

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**

**PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2009-10**

**AND**

**MULTI-YEAR FINANCIAL PLAN FOR  
FISCAL YEARS 2009-10 THROUGH 2012-13**

**December 30, 2008**

Approved by the Board of Directors  
(Resolution 2009-07) as presented  
February 5, 2009. There were no  
changes from the Proposed Budget  
and Multi-year Plan.

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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 2009-10 through 2012-13 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, 2008 was the seventeenth 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 are presented on pages five and six of this document, respectively.

# **New York Local Government Assistance Corporation**

## **Board of Directors**

### Chairperson and Director

Patrick Bulgaro

### Director

Honorable Thomas P. DiNapoli

Laura Anglin

Priscilla Almodovar

Diana Jones Ritter

Marc Shaw

Kevin Murray

## **Non-Voting Representatives**

Robert F. Mujica

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

Vacant

### Treasurer

Patricia Warrington  
Office of the NY State Comptroller

### Assistant Treasurer

Deborah DeGenova  
Office of the NY State Comptroller

### Internal Control Officer

Thomas Lukacs

## 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, 2008 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 2008-09 through 2012-13, which constitute the majority of the Corporation's projected revenue, are equal to amounts projected in the 2008-09 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 \$170,000,000 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. One of the most significant risks is if actual interest rates on the Corporation's variable rate bonds are significantly higher than interest rates assumed in the plan. Additionally, liquidity support costs could increase based on current market pricing and/or if insurers of certain of the Corporation's variable rate bonds are downgraded.

Debt service payments on unhedged variable rate bonds in the plan were calculated using the following interest rates: 3.75 percent for fiscal year 2008-09, 2.35 percent for fiscal year 2009-10, 3.30 percent for fiscal year 2010-11, 3.35 percent for fiscal year 2011-12, and 3.30 percent for fiscal year 2012-13. These rates are consistent with interest rate assumptions used by the Division of the Budget in the November 4, 2008 New York State *Economic, Revenue and Spending Methodologies* for SFY 2008-2009 through 2012-2013. Interest rates on fixed rate bonds, including synthetic fixed rate bonds, range from 2 percent to 7.4 percent. The rates for synthetic fixed rate bonds are assumed to be equal to the intended fixed rates, excluding support costs, plus swap basis leakage ranging from -1.7 percent in fiscal year 2008-09 to .05 percent in fiscal year 2012-13. The payments on variable rate and synthetic fixed rate bonds may vary based on changes in interest rates. Debt service payments are 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 2009-10

Including multi-year financial plan with actual results for fiscal year 2007-08 and a revised forecast for fiscal year 2008-09  
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, 2008 (Actual)	March 31, 2009 (Approved Budget)	March 31, 2009 (Revised Forecast) <sup>1</sup>	March 31, 2010 (Proposed Budget)	March 31, 2011 (Forecast)	March 31, 2012 (Forecast)	March 31, 2013 (Forecast)
Beginning of Period Cash and Investments	\$ 4,131	\$ 4,091	\$ 4,091	\$ 8,695	\$ 8,808	\$ 9,164	\$ 9,820
Receipts/Revenues:							
State appropriations receipts	6,000	10,400	14,400	11,400	12,900	13,400	13,400
Investment receipts (2)	134	169	169	67	67	67	67
Receipts Subtotal	6,134	10,569	14,569	11,467	12,967	13,467	13,467
Adjustment for accrual of investment earnings	(6)	-	-	-	-	-	-
Total revenues	6,128	10,569	14,569	11,467	12,967	13,467	13,467
Disbursements/Expenditures:							
Liquidity support costs (3)	4,050	8,140	7,514	9,199	10,489	10,706	10,523
Variable rate bond remarketing fees (3)	1,691	1,320	1,727	1,628	1,609	1,588	1,566
Other costs	433	1,054	724	527	513	517	525
Total disbursements	6,174	10,514	9,965	11,354	12,611	12,811	12,614
Adjustment for accounts payable	567	-	-	-	-	-	-
Total expenditures	6,741	10,514	9,965	11,354	12,611	12,811	12,614
Excess (deficiency) of revenues over General Fund expenditures	(613)	55	4,604	113	356	656	853
End of Period Cash and Investments	\$ 4,091	\$ 4,146	\$ 8,695	\$ 8,808	\$ 9,164	\$ 9,820	\$ 10,673

Notes:

1. Amounts reported for the fiscal year ended March 31, 2008 reflect audited amounts.
2. Reflecting decreased rates of interest, investment receipts for fiscal years after 2008-09 are anticipated to approximate half of 2007-08 investment receipts.
3. Expenditures for Liquidity Support and Remarketing Services in fiscal years 2008-09 through 2011-13 are based upon current rates and anticipated increases.

New York Local Government Assistance Corporation  
Annual Budget for Fiscal Year 2009-10

Including multi-year financial plan with actual results for fiscal year 2007-08 and a revised forecast for fiscal year 2008-09  
Statement of Revenues, Expenditures and Changes in Fund Balances

Modified Accrual Basis of Accounting w/Adjustment for Cash  
Amounts in Thousands

		DEBT SERVICE FUND					
FISCAL PERIOD END	March 31, 2008 (Actual)	March 31, 2009 (Approved Budget)	March 31, 2009 (Revised Forecast)1	March 31, 2010 (Proposed Budget)	March 31, 2011 (Forecast)	March 31, 2012 (Forecast)	March 31, 2013 (Forecast)
Beginning of Period Cash and Investments:							
Amounts required for current debt maturities	\$ 331,497	\$ 277,485	\$ 277,485	\$ 301,918	\$ 305,025	\$ 308,852	\$ 315,448
Restricted bond reserves	248,898	245,179	245,179	243,808	243,808	243,808	243,808
Total beginning of period cash and investments	580,395	522,664	522,664	545,726	548,833	552,660	559,256
Receipts/Revenues:							
State appropriations (2)	278,891	366,587	366,587	363,581	362,851	362,833	363,990
Investment receipts (3)(4)	15,552	10,358	10,358	7,055	7,055	7,055	7,055
Receipts subtotal	294,443	376,945	376,945	370,636	369,906	369,888	371,045
Adjustment for accrual of investment earnings	(111)	-	-	-	-	-	-
Total revenues	294,332	376,945	376,945	370,636	369,906	369,888	371,045
Expenditures:							
Repayment of principal	182,085	200,050	200,045	212,685	218,165	228,100	239,090
Payment of interest (5)	178,185	157,789	152,743	154,114	144,905	134,404	121,891
Cost of issuance for refundings	2,545	-	1,779	730	759	768	819
Arbitrage rebate (6)	-	495	1,095	-	2,250	-	-
Total expenditures	362,815	358,334	355,662	367,529	366,079	363,292	361,800
Adjustment for Accounts Payable	171	-	-	-	-	-	-
Total expenditures	362,986	358,334	355,662	367,529	366,079	363,292	361,800
Excess (deficiency) of revenues over Debt Service Fund expenditures	(68,654)	18,611	21,283	3,107	3,827	6,596	9,245
Other Financing Sources and Uses:							
Issuance of refunding bonds	779,930	-	791,875	-	-	-	-
Premiums on refunding bonds, net of discounts	46,192	-	17,299	-	-	-	-
Payments to refunding bond escrow agent	823,328	-	(807,395)	-	-	-	-
Net other financing sources and uses	2,794	-	1,779	-	-	-	-
Net Change in Fund Balance	(65,860)	18,611	23,062	3,107	3,827	6,596	9,245
Change in accruals for investments and cost of issue	7,847	-	-	-	-	-	-
End of Period Cash and Investments:							
Amounts required for current debt maturities	277,304	296,096	301,918	305,025	308,852	315,448	324,693
Restricted bond reserves	245,360	245,179	243,808	243,808	243,808	243,808	243,808
Total end of period cash and investments	522,664	541,275	545,726	548,833	552,660	559,256	568,501

Notes:

1. Amounts reported for the fiscal year ended March 31, 2008 reflect audited amounts.
2. State appropriations for debt service in fiscal year 2008-09 reflect the Approved Budget. Amounts for 2009-10 through 2012-13 equal amounts projected in the Enacted Budget Financial Plan.
3. Reflecting decreased rates of interest, investment receipts for fiscal years after 2008-09 are anticipated to approximate half of 2007-08 investment receipts.
4. Debt Service Fund investment receipts in fiscal years 2008-09 through 2012-13 assume that the capital reserve will remain approximately at the current level and reflect effects of the Series 2008B (Senior Lien) and 2008C (Senior Lien) refunding bonds issued on June 18, 2008 and August 13, 2008, respectively.
5. The revised forecasted debt service for fiscal year 2008-09 reflects actual amounts paid through September 30, 2008 and the effects of the Series 2008B and 2008C refunding issuances, and the projected debt service for the period October 1, 2008 through March 31, 2009. Unhedged variable rate debt service payments were calculated using the following assumed rates which were 3.75 percent for fiscal year 2008-09, 2.35 percent for fiscal year 2009-10, 3.30 percent for fiscal year 2010-11, 3.35 percent for fiscal year 2011-12, and 3.30 for fiscal year 2012-13. Hedged variable rate debt was calculated at the swap rate offset by swap.
6. Arbitrage rebate expenditures are estimated by the Corporation's professional arbitrage rebate calculator and represent estimated liabilities as of September 30, 2008.

## Reconciliation of Changes from Previous Budget for Fiscal Year 2008-09

As reflected in the fiscal year ended March 31, 2009 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

*State Appropriations* – As of September 30, 2008, current year operating expenses relating to LGAC's bond portfolio were higher than budgeted, which resulted in additional need for funds from the State. As a result, the forecast has been revised accordingly.

*Liquidity Support Costs, Variable Rate Bond Remarketing Fees and Other Costs* - As of September 30, 2008, current year costs in these categories were higher than budgeted, thereby reflecting the effect of market conditions and insurer rating downgrades. As a result, the forecast has been revised accordingly.

### Debt Service Fund

*State Appropriations* – The Revised Forecast does not anticipate any change in the amount of State appropriations to be received from the State from the Corporation's Approved Budget for fiscal year 2008-09.

*Investment Receipts* – The Revised Forecast does not anticipate any change in the amount of investment receipts from the Corporation's Approved Budget for fiscal year 2008-09.

*Payment of Interest* – The Revised Forecast anticipates a \$5 million decrease in interest as a result of refunding transactions. Therefore, the forecast has been revised accordingly.

*Cost of Issuance* – The Revised Forecast includes \$1.779 million for bond issuance costs which were not included in the original budget, but are related to the bond refundings authorized by the Board on May 20, 2008, and August 1, 2008. These expenses were paid for with bond proceeds.

*Arbitrage Rebate* – The Revised Forecast includes a \$600,000 increase in arbitrage rebate expense for the Corporation's 2008-09 fiscal year. This increase is due to an anticipated expense related to series 1994B. As a result, the forecast has been revised accordingly.

*Other Financing Sources and Uses* – The Revised Forecast includes \$809 million for the issuance of refunding bonds (\$792 million in bond issuances and \$17 million in premiums), and \$807 million in payments to refunding bond escrow agent which were not included in the Approved Budget, but are related to the bond refundings authorized by the Board of Directors on May 20, 2008 and August 1, 2008.

For future fiscal years, when relevant, the multi-year forecast has been adjusted to reflect the revisions highlighted 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 2009-10 and Multi-Year Financial Plan

Fiscal Year Ending March 31	Bonds Outstanding (1)		Principal	Interest (2)	Debt Service	Refundings (3)	Bonds Outstanding (1)		Total Revenues (4)	Debt Service as % of Revenues
	April 1	March 31					March 31	March 31		
2009	\$ 4,128,830	\$ 200,045	\$ 152,743	\$ 352,788	\$ 10,270	\$ 3,918,515	\$ 391,514	\$ 391,514	90.1%	
2010	\$ 3,918,515	\$ 212,685	\$ 154,114	\$ 366,799		\$ 3,705,830	\$ 382,103	\$ 382,103	96.0%	
2011	\$ 3,705,830	\$ 218,165	\$ 144,905	\$ 363,070		\$ 3,487,665	\$ 382,873	\$ 382,873	94.8%	
2012	\$ 3,487,665	\$ 228,100	\$ 134,404	\$ 362,504		\$ 3,259,565	\$ 383,355	\$ 383,355	94.6%	
2013	\$ 3,259,565	\$ 239,090	\$ 121,891	\$ 360,981		\$ 3,020,475	\$ 384,512	\$ 384,512	93.9%	

**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 it's own debt service reserves, pay costs of issuance and a limited amount of capitalized interest and capitalized support costs.

**Notes:**

- Capital Appreciation Bonds are shown at gross amounts (fully accreted values).
- Unhedged variable rate debt service payments were calculated using the rates listed on page 222 of the November 4, 2008 New York State *Economic, Revenue and Spending Methodologies*, issued by the NYS Division of the Budget, which were 3.75 percent for fiscal year 2008-09, 2.35 percent for fiscal year 2009-10, 3.30 percent for fiscal year 2010-11, 3.35 percent for fiscal year 2011-12, and 3.30 percent for fiscal year 2012-13. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage ranging from -1.7 percent
- Bonds Outstanding balance at March 31, 2009 reflects effect of refunding transactions 2008B and 2008C, which occurred on June 18, 2008, and August 13, 2008, respectively, per Board approval.
- 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	Total Revenues	Debt Service for		Debt Service for		Debt Service for		% of Total Revenue	% of Total Revenue	% of Total Revenue
		2008C	% of Total Revenue	2008B	% of Total Revenue	2008A	% of Total Revenue			
2009	\$391,514	\$ -	0.0%	\$ 16,132	4.1%	\$ 11,419	2.9%	\$ 21,464	5.5%	
2010	\$382,103	\$ 13,769	3.6%	\$ 21,987	5.8%	\$ 96,574	25.3%	\$ 19,366	5.1%	
2011	\$382,873	\$ 34,338	9.0%	\$ 19,689	5.1%	\$ 17,447	4.6%	\$ 100,608	26.3%	
2012	\$383,355	\$ 34,311	9.0%	\$ 19,103	5.0%	\$ 17,444	4.6%	\$ 100,498	26.2%	
2013	\$384,512	\$ 34,275	8.9%	\$ 18,695	4.9%	\$ 17,415	4.5%	\$ 43,264	11.3%	

Unhedged variable rate debt service payments were calculated using the rates listed on page 222 of the November 4, 2009 New York State Economic, Revenue and Spending Methodologies, issued by the NYS Division of the Budget, which were 3.75 percent for fiscal year 2008-09, 2.35 percent for fiscal year 2009-10, 3.30 percent for fiscal year 2010-11, 3.35 percent for fiscal year 2011-12, and 3.30 percent for fiscal year 2012-2013. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage ranging from -1.7 percent to .05 percent.

**LGAC Projected Debt Service by Debt Issuance**

Fiscal Year Ending	Total Revenues	Debt Service for		Debt Service for		Debt Service for		Debt Issuance 1997B	% of Total Revenue
		2004A	% of Total Revenue	2003A	% of Total Revenue	1998A	% of Total Revenue		
2009	\$391,514	\$ 3,237	0.8%	\$ 76,075	19.4%	\$ 17,768	4.5%	\$ 15,525	4.0%
2010	\$382,103	\$ 1,525	0.4%	\$ 73,959	19.4%	\$ 25,594	6.7%	\$ 2,501	0.7%
2011	\$382,873	\$ 1,522	0.4%	\$ 71,621	18.7%	\$ -	0.0%	\$ -	0.0%
2012	\$383,355	\$ 1,276	0.3%	\$ 91,493	23.9%	\$ -	0.0%	\$ -	0.0%
2013	\$384,512	\$ 537	0.1%	\$ 108,922	28.3%	\$ -	0.0%	\$ -	0.0%

Unhedged variable rate debt service payments were calculated using the rates listed on page 222 of the November 4, 2009 New York State Economic, Revenue and Spending Methodologies, issued by the NYS Division of the Budget, which were 3.75 percent for fiscal year 2008-09, 2.35 percent for fiscal year 2009-10, 3.30 percent for fiscal year 2010-11, 3.35 percent for fiscal year 2011-12, and 3.30 percent for fiscal year 2012-2013. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage ranging from -1.7 percent to .05 percent.

### LGAC Projected Debt Service by Debt Issuance

Fiscal Year Ending	Total Revenues	Debt Service for		Debt Service for		Debt Service for		% of Total Revenue
		1997A	1996A	1995B-G	1994B	1994B	1994B	
2009	\$391,514	\$ 11,860	\$ 34,289	\$ 26,740	\$ 7,683	3.0%	6.8%	2.0%
2010	\$382,103	\$ -	\$ -	\$ 26,578	\$ 7,326	0.0%	7.0%	1.9%
2011	\$382,873	\$ -	\$ -	\$ 30,182	\$ 8,444	0.0%	7.9%	2.2%
2012	\$383,355	\$ -	\$ -	\$ 31,152	\$ 8,633	0.0%	8.1%	2.3%
2013	\$384,512	\$ -	\$ -	\$ 31,402	\$ 8,683	0.0%	8.2%	2.3%

Unhedged variable rate debt service payments were calculated using the rates listed on page 222 of the November 4, 2009 New York State Economic, Revenue and Spending Methodologies, issued by the NYS Division of the Budget, which were 3.75 percent for fiscal year 2008-09, 2.35 percent for fiscal year 2009-10, 3.30 percent for fiscal year 2010-11, 3.35 percent for fiscal year 2011-12, and 3.30 percent for fiscal year 2012-2013. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage ranging from -1.7 percent to .05 percent.

**LGAC Projected Debt Service by Debt Issuance**

Fiscal Year Ending	Total Revenues	Debt Service for 1993E		Debt Service for 1993C		Debt Service for 1993A		Debt Service for 1992C		% of Total Revenue
		Issuance	% of Total Revenue							
2009	\$391,514	\$ 21,398	5.5%	\$ 8,699	2.2%	\$ 14,423	3.7%	\$ 12,297	3.1%	
2010	\$382,103	\$ 21,390	5.6%	\$ 8,699	2.3%	\$ 14,165	3.7%	\$ 12,281	3.2%	
2011	\$382,873	\$ 21,390	5.6%	\$ 8,699	2.3%	\$ 15,785	4.1%	\$ 12,260	3.2%	
2012	\$383,355	\$ 21,385	5.6%	\$ 8,699	2.3%	\$ 16,267	4.2%	\$ 12,243	3.2%	
2013	\$384,512	\$ 60,369	15.7%	\$ 8,699	2.3%	\$ 16,499	4.3%	\$ 12,221	3.2%	

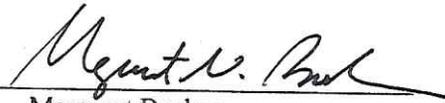
Unhedged variable rate debt service payments were calculated using the rates listed on page 222 of the November 4, 2009 New York State Economic, Revenue and Spending Methodologies, issued by the NYS Division of the Budget, which were 3.75 percent for fiscal year 2008-09, 2.35 percent for fiscal year 2009-10, 3.30 percent for fiscal year 2010-11, 3.35 percent for fiscal year 2011-12, and 3.30 percent for fiscal year 2012-2013. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage ranging from -1.7 percent to .05 percent.

Fiscal Year Ending	Total Revenues	Debt Service for		% of Total Revenue	Debt Service for		% of Total Revenue
		1991B	1991A		1991B	1991A	
2009	\$391,514	\$ 21,085	\$ 32,695	5.4%		8.4%	
2010	\$382,103	\$ 21,085	\$ -	5.5%		0.0%	
2011	\$382,873	\$ 21,085	\$ -	5.5%		0.0%	
2012	\$383,355	\$ -	\$ -	0.0%		0.0%	
2013	\$384,512	\$ -	\$ -	0.0%		0.0%	

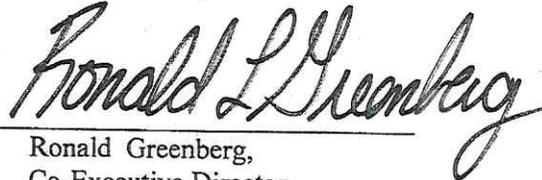
Unhedged variable rate debt service payments were calculated using the rates listed on page 222 of the November 4, 2009 New York State Economic, Revenue and Spending Methodologies, issued by the NYS Division of the Budget, which were 3.75 percent for fiscal year 2008-09, 2.35 percent for fiscal year 2009-10, 3.30 percent for fiscal year 2010-11, 3.35 percent for fiscal year 2011-12, and 3.30 percent for fiscal year 2012-2013. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage ranging from -1.7 percent to .05 percent.

**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.



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



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

The Proposed and Enacted Budget and Multi-Year Financial Plan for Fiscal Year 2009-10 through 2012-13 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 2009-10 through 2012-13 may also be viewed electronically on the Corporation's website at:

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