by the Board on April 30, 2009.

*Arbitrage Rebate* – The Revised Forecast reflects an expense of \$248,600. This is largely attributed to arbitrage rebate due relative to the Series 1994B that, although paid in a timely manner on April 24, 2009, was originally budgeted to be paid in the Corporation’s fiscal year ended March 31, 2009.

*Other Financing Sources and Uses* –The Revised Forecast reflects the June 2009 transaction wherein certain of LGAC’s Series 2003A and Series 2008B Variable Rate Bonds in the amount of \$285 million were converted to the fixed rate mode. In conjunction with this restructuring, LGAC terminated the portion of the 2003 and 2004 interest rate exchange agreements associated with the Series 2003A and Series 2008B Bonds paying a termination payment of \$19.2 million. Furthermore, the Corporation cancelled an additional \$12.2 million of the Series 2003A and Series 2008B Bonds. The premium generated from the transaction, \$34.1 million, supported those costs.

For future fiscal years, when relevant, the multi-year forecast has been adjusted to reflect the portfolio changes noted above.

## **Statement of Borrowed Debt**

The Corporation is authorized to issue up to \$4.7 billion in bonds plus an amount necessary to fund a capital reserve, costs of issuance and a limited amount of capitalized interest. As of March 31, 1998 the Corporation had issued bonds equal to its authorized amount. Under existing statutes, any future issuance of bonds by the Corporation can be for refunding purposes only.

The State has dedicated a portion of its sales and use tax revenues to make payments to the Corporation pursuant to a payment agreement between the State Director of the Budget and the Corporation for the purpose of funding the Corporation's debt service. Subject to annual appropriation, the State will make these payments to the Corporation five days prior to the debt service due date.

The following table shows debt projected to be outstanding at the end of each fiscal year for the duration of the plan, projected debt service payments and the cumulative debt service as a percentage of available revenues.

## Statement of Borrowed Debt

Submitted with Proposed Annual Budget for Fiscal Year 2010-11 and Multi-Year Financial Plan

Fiscal Year Ending March 31	Bonds Outstanding (1)			Total		Bonds Outstanding (1)		Total	Debt Service as
	April 1	Principal	Interest (2)	Debt Service	Refundings (3)	March 31	Revenues (4)	% of Revenues	
2010	\$ 3,918,515	\$ 212,685	\$ 147,055	\$ 359,740	\$ 12,155	\$ 3,693,675	\$ 381,859	94.2%	
2011	\$ 3,693,675	\$ 218,165	\$ 147,983	\$ 366,148		\$ 3,475,510	\$ 406,028	90.2%	
2012	\$ 3,475,510	\$ 228,100	\$ 140,329	\$ 368,429		\$ 3,247,410	\$ 406,077	90.7%	
2013	\$ 3,247,410	\$ 239,090	\$ 128,680	\$ 367,770		\$ 3,008,320	\$ 407,915	90.2%	
2014	\$ 3,008,320	\$ 252,920	\$ 117,299	\$ 370,219		\$ 2,755,400	\$ 402,092	92.1%	

**Purpose of the Debt:** Debt issued by LGAC was used to provide \$4.7 billion in local assistance payments in order to eliminate the State's annual short-term borrowing, fund its own debt service reserves, pay costs of issuance and a limited amount of capitalized interest and capitalized support costs.

**Notes:**

1. Capital Appreciation Bonds are shown at gross amounts (fully accreted values).
2. Projected unhedged variable rate debt service payments were calculated using an assumed rate of 3.50 percent in each fiscal year. Projected hedged variable rate debt service payments were calculated using the following assumed rates: 3.151 percent, 3.261 percent, and 3.194 percent in each fiscal year, as applicable.
3. Bonds Outstanding balance at March 31, 2010 reflects effect of refunding transaction, which occurred on June 10, 2009 per Board approval.
4. Total revenues equal those shown on the General and Debt Service Fund budget on pages 9 and 10 of the Annual Budget and Multi-Year Financial Plan.

**LGAC Projected Debt Service by Debt Issuance**

Fiscal Year Ending March 31	Total Revenues	Debt Service for Issuance 2008C		Debt Service for Issuance 2008B		Debt Service for Issuance 2008A		Debt Service for Issuance 2007A		Debt Service for Issuance 2004A	
		% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue		
2010	\$381,859	\$ 13,769	3.6%	\$ 3,311	0.9%	\$ 96,575	25.3%	\$ 19,366	5.1%	\$ 4,842	1.3%
2011	\$406,028	\$ 34,338	8.5%	\$ 19,196	4.7%	\$ 17,447	4.3%	\$ 100,608	24.8%	\$ 1,522	0.4%
2012	\$406,077	\$ 34,311	8.4%	\$ 20,567	5.1%	\$ 17,444	4.3%	\$ 100,496	24.7%	\$ 1,276	0.3%
2013	\$407,915	\$ 34,275	8.4%	\$ 20,488	5.0%	\$ 17,415	4.3%	\$ 43,264	10.6%	\$ 537	0.1%
2014	\$402,092	\$ 34,243	8.5%	\$ 20,528	5.1%	\$ 29,651	7.4%	\$ 43,219	10.7%	\$ 1,513	0.4%

Projected unhedged variable rate debt service payments were calculated using an assumed rate of 3.50 percent in each fiscal year. Projected hedged variable rate debt service payments were calculated using the following assumed rates: 3.151 percent, 3.261 percent, and 3.194 percent in each fiscal year, as applicable.

**LGAC Projected Debt Service by Debt Issuance**

Fiscal Year Ending March 31	Total Revenues	Debt Service for Issuance 2003A		Debt Service for Issuance 1998A		Debt Service for Issuance 1997B		Debt Service for Issuance 1995B-G		Debt Service for Issuance 1994B	
		% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue		
2010	\$381,859	\$ 86,355	22.6%	\$ 25,594	6.7%	\$ 2,501	0.7%	\$ 24,032	6.3%	\$ 6,877	1.8%
2011	\$406,028	\$ 73,242	18.0%	\$ -	0.0%	\$ -	0.0%	\$ 31,392	7.7%	\$ 8,669	2.1%
2012	\$406,077	\$ 94,866	23.4%	\$ -	0.0%	\$ -	0.0%	\$ 31,808	7.8%	\$ 8,789	2.2%
2013	\$407,915	\$ 112,624	27.6%	\$ -	0.0%	\$ -	0.0%	\$ 32,181	7.9%	\$ 8,873	2.2%
2014	\$402,092	\$ 84,763	21.1%	\$ -	0.0%	\$ -	0.0%	\$ 32,714	8.1%	\$ 9,067	2.3%

Projected unhedged variable rate debt service payments were calculated using an assumed rate of 3.50 percent in each fiscal year. Projected hedged variable rate debt service payments were calculated using the following assumed rates: 3.151 percent, 3.261 percent, and 3.194 percent in each fiscal year, as applicable.

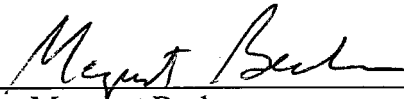
**LGAC Projected Debt Service by Debt Issuance**

Fiscal Year Ending March 31	Total Revenues	Debt Service for Issuance 1993E		Debt Service for Issuance 1993C		Debt Service for Issuance 1993A		Debt Service for Issuance 1992C		Debt Service for Issuance 1991B	
		% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue	% of Total Revenue		
2010	\$381,859	\$ 21,390	5.6%	\$ 8,699	2.3%	\$ 13,063	3.4%	\$ 12,281	3.2%	\$ 21,085	5.5%
2011	\$406,028	\$ 21,390	5.3%	\$ 8,699	2.1%	\$ 16,300	4.0%	\$ 12,260	3.0%	\$ 21,085	5.2%
2012	\$406,077	\$ 21,385	5.3%	\$ 8,699	2.1%	\$ 16,545	4.1%	\$ 12,243	3.0%	\$ -	0.0%
2013	\$407,915	\$ 60,369	14.8%	\$ 8,699	2.1%	\$ 16,823	4.1%	\$ 12,221	3.0%	\$ -	0.0%
2014	\$402,092	\$ 60,290	15.0%	\$ 37,209	9.3%	\$ 17,022	4.2%	\$ -	0.0%	\$ -	0.0%

Projected unhedged variable rate debt service payments were calculated using an assumed rate of 3.50 percent in each fiscal year. Projected hedged variable rate debt service payments were calculated using the following assumed rates: 3.151 percent, 3.261 percent, and 3.194 percent in each fiscal year, as applicable.

**Certification**

After reasonable inquiry, the annual budget and multi-year financial plan presented herein is, to the best of our knowledge and belief, based on reasonable assumptions and methods of estimation with the applicable regulations being satisfied.



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Margaret Becker,  
Co-Executive Director  
New York Local Government  
Assistance Corporation

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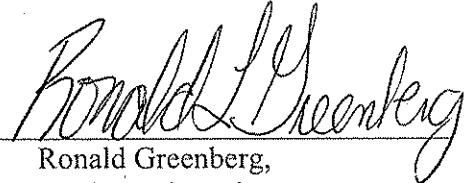
Ronald Greenberg,  
Co-Executive Director  
New York Local Government  
Assistance Corporation

**Certification**

After reasonable inquiry, the annual budget and multi-year financial plan presented herein is, to the best of our knowledge and belief, based on reasonable assumptions and methods of estimation with the applicable regulations being satisfied.

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Margaret Becker,  
Co-Executive Director  
New York Local Government  
Assistance Corporation



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Ronald Greenberg,  
Co-Executive Director  
New York Local Government  
Assistance Corporation

The Proposed and Enacted Budget and Multi-Year Financial Plan for Fiscal Year 2010-11 through 2013-14 is available for public inspection at the following locations:

**BUFFALO REGIONAL OFFICE**

Office of the State Comptroller  
295 Main Street, Room 1050  
Buffalo, New York 14203-2510

**ROCHESTER REGIONAL OFFICE**

Office of the State Comptroller  
The Powers Building  
16 West Main Street – Suite 522  
Rochester, New York 14614-1608

**SYRACUSE REGIONAL OFFICE**

Office of the State Comptroller  
State Office Building, Room 409  
333 E. Washington Street  
Syracuse, New York 13202-1428

**BINGHAMTON REGIONAL OFFICE**

Office of the State Comptroller  
State Office Building, Room 1702  
44 Hawley Street  
Binghamton, New York 13901-4417

**GLENS FALLS REGIONAL OFFICE**

Office of the State Comptroller  
One Broad Street Plaza  
Glens Falls, New York 12801-4396

**ALBANY REGIONAL OFFICE**

Office of the State Comptroller  
22 Computer Drive West  
Albany, New York 12205-1695

**NEWBURGH REGIONAL OFFICE**

Office of the State Comptroller  
33 Airport Center Drive, Suite 103  
New Windsor, New York 12553

**HAUPPAUGE REGIONAL OFFICE**

Office of the State Comptroller  
NYS Office Building, Room 3A10  
Veterans Memorial Highway  
Hauppauge, New York 11788-5533

**OFFICE OF THE STATE DEPUTY COMPTROLLER FOR THE CITY OF NEW YORK**

Office of the State Comptroller  
59 Maiden Lane, 29<sup>th</sup> Floor  
New York, New York 10038

The Proposed and Enacted Budget and Multi-Year Financial Plan for Fiscal Year 2010-11 through 2013-14 may also be viewed electronically on the Corporation's website at:

<http://www.osc.state.ny.us/pension/debtlgac.htm>