

# NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION



## Annual Report

(Pursuant to Section 2800 and Section 3234(6)  
of the Public Authorities Law)

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for fiscal year ended March 31, 2022

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**

**ANNUAL REPORT**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2022**

**PREPARED IN ACCORDANCE WITH  
SECTION 2800 AND SECTION 3234(6) OF THE PUBLIC AUTHORITIES LAW**

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**ANNUAL REPORT**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2022**

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**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**  
**ANNUAL REPORT**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2022**

**MISSION STATEMENT**

Created on June 11, 1990, the New York Local Government Assistance Corporation’s (“Corporation” or “LGAC”) mission consists of three main goals, which, when met, directly benefit the State of New York ( “State”), the City of New York and other local governments and school districts. The goals are identified as follows: 1) The issuance of up to \$4.7 billion in long-term Corporation bonds to finance certain local assistance payments due from the State (as well as certain other amounts necessary for the issuance of such LGAC bonds) to help eliminate the State’s reliance on the annual issuance of intra-year tax and revenue anticipation notes (“Spring Borrowing”); 2) Manage a) the Corporation’s debt portfolio through maturity in an attempt to achieve a balance between the lowest cost of funds and appropriate market risk levels while maintaining the exclusion of interest on LGAC debt from federal and State income taxation, b) the Corporation’s operational costs efficiently and c) the investment of (i) funds until needed for debt service payments or operating expenses, (ii) monies in the Capital Reserve Fund, and (iii) any escrow funds; and 3) Beginning in 2004, certify on an annual basis, payments required to be made to the City of New York or its assignee from the Local Government Assistance Tax Fund. (See Appendix A for the 2021-22 Mission Statement Measurements.)

**BOARD OF DIRECTORS:**

Robert F. Mujica Jr. ....	Chairperson and Director
Vacant .....	Vice-Chairperson and Director
Honorable Thomas P. DiNapoli .....	Director
Mr. Marc Shaw .....	Director
Mr. Kevin Murray .....	Director
Vacant .....	Director
Vacant .....	Director

**EXECUTIVE STAFF:**

Dominic Colafati .....	Co-Executive Director
Maria Doulis .....	Co-Executive Director
The Honorable Letitia James .....	General Counsel
Pat Reale .....	Treasurer
Chuck Trimbach .....	Assistant Treasurer
Peter Brucato .....	Secretary
Vacant .....	Assistant Secretary
Kristee Iacobucci .....	Internal Control Officer

See Appendix B for the Corporation’s Organization Chart and more information on the Corporation’s Board and Officers.

## **HISTORY OF THE CORPORATION**

LGAC was created as a State public benefit corporation on June 11, 1990 by Chapter 220 of the Laws of 1990 (the “Enabling Act”), as amended. LGAC’s fiscal year begins on April 1 and ends on March 31.

LGAC was created and authorized to issue bonds or notes to make payments of up to \$4.7 billion primarily to local governments and school districts in New York State. Legislative authorization was required annually to specify the use of LGAC bond or note proceeds, thereby authorizing issuance of bonds for those particular purposes. The Corporation issued the last of its \$4.7 billion authorization during the 1995-96 fiscal year, completing the Corporation’s issuances for local assistance payments. The Corporation’s remaining debt was fully retired on April 1, 2021. In accordance with Section 3233 of the Public Authorities Law, the Corporation will terminate six months after all its liabilities have been met or otherwise discharged. As of April 1, 2022, the Corporation’s liabilities were met, and all remaining funds were transferred to the State. The Corporation’s existence will terminate on October 1, 2022.

LGAC was created as an integral part of an overall program of State fiscal reform to eliminate the State’s practice of financing substantial amounts of local assistance payments during the first quarter of the State’s fiscal year through the issuance of short-term tax and revenue anticipation notes. LGAC’s bonds were issued for the purpose of making local assistance payments in a manner that provides such funds to entities earlier than had been the State’s traditional practice. The State has not conducted a Spring Borrowing since the 1993-94 fiscal year.<sup>1</sup>

## **GOVERNANCE/BOARD STRUCTURE**

Until January 13, 2006, LGAC was governed by a three-member Board of Directors (“Board” or “Directors”), including the State Comptroller and the Director of the Budget of the State of New York, both of whom serve “ex officio,” and a third Director who was appointed by the Governor. On January 13, 2006, the Governor signed The Public Authorities Accountability Act (Chapter 766 of the Laws of 2005) (the “Act”). This Act included an amendment to Section 3234 of the Public Authorities Law to increase the number of LGAC Board members from three to seven. As of March 31, 2022, each of the Directors who do not serve ex officio was appointed by a prior Governor and continues to serve until a successor is chosen and qualified. The Directors receive no compensation from LGAC. The Enacted Budget for State Fiscal Year 2014-15 (Section 46-d of Part I of Chapter 55 of the Laws of 2014) included language to amend the Corporation’s Enabling Act to provide the ex officio Directors with the ability to designate a representative or representatives to attend meetings of the Board in their place, and to vote or otherwise act in their absence.

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<sup>1</sup> Part JJ of Chapter 56 of the Laws of the State of 2020 authorized the issuance on or before December 31, 2020, by the Dormitory Authority of the State of New York and the New York State Urban Development Corporation of certain tax and revenue anticipation notes or bond anticipation notes in an amount not to exceed \$8 billion under the Personal Income Tax Revenue Bond credit. The purpose of this authorization was to help temporarily finance the budgetary needs of the State following the deferral of the federal income tax payment deadlines from April 15, 2020, to a later date in order to provide temporary relief to individuals as a result of the COVID-19 pandemic. \$4.4 billion of short-term debt was issued and fully retired in the State's 2020-21 fiscal year. The State does not anticipate the use of GO Tax and Revenue Anticipation Notes borrowings this year.

Since the amendment was enacted, both the Comptroller and the Budget Director have designated representatives.<sup>2</sup>

In addition, the Secretary to the Senate Finance Committee of the State Senate and the Secretary to the Ways and Means Committee of the State Assembly are non-voting representatives on the Board.

The Directors establish, direct and monitor adherence to LGAC's policies and approve all major activities of the Corporation, including each issuance of bonds or notes. A unanimous vote of the Directors then in office is necessary to authorize the issuance of bonds or notes by the Corporation.

The Corporation's Board previously established three committees (Audit, Finance and Governance) that are composed of certain of LGAC's Directors. Appendix C contains a listing of committee members as of March 31, 2022, board and committee meetings convened in the 2021-22 fiscal year, and, for each meeting held, the minutes, if adopted, and the attendance at each meeting. Each committee meets as necessary to address relevant issues affecting LGAC.

### **OPERATIONS**

State officers and employees act as officers and staff of the Corporation and receive no compensation from LGAC for services provided to the Corporation. The Directors appoint the officers of LGAC. As of March 31, 2022, Dominic Colafati, Unit Chief in the Division of the Budget and Maria Doulis, Deputy Comptroller for Budget and Policy Analysis in the Office of the State Comptroller, serve as Co-Executive Directors. Pat Reale, Assistant Comptroller for Debt Management in the Office of the State Comptroller, serves as Treasurer and Peter Brucato, Budget Fellow in the Division of the Budget as Secretary. Kristee Iacobucci, Assistant Comptroller in the Office of the State Comptroller, serves as the Corporation's Internal Control Officer. The State's Attorney General, the Honorable Letitia James, serves as General Counsel for the Corporation. In addition, Section 3236 of the Public Authorities Law requires the Corporation to enter into an agreement with the State Comptroller whereby the Comptroller is the "Exclusive Agent" for the sale of Corporation 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. Other staff currently employed by the Office of the State Comptroller, the Division of the Budget and the Attorney General's Office conduct the day-to-day operations necessary to carry out the mission and fulfill the goals of the Corporation.

The Corporation has not owned any real property since its inception and during fiscal year 2021-22 the Corporation did not purchase any real property. Additionally, the Corporation did not buy or sell any asset or sell any service non-competitively.

The Corporation has adopted policies or, where applicable, indicates its intent to fully comply with statutes that protect State officers and employees with respect to ethics, defense and indemnification, whistleblower and lobbying contact.

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<sup>2</sup> The Budget Director has designated the following representatives: Dominic Colafati, Unit Chief in the Division of the Budget; Tom Wood, Assistant Unit Chief in the Division of the Budget; and Melissa Pangburn, Principal Budget Examiner in the Division of the Budget. The Comptroller has designated the following representatives: Alexander B. "Pete" Grannis, First Deputy Comptroller in the Office of the State Comptroller; and Andrea C. Miller, Executive Deputy Comptroller for Audit and Policy in the Office of the State Comptroller.

The Corporation was not involved as a party in any material pending litigation during the 2021-22 fiscal year.

### **CODE OF ETHICS**

This Code of Ethics shall apply to all Directors, officers and employees of the Corporation.

All Corporation Directors, officers and employees, whether compensated or not, shall comply with the provisions of subdivision (8) of section 73, and sections 73-a, 73-b and 74 of the Public Officers Law (“POL”). For purposes of this Code of Ethics any exclusion applicable to the aforementioned provisions of the POL from the definition of “State officer or employee” for members or directors of a public authority or public benefit corporation who receive no compensation or are compensated on a per diem basis or who do not receive compensation above a filing rate shall not apply to Directors of the Corporation and such provisions shall apply as if there were no such exclusion.

### **ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS**

In accordance with the Act, this annual report includes an assessment of the effectiveness of the Corporation’s internal control structure and procedures. Because the Corporation utilizes the services of a trustee bank, which has custody of all of the Corporation’s resources and makes disbursements for all of the Corporation’s expenditures in accordance with directions provided to it by the Corporation, the Corporation’s internal controls are also affected by the procedures and policies of the trustee bank furnishing services to the Corporation.

In accordance with Section 2931 of the Public Authorities Law, the Corporation’s Board is responsible for the establishment and maintenance of the Corporation’s system of internal control and a program of internal control review. In addition, the Board is required to appoint an internal control officer to implement and review the Board’s system of internal controls.

The Corporation’s day-to-day operations are conducted primarily by staff of the Office of the State Comptroller utilizing procedures and systems that are subject to internal control processes and reviews of the Office of the State Comptroller. Accordingly, the day-to-day activities of the Corporation are conducted within a comprehensive system of internal controls that are subject to on-going review and testing by the Office of the State Comptroller.

LGAC is required to comply with existing internal control and other reporting requirements pursuant to the Public Authorities Law and any regulations issued by the Office of the State Comptroller regarding the use of the Public Authorities Reporting Information System (“PARIS”). Corporation management (“Management”) conducted an annual internal control assessment of LGAC’s operations to ensure compliance with existing laws and regulations and to provide assurance that LGAC’s assets were appropriately protected and managed.

The Corporation’s Internal Control Officer has conducted an assessment of the effectiveness of the Corporation’s internal control system as of March 31, 2022 utilizing the criteria described in the “Internal Control – Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission. As part of this assessment, the Internal Control Officer has obtained and reviewed an independent audit report issued by KPMG LLP on controls over the trustee bank that furnishes bank trustee and custodial services to the Corporation and an independent audit report on the Corporation’s internal controls over financial reporting issued by BST & Co. CPAs, LLP. In addition, the Corporation’s internal control guidelines and

policies and procedures were reviewed, members of the Corporation's staff were interviewed, and corporate financial documents were reviewed.

On December 7, 1990, the Board created a Finance Committee to be composed of the Chair of the Corporation, the State Comptroller and the Budget Director, with the State Comptroller serving as the Chair. As of April 1, 2006, the Act requires the Corporation to form both Audit and Governance Committees composed of independent members. The Corporation formed Audit and Governance Committees on July 24, 2007. The Public Authorities Law was amended in December 2009 to require that the Audit, Governance and Finance Committees each have no less than three independent members and that the independent members constitute a majority on the Committees. As a result, on March 24, 2010, the Board voted to revise the composition of each of these Committees to meet the new statutory requirements. There are currently vacancies on each Committee due to vacancies on the Board. A majority of committee members present at all Committee meetings held during the 2021-22 fiscal year were independent members.

The Act also requires the formal adoption of a code of ethics that, at a minimum, includes the standards established in Section 74 of the POL. The Board complied with this requirement by adopting a code of ethics on July 24, 2007 that is applicable to all Directors, officers and employees of the Corporation. In addition to the controls provided by the code of ethics, currently, three of the four Directors, and each officer and staff person is either a statewide elected official or a state officer or employee and, as such, is bound by the ethics provisions of the POL.

The Public Authorities Law also requires the Corporation to annually prepare and distribute a budget, approve its guidelines for investments and procurements, and issue reports on its procurement contracts, investments and operations and accomplishments. Further, the Corporation is required to comply with Parts 201, 203, 204 and 206 of Title 2 of the *Official Compilation of Codes, Rules and Regulations of the State of New York* ("2 NYCRR") which provide additional requirements related to the Corporation's accounting and reporting, budget and multi-year financial plan, reporting of state-supported debt and contract review and approval. For the fiscal year ended March 31, 2022, the Corporation approved such budget, reports and guidelines in conformance with applicable requirements and complied with the provisions of Parts 201, 203, 204 and 206 of 2 NYCRR in all material respects.

The Enabling Act requires the Corporation to enter into an agreement with the State Comptroller pursuant to which the State Comptroller shall be the Exclusive Agent of the Corporation for the sale of its bonds and notes. The agreement in place with respect to this requirement expires on April 1, 2024.

The Enabling Act also requires the Chairperson or Vice-Chairperson (each the "Chairperson") of its Board to certify to the State Comptroller and Governor the Corporation's cash requirements from the State at least 120 days prior to the commencement of its fiscal year, within 30 days of the issuance of bonds, and further allows such certification to be amended as the Chairperson deems necessary. Such certificate has been amended as necessary throughout the year in order to comply with the legal requirement to adequately meet the cash needs of the Corporation.

The Corporation must also comply with various finance related contractual terms and commitments with respect to the issuance and administration of the Corporation's bonds and administration of the Corporation. The Corporation has complied with all significant provisions of finance related contractual requirements to the best knowledge of Management.

Based on this assessment, Management concludes the Corporation's system of internal controls was effective and adequately prevented risks to the Corporation's mission in all material respects as of March 31, 2022. Due in part to the controls that were in place throughout the fiscal year, no circumstances arose that required the Board to take mitigating actions and the Corporation fulfilled its mission in all material respects as of March 31, 2022.

### **CORPORATION BONDS**

The Corporation's bonds are general obligations of LGAC. Payments of debt service on the Corporation's bonds are made from appropriations received from the State. Pursuant to the Enabling Act, the State deposits revenues from the State's sales and use tax at the rate of one percent (1%) into the Local Government Assistance Tax Fund ("LGATF"), a joint custody fund of the State Comptroller and the State Commissioner of Taxation and Finance. The State uses this Fund to make payments to the Corporation. Amounts in excess of the Corporation's needs are transferred from the LGATF to the State's General Fund after the Corporation's requirements have been met as provided by statute and as certified by the Chairperson of the Corporation and all other obligations subject to impoundment have been satisfied. In the 2021-22 fiscal year, \$4.1 billion was transferred to the State's General Fund. This amount includes the \$46 million<sup>3</sup> payment made from the LGATF directly to the Sales Tax Asset Receivable Corporation. State payments to the Corporation are subject to annual appropriations by the State Legislature. The Corporation's bondholders do not have a lien on monies deposited in the LGATF.

If on any date there are insufficient moneys in the LGATF to make a required payment to the Corporation, the Comptroller is required to transfer sufficient moneys from the State's General Fund to make up the deficiency. To date no such transfers have been required.

The Corporation had no bonds outstanding as of March 31, 2022.

The following schedules provide detailed historical information regarding the Corporation's bonds refunded and bonds outstanding with amounts issued and retired as of March 31, 2022.

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<sup>3</sup> Section 3238-a of the Public Authorities Law states the \$170 million annual payment to the city of New York will be terminated provided all outstanding bonds of the Sales Tax Asset Receivable Corporation (STARC) have been fully paid and discharged by means of legal defeasance before July 1, 2021, and \$46 million is paid to the city of New York or its assignee, STARC, on or before June 30, 2021. All outstanding bonds were legally defeased on June 23, 2021, and \$46 million was paid to STARC on June 29, 2021

**New York Local Government Assistance Corporation**  
**Bonds Refunded<sup>1,2</sup> by Refunding Transaction or**  
**Use of Proceeds from Capital Reserve Releases<sup>3</sup>**  
**From Inception Through March 31, 2022**  
**(In Thousands)**

Series	1993B	1993C	1993E	1996A	1997A	1997B	1998A	2000 Capital Reserve Release <sup>4</sup>	2003A	2003A-4V <sup>5</sup>	2003A-5/6	2003A-8V <sup>6</sup>
1991A	\$ -	\$ 116,845	\$ -	\$ 110,705	\$ 59,120	\$ 160,630	\$ -	\$ 25,025	\$ -	\$ -	\$ -	\$ -
1991B	297,320	43,725	-	55,085	15,945	14,885	13,910	-	-	-	-	-
1991C	-	168,680	231,160	45,170	97,990	25,515	-	11,595	-	-	-	-
1991D	-	159,180	94,725	62,300	25,460	22,340	-	10,135	-	-	-	-
1992A	-	48,900	-	177,970	29,700	16,780	-	7,615	-	-	-	-
1992B	-	-	-	-	-	112,195	196,925	9,480	-	-	-	-
1992C	-	-	-	-	-	105,535	15,350	7,055	78,585	-	-	-
1993A	-	-	-	-	-	-	-	11,000	-	-	-	-
1993B	-	-	-	-	-	-	-	13,530	333,525	-	-	-
1993C	-	-	-	-	-	-	-	13,050	339,295	-	-	-
1993D	-	-	-	-	-	-	-	2,530	185,295	-	-	-
1993E	-	-	-	-	-	-	-	-	1,820	-	-	-
1994A	-	-	-	-	-	-	-	3,805	104,115	-	-	-
1994B	-	-	-	-	-	-	-	500	-	-	-	-
1995A	-	-	-	-	-	-	65,850	25,180	212,205	-	-	-
1995B	-	-	-	-	-	-	-	3,500	-	-	-	-
1995C	-	-	-	-	-	-	-	1,700	-	-	-	-
1995D	-	-	-	-	-	-	-	3,700	-	-	-	-
1995E	-	-	-	-	-	-	-	3,600	-	-	-	-
1995F	-	-	-	-	-	-	-	4,000	-	-	-	-
1995G	-	-	-	-	-	-	-	1,100	-	-	-	-
1996A	-	-	-	-	-	-	-	-	4,735	-	-	-
1997A	-	-	-	-	-	-	-	-	-	-	-	-
1997B	-	-	-	-	-	-	-	-	42,295	-	-	-
1998A	-	-	-	-	-	-	-	-	-	-	-	-
2003A	-	-	-	-	-	-	-	-	-	137,500	191,665	40,885
2004A	-	-	-	-	-	-	-	-	-	-	-	-
2007A	-	-	-	-	-	-	-	-	-	-	-	-
2008A	-	-	-	-	-	-	-	-	-	-	-	-
2008B	-	-	-	-	-	-	-	-	-	-	-	-
2010A	-	-	-	-	-	-	-	-	-	-	-	-
2010B	-	-	-	-	-	-	-	-	-	-	-	-
2012A	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 297,320	\$ 537,330	\$ 325,885	\$ 451,230	\$ 228,215	\$ 457,880	\$ 292,035	\$ 158,100	\$ 1,301,870	\$ 137,500	\$ 191,665	\$ 40,885

**Notes:**

- All amounts are par or unaccrued amounts.
- All bonds refunded were defeased to an available call date selected at the time of the refunding.
- Use of proceeds from capital reserve fund release relates to the Capital Reserve Funds released as described in footnotes 3, 6, 7 and 8.
- On March 9, 2000, the Corporation released \$170 million of its capital reserves to defease \$129.1 million in bonds and call and redeem an additional \$29 million in outstanding bonds on April 3, 2000. The monies released from the Capital Reserve Fund were replaced with a surety bond.
- The Series 2003A-4V bonds were converted from FSA insured VRDBs to uninsured VRDBs with a substitution of liquidity facility.
- The Series 2003A-8V bonds were converted from FSA insured VRDBs to uninsured VRDBs.
- The Series 2012A refunding resulted in a release of \$24.9 million from the Capital Reserve Fund which was applied toward the redemption of the Series 1995C & E bonds.
- The Series 2018A refunding resulted in a release of \$34.1 million from the Capital Reserve Fund which was applied toward the redemption of the Series 2007A, Series 2008A and Series 2008B-AV & BV bonds.
- Proceeds from the refunding issuance of NYS Urban Development Corporation State Sales Tax Revenue Bonds, Series 2020A (Tax-Exempt) and Series 2020B (Federally-Taxable) ("STRB 2020"), release of \$80.4 million from LGAC's Capital Reserve Fund and \$133.7 million of other moneys available to LGAC were used to refund Series 2003A-4V, Series 2008B-3V, Series 2008B-7V, Series 2010A, Series 2010B and Series 2012A Bonds.

In addition to transactions listed above, Series 1995B-G bond proceeds in the amount of \$529 million were used to replace an equal amount of outstanding bond anticipation notes.

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**New York Local Government Assistance Corporation**  
**Bonds Refunded<sup>1, 2</sup> by Refunding Transaction or**  
**Use of Proceeds from Capital Reserve Releases<sup>3</sup>**  
**From Inception Through March 31, 2022**  
**(In Thousands)**

Series	2004A	2007A	2008A	2008B	2008B-C/D	2008C	2010A	2010B	2011A	2012A <sup>7</sup>	2018A <sup>8</sup>	STRB 2020 <sup>9</sup>	Total
1991A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,325
1991B	-	-	-	-	-	-	-	-	-	-	-	-	143,550
1991C	-	-	-	-	-	-	-	-	-	-	-	-	580,110
1991D	-	-	-	-	-	-	-	-	-	-	-	-	374,140
1992A	-	-	-	-	-	-	-	-	-	-	-	-	280,965
1992B	-	-	-	-	-	-	-	-	-	-	-	-	318,600
1992C	-	-	-	-	-	-	-	-	-	-	-	-	206,525
1993A	-	-	-	-	-	-	-	168,600	-	-	-	-	179,600
1993B	-	-	-	-	-	-	-	-	-	-	-	-	347,055
1993C	89,565	-	-	-	-	-	-	-	-	-	-	-	441,910
1993D	97,335	-	-	-	-	-	-	-	-	-	-	-	285,160
1993E	-	-	-	-	-	-	-	-	-	-	-	-	1,820
1994A	17,890	-	-	-	-	-	-	-	-	-	-	-	125,810
1994B	-	-	-	-	-	-	-	96,500	-	-	-	-	97,000
1995A	-	-	-	-	-	-	-	-	-	-	-	-	303,235
1995B	-	-	-	-	-	-	69,600	-	-	-	-	-	73,100
1995C	-	-	-	-	-	-	-	-	-	63,000	-	-	64,700
1995D	-	-	-	-	-	-	69,000	-	-	-	-	-	72,700
1995E	-	-	-	-	-	-	-	-	-	62,900	-	-	66,500
1995F	-	-	-	-	-	-	69,400	-	-	-	-	-	73,400
1995G	-	-	-	-	-	-	69,400	-	-	-	-	-	70,500
1996A	-	302,100	79,300	-	-	-	-	-	-	-	-	-	386,135
1997A	-	101,930	905	-	-	-	-	-	-	-	-	-	102,835
1997B	-	-	327,820	-	-	-	-	-	-	-	-	-	370,115
1998A	-	-	-	-	-	215,095	-	-	-	-	-	-	215,095
2003A	-	-	-	376,600	-	-	-	-	-	-	-	137,500	884,150
2004A	-	-	-	210,450	-	-	-	-	-	-	-	-	210,450
2007A	-	-	-	-	-	-	-	-	-	-	19,635	-	19,635
2008A	-	-	-	-	-	-	-	-	-	-	226,605	-	226,605
2008B	-	-	-	-	105,485	-	-	-	188,705	-	87,205	188,650	570,045
2010A	-	-	-	-	-	-	-	-	-	-	-	122,255	122,255
2010B	-	-	-	-	-	-	-	-	-	-	-	72,975	72,975
2012A	-	-	-	-	-	-	-	-	-	-	-	47,185	47,185
Total	\$ 204,790	\$ 404,030	\$ 408,025	\$ 587,050	\$ 105,485	\$ 215,095	\$ 277,400	\$ 265,100	\$ 188,705	\$ 125,900	\$ 333,445	\$ 568,565	\$ 8,103,505

**Notes:**

1. All amounts are par or unaccrued amounts.
2. All bonds refunded were defeased to an available call date selected at the time of the refunding.
3. Use of proceeds from capital reserve fund release relates to the Capital Reserve Funds released as described in footnotes 3, 6, 7 and 8.
4. On March 9, 2000, the Corporation released \$170 million of its capital reserves to defease \$129.1 million in bonds and call and redeem an additional \$29 million in outstanding bonds on April 3, 2000. The monies released from the Capital Reserve Fund were replaced with a surety bond.
5. The Series 2003A-4V bonds were converted from FSA insured VRDBs to uninsured VRDBs with a substitution of liquidity facility.
6. The Series 2003A-8V bonds were converted from FSA insured VRDBs to uninsured VRDBs.
7. The Series 2012A refunding resulted in a release of \$24.9 million from the Capital Reserve Fund which was applied toward the redemption of the Series 1995C & E bonds.
8. The Series 2018A refunding resulted in a release of \$34.1 million from the Capital Reserve Fund which was applied toward the redemption of the Series 2007A, Series 2008A and Series 2008B-AV & BV bonds.
9. Proceeds from the refunding issuance of NYS Urban Development Corporation State Sales Tax Revenue Bonds, Series 2020A (Tax-Exempt) and Series 2020B (Federally-Taxable) ("STRB 2020"), release of \$80.4 million from LGAC's Capital Reserve Fund and \$133.7 million of other moneys available to LGAC were used to refund Series 2003A-4V, Series 2008B-3V, Series 2008B-7V, Series 2010A, Series 2010B and Series 2012A Bonds.

In addition to transactions listed above, Series 1995B-G bond proceeds in the amount of \$529 million were used to replace an equal amount of outstanding bond anticipation notes.

**New York Local Government Assistance Corporation**  
**Schedule of Bonds Outstanding with Amounts Issued and Retired**  
**During the Fiscal Year Ended March 31, 2022**  
(In Dollars)

Bond Issue and Description	Original Amount Issued	Balance at March 31, 2021	Issued	Retired	Balance at March 31, 2022
Series 1993D&E, Delivered December 23, 1993, Maturing through April 1, 2023, Serial and Term bonds @ 3.2% to 6.0%	\$ 700,955,000	\$ 33,165,000	\$ -	\$ 33,165,000	\$ -
Series 2011A, Delivered September 15, 2011, Maturing through April 1, 2021, Serial bonds @ 4.0% to 5.0%	184,040,000	23,530,000	-	23,530,000	-
Series 2018A, Delivered March 22, 2018, Maturing through April 1, 2021, Serial Bonds @ 5.0%	256,045,000	33,440,000	-	33,440,000	-
Total	<u>\$ 1,141,040,000</u>	<u>\$ 90,135,000</u>	<u>\$ -</u>	<u>\$ 90,135,000</u>	<u>\$ -</u>

**DEBT SERVICE PAYMENTS AND SOURCE OF FUNDS FOR PAYMENTS**

During its 2021-22 fiscal year, LGAC made approximately \$92.3 million in net debt service payments on its outstanding bonds. These payments were made from monies received from the State, and other moneys available to LGAC (i.e., investment earnings on the Corporation's capital reserve, release of funds from the capital reserve and debt service funds).

The Office of the State Comptroller reported to the Corporation that approximately \$16.5 billion was received by the State from the four percent sales tax, net of refunds and collection expenses, during the State's 2021-22 fiscal year, of which the one percent share, net of refunds and collection expenses, deposited to the LGATF was \$4.1 billion. This reflects a 24.24 percent increase from the one percent share of sales tax, net of refunds and collection expenses, received by the LGATF during the 2020-21 fiscal year. The following schedule provides historical information relating to sales tax receipts from State fiscal years 2012-13 through 2021-22.

<b>SALES TAX RECEIPTS<sup>1</sup></b>			
(In Millions)			
State Fiscal Year	Net Receipts of Sales Tax (At 4%)	Net Receipts of 1% Sales Tax	Annual Percentage Growth/(Decline) <sup>2</sup>
2012-13	\$ 11,232	\$ 2,809	1.04%
2013-14	\$ 11,786	\$ 2,947	4.91%
2014-15	\$ 12,137	\$ 3,027	2.71%
2015-16	\$ 12,485	\$ 3,121	3.11%
2016-17	\$ 12,967	\$ 3,242	3.88%
2017-18	\$ 13,553	\$ 3,388	4.50%
2018-19	\$ 14,164	\$ 3,537	4.40%
2019-20	\$ 14,883	\$ 3,718	5.12%
2020-21	\$ 13,273	\$ 3,317	-10.79%
2021-22	\$ 16,491	\$ 4,121	24.24%

1. Reflects sales and compensating use tax receipts, net of refunds and collection expenses. Amounts are unadjusted for rate and base changes.

2. Represents growth rate of net receipts of 1% sales tax.

## CERTIFICATION

Appendix F of this report contains the basic financial statements of LGAC for the fiscal year ended March 31, 2022 including the Independent Auditor's Report on the Basic Financial Statements. The Auditor's Report provides an unmodified opinion. Based on our knowledge, the information provided in the basic financial statements is accurate, correct and does not contain any untrue statement of material fact; does not omit any material fact which, if omitted, would cause the basic financial statements to be misleading in light of the circumstances under which such statements are made; and fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the basic financial statements.

/s/ Dominic Colafati  
Dominic Colafati  
Co-Executive Director  
New York Local Government Assistance Corporation

/s/ Maria Doulis  
Maria Doulis  
Co-Executive Director  
New York Local Government Assistance Corporation

/s/ Pat Reale  
Pat Reale  
Treasurer  
New York Local Government Assistance Corporation

## **Appendix A**

### **NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION MISSION STATEMENT AND MEASUREMENT REPORT**

# **NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**

## **2021-22 MISSION STATEMENT AND MEASUREMENTS**

### **MISSION STATEMENT**

Created on June 11, 1990, the New York Local Government Assistance Corporation's ("Corporation" or "LGAC") mission consists of three main goals, which, when met, directly benefit the State, the City of New York and other local governments and school districts. The goals are identified as follows: 1) The issuance of up to \$4.7 billion in long-term Corporation bonds to finance certain local assistance payments due from the State (as well as certain other amounts necessary for the issuance of such LGAC bonds) to help eliminate the State's reliance on the annual issuance of intra-year tax and revenue anticipation notes ("Spring Borrowing"); 2) Manage a) the Corporation's debt portfolio through maturity in an attempt to achieve a balance between the lowest cost of funds and appropriate market risk levels while maintaining the exclusion of interest on LGAC debt from federal and State income taxation, b) the Corporation's operational costs efficiently, and c) the investment of (i) funds until needed for debt service payments or operating expenses, (ii) monies in the Capital Reserve Fund, and (iii) any escrow funds; and 3) Beginning in 2004, certify on an annual basis, payments required to be made to the City of New York or its assignee from the Local Government Assistance Tax Fund.

### **MEASUREMENTS**

**Goal #1:** Issue up to \$4.7 billion in long-term Corporation bonds to finance certain local assistance payments due from the State (as well as certain other amounts necessary for the issuance of such LGAC bonds) to help eliminate the State's reliance on the annual issuance of intra-year tax and revenue anticipation notes (Spring Borrowing).

#### **Measurement of Goal #1:**

##### **Q. 1. What is the total amount of bonds issued by the Corporation?**

Response: LGAC issued the last of the long-term bonds authorized by statute in SFY 1995-96. The bond proceeds were used for the statutorily authorized purposes. Therefore, LGAC has concluded this component of its mission.

**Goal #2:** Manage a) the Corporation's debt portfolio through maturity in an attempt to achieve a balance between the lowest cost of funds and appropriate market risk levels while maintaining the exclusion of interest on LGAC debt from federal and State income taxation, b) the Corporation's operational costs efficiently, and c) the investment of (i) funds until needed for debt service payments or operating expenses, (ii) monies in the Capital Reserve Fund, and (iii) any escrow funds.

#### **Measurement of Goal #2:**

##### **Q. 1. Has the Corporation ensured that debt service and related support payments relative to the Corporation's bonds have been made accurately and in a timely manner?**

Response: During fiscal year 2021-22, the Corporation made all debt service and related portfolio support payments, as it has done in all previous years, accurately and in a timely manner.

**Q. 2. Has the Corporation worked with Bond Counsel to insure that it took steps necessary to maintain the exclusion from income taxes of interest on Corporation debt?**

Response: With respect to each conversion or issuance of refunding debt the Corporation consults with bond counsel and its financial advisor to appropriately size the debt service reserve funds related to its bonds to ensure that tax requirements are met. Also, the Corporation utilizes the services of a verification agent where necessary and an arbitrage rebate calculator to ensure that it complies with all rebate and yield restriction requirements and annually reviews available State funds to ensure that tax requirements are met.

**Q. 3. Has the Corporation effectively managed the investment of its funds?**

Response: The Corporation invests funds on hand until they are needed to make debt service payments or for other operational expenses. During the past fiscal year, the Corporation's funds were safeguarded at all times in all material respects. The Corporation also met its other investment objectives, including to obtain the maximum yield consistent with safety of principal; and to maintain the tax-exempt status of LGAC's bonds.

**Q. 4. Has the Corporation ensured that its operations were run efficiently?**

Response: The Corporation's Enabling Act includes a provision that in order to reduce its operating expenses the Corporation shall, to the extent practicable, utilize existing employees of the State, hiring its own employees only if the necessary functions of the Corporation cannot be performed without the hiring of such employees. Currently, State officers and employees act as officers and staff of the Corporation and receive no compensation from LGAC for services provided to the Corporation. Additionally, the Corporation has always relied upon State employees to support the functions of the Corporation and has never hired its own employees.

**Goal #3:** Beginning in 2004, certify on an annual basis through 2021 payments required to be made to the City of New York or its assignee from the Local Government Assistance Tax Fund.

**Measurement of Goal #3:**

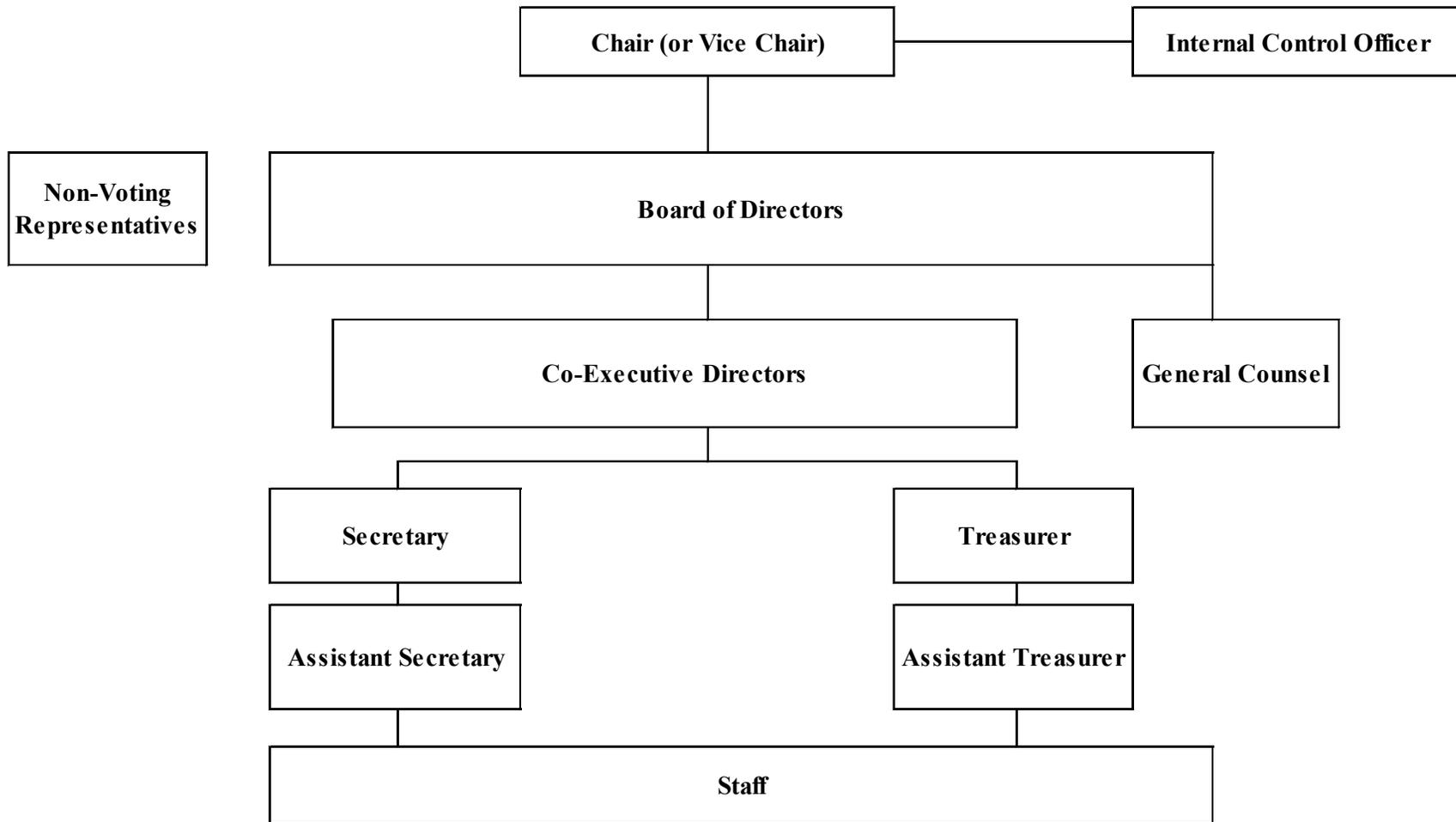
**Q. 1. Has the annual payment due to the City of New York or its assignee, the Sales Tax Asset Receivable Corporation, from the Local Government Assistance Tax Fund been appropriately certified?**

Response: The Corporation completed the required certification of the payment to be made to the Sales Tax Asset Receivable Corporation during fiscal year 2021-22 and has done the same for all previous fiscal years, where required. No future payments are required, as all the conditions to terminate the payments as stated in Section 3238-a of the Public Authorities Law have been met.

**Appendix B**

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION  
ORGANIZATION CHART  
AND  
BIOGRAPHIES OF DIRECTORS AND OFFICERS**

# NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION ORGANIZATION CHART\*



\* The Corporation's enabling act includes a provision that in order to limit its operating expenses the Corporation shall, to the extent practicable, rely on existing employees of the State, hiring its own employees only if the necessary functions of the Corporation cannot be performed without such employees. Currently, State officers and employees act as officers and staff of the Corporation and receive no compensation from LGAC for services provided to the Corporation. Additionally, in order to build on pre-existing efficiencies, the Corporation has always relied upon State employees to support the functions of the Corporation and has never hired its own employees. Officers or staff provide support to the Corporation on an as needed basis and services provided to the Corporation are in addition to each person's other duties and responsibilities as a State officer or employee. In addition to LGAC's officers, approximately 16 State officers or employees from the Office of the State Comptroller, Division of the Budget and Office of the Attorney General provide core services to the Corporation. Other State officers and employees may also provide assistance as required. The ex officio Directors have the ability to designate a representative or representatives to attend meetings of the Board in their place, and to vote or otherwise act in their absence. Both ex officio Directors have designated representatives.

# NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

## DIRECTORS AND OFFICERS

as of March 31, 2022

The Corporation is administered by a non-compensated, seven-member Board, consisting of the Comptroller and the Director of the Budget of the State of New York, both of whom serve ex officio, and five Directors who are appointed by the Governor. Currently, there are three vacancies on the Board.

### DIRECTORS

**Robert F. Mujica Jr.,** *Chairperson and Director.* Mr. Mujica was appointed Budget Director and began serving on January 14, 2016, at which time he also began serving as Director ex officio and as Chairperson of the Corporation as appointed by Governor Andrew M. Cuomo. As Budget Director, he is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio. Prior to his current appointment, Mr. Mujica was Chief of Staff to the Temporary President and Majority Leader of the Senate and concurrently served as the Secretary to the Senate Finance Committee. For two decades, Mr. Mujica advised various elected and other government officials in New York on State budget, fiscal and policy issues. Mr. Mujica received his B.A. degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration (M.G.A.) from the University of Pennsylvania and holds a Juris Doctorate (J.D.) from Albany Law School.

*Vice-Chairperson and Director.* Vacant.

**Thomas P. DiNapoli,** *Director.* Thomas P. DiNapoli is the Comptroller of the State of New York and he serves as Director ex officio. Comptroller DiNapoli was sworn into office February 7, 2007. His current term of office expires December 31, 2022. The Comptroller is the State's chief auditor and chief fiscal officer. Comptroller DiNapoli is responsible for auditing the disbursements, receipts, and accounts of the State, as well as for auditing State departments, agencies, authorities, and municipalities. The Comptroller also manages the State's debt, as well as the State's Common Retirement Fund. Comptroller DiNapoli had served in the New York State Assembly for 20 years prior to taking his current office. Comptroller DiNapoli chaired the Assembly Local Governments Committee, where he worked closely with local government officials throughout the State to help to tackle the many fiscal challenges localities face each year. Comptroller DiNapoli also served 15 years on the Assembly Ways and Means Committee, where he had extensive engagement on State budget making, budget reform, debt reform and other vital statewide fiscal issues. Comptroller DiNapoli got his start in elected leadership in 1972, when at the age of 18, he was elected to his local board of education. In addition to his distinguished career in public service, Comptroller DiNapoli has been an adjunct professor at Hofstra University and Long Island University – C.W. Post College. He earned a Bachelor of Arts in History, Magna Cum Laude, from Hofstra University and a Master of Arts in Human Resources Management from The New School.

**Kevin F. Murray,** *Director.* Mr. Murray was appointed a Director of the Corporation on July 20, 2007 by then Governor Eliot Spitzer. Mr. Murray is retired from State service. From

2011 through January 2015, he served as the Executive Deputy Comptroller in the Office of the State Comptroller and was responsible for oversight and management of the New York State and Local Retirement System and the Common Retirement Fund. Prior to that, he had been Deputy Comptroller for Retirement Services. From 2002 to 2007, Mr. Murray was the Executive Director of the Retired Public Employees Association (“RPEA”). He was employed in the State Division of the Budget from 1970 to 1984 where he advanced to the position of Assistant Chief Budget Examiner in the General Government Operations Unit. Thereafter, he was a Divisional Vice President of Empire Blue Cross and Blue Shield from 1984 to 1987. He returned to State service in 1987 as Deputy Commissioner for Tax Policy Analysis in the Department of Taxation and Finance. For eleven years, from 1988 through 1999, he served as the Tax Department’s Executive Deputy Commissioner. He received a bachelor’s degree from Fordham University and pursued additional studies in Political Science at Indiana University.

**Marc V. Shaw, Director.** Marc V. Shaw was appointed a Director of the Corporation on May 21, 2007 by then Governor Eliot Spitzer. Mr. Shaw is Chair of the Advisory Board and Senior Advisor at the CUNY Institute for State and Local Governance. From 2010 to 2014, he was Senior Vice Chancellor for Budget, Finance and Financial Policy at CUNY. Mr. Shaw served as a Senior Advisor to the Governor on Metropolitan Transportation Authority (“MTA”) finances during 2009. From 2006 to 2008, he was the Executive Vice President for Strategic Planning at Extell Development Company. From 2002 to 2006, he was the First Deputy Mayor and Deputy Mayor for Operations to Mayor Bloomberg. In 1996, was appointed as the Executive Director and Chief Operating Officer for the MTA. Mr. Shaw has served as NYC Budget Director, NYC Finance Commissioner, and Finance Director for the NYC Council. Mr. Shaw also worked for the NYS Senate Finance Committee.

**Director.** Vacant.

**Director.** Vacant.

In addition, pursuant to the Act, the Secretary to the Finance Committee of the State Senate, David Friedfel, and the Secretary to the Ways and Means Committee of the State Assembly, Blake Washington, are ex officio non-voting representatives.

### **OFFICERS**

The Corporation’s Enabling Act includes a provision that in order to reduce its operating expenses the Corporation shall, to the extent practicable, utilize existing employees of the State, hiring its own employees only if the necessary functions of the Corporation cannot be performed without the hiring of such employees. The Corporation’s Directors appoint its key officers. The Board has provided the Treasurer and Secretary each with the authorization to appoint an assistant. Currently, State officers and employees act as officers and staff of the Corporation and receive no compensation from LGAC for services provided to the Corporation.

**Letitia James, General Counsel.** Ms. James is the Attorney General of the State of New York and serves as General Counsel ex officio. The Attorney General, the chief legal officer of the State, is elected on a statewide basis and has charge and control of the State’s legal affairs. She prosecutes and defends all actions and proceedings for and against the State and its departments, defends the constitutionality of the acts of the Legislature and serves as bond counsel on bond sales by the State. Ms. James was elected Attorney General in November 2018. Her current term of office expires December 31, 2022.

**Dominic Colafati**, *Co-Executive Director*. Mr. Colafati was appointed Co-Executive Director of the Corporation on March 20, 2015. He is the unit head of the Expenditure/Debt unit for the New York State Division of the Budget (“DOB”), where he leads teams responsible for developing and managing the State’s Financial Plan and capital market activities. Before joining DOB, Mr. Colafati was the research manager for the Connecticut Conference of Municipalities, a non-profit association representing cities and towns. He holds a degree from the Maxwell School at Syracuse University and is a member of the Government Finance Officers Association and the Governmental Accounting Standards Board Advisory Council.

**Maria Doulis**, *Co-Executive Director*. Ms. Doulis was appointed Co-Executive Director of the Corporation on March 25, 2021. Ms. Doulis is New York State Deputy Comptroller for Budget and Policy Analysis. She previously was Vice President of Strategy and Communications at the Citizens Budget Commission, a nonprofit, nonpartisan think tank that analyzes New York State and New York City finances and policies. She has a BA from Queens College – CUNY, an MPA from the George Washington University and completed doctoral work at New York University.

**Pat Reale**, *Treasurer*. Mr. Reale was appointed Treasurer of the Corporation on March 5, 2019. Mr. Reale is the Assistant Comptroller for Debt Management with the Office of the State Comptroller. Prior to this, he served as the Director of Debt Management with the Office of the State Comptroller. Mr. Reale also previously served with the New York State Division of the Budget, responsible for the State’s debt portfolio, its debt service budget, as well as the State’s Capital Program and Financing Plan. Mr. Reale received a Bachelor of Arts degree in Political Science from the State University of New York at Albany, and a Master’s Degree in Public Administration from the Rockefeller College of Public Affairs and Policy, University at Albany.

**Peter Brucato**, *Secretary*. Mr. Brucato was appointed Secretary of the Corporation on June 23, 2020. Mr. Brucato has been with the New York State Division of the Budget since 2018, and currently serves as a Budget Fellow in the Division’s Expenditure/Debt Unit, where he is responsible for managing the State’s debt portfolio. Mr. Brucato received a Bachelor of Arts degree in Political Science and Economics from Georgetown University.

**Kristee Iacobucci**, *Internal Control Officer*. Ms. Iacobucci was appointed Internal Control Officer of the Corporation on July 1, 2009. Ms. Iacobucci has worked for the Office of the State Comptroller since 1992 and is currently an Assistant Comptroller. Prior to this, she was the Director of the Pension Integrity Bureau in the Division of Retirement Services, a Program Research Specialist in the Office of Budget and Policy Analysis and an Associate Auditor in the Division of State and Local Government Accountability. Throughout her career, Ms. Iacobucci has been responsible for conducting internal controls assessments and auditing internal controls within the Comptroller’s Office and for other governmental entities. She received a Bachelor of Business Administration in Accounting from Siena College.

**Chuck Trimbach**, *Assistant Treasurer*. Mr. Trimbach was appointed Assistant Treasurer to the Corporation on March 20, 2013. Mr. Trimbach has been with the Office of the State Comptroller since April 2002. Currently, he serves as Assistant Director for the Bureau of Debt Management in the Office of Budget and Policy Analysis and is responsible for managing the State’s General Obligation and New York Local Government Assistance Corporation debt portfolios. Mr. Trimbach received a Bachelor of Arts degree in Economics from the State University of New York at Potsdam and a Master’s degree in Business Administration from Niagara University.

## **Appendix C**

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**

**BOARD COMMITTEE STRUCTURE**

**BOARD AND COMMITTEE MEETINGS CONVENED**

**BOARD AND COMMITTEE ADOPTED MEETING MINUTES**

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**  
**BOARD COMMITTEE STRUCTURE**

**AUDIT COMMITTEE**

The Audit Committee was initially established July 24, 2007 through Resolution 2007-6. Chapter 506 of the Laws of 2009 amended subdivision 4 of Section 2824 of the Public Authorities Law to require the Audit Committee to be composed of not less than three independent members. Additionally, these independent members must constitute a majority of the Committee. The LGAC Board of Directors, through Resolution 2010-03, revised the membership of the Audit Committee to meet this requirement.

Members of the Audit Committee as of March 31, 2022 were Kevin Murray, serving as Chair, and Marc Shaw. At March 31, 2022, there was one vacancy on the Audit Committee.

**FINANCE COMMITTEE**

The Finance Committee was initially established December 7, 1990 through Resolution 90-10. Chapter 506 of the Laws of 2009 added a new subdivision 8 of Section 2824 of the Public Authorities Law to require the establishment of a Finance Committee to be composed of not less than three independent members. Additionally, these independent members must constitute a majority of the Committee. The LGAC Board of Directors, through Resolution 2010-04 revised the membership of the Finance Committee to meet this requirement.

Members of the Finance Committee as of March 31, 2022 were Comptroller Thomas P. DiNapoli, serving as Chair, Budget Director Robert F. Mujica Jr., Kevin Murray and Marc Shaw. At March 31, 2022, there was one vacancy on the Finance Committee.

**GOVERNANCE COMMITTEE**

The Governance Committee was initially established July 24, 2007 through Resolution 2007-7. Chapter 506 of the Laws of 2009 amended subdivision 7 of Section 2824 of the Public Authorities Law to require the Governance Committee to be composed of not less than three independent members. Additionally, these independent members must constitute a majority of the Committee. The LGAC Board of Directors, through Resolution 2010-05, revised the membership of the Governance Committee to meet this requirement.

Members of the Governance Committee as of March 31, 2022 were Kevin Murray and Marc Shaw. At March 31, 2022, there was one vacancy on the Governance Committee.

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION  
BOARD AND COMMITTEE MEETINGS CONVENED  
DURING FISCAL YEAR 2021-22**

<b>Date</b>	<b>Meeting Convened</b>	<b>Directors on Committee/Board and in Attendance at Meeting*</b>	<b>Committee/Board Meeting at Which Minutes Were Adopted</b>
June 25, 2021	Board of Directors	Four, with all in attendance	Minutes not yet adopted
June 25, 2021	Audit Committee	Two, with all in attendance	Minutes not yet adopted

\*The number of Directors on the Board/Committee represents those Directors then in Office. Indication of attendance includes either the Director or the Director's representative for the ex officio Directors.

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## **Appendix D**

### **NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION ENABLING LEGISLATION AND BY-LAWS**

**The New York Local Government Assistance Corporation was created by State Statute and has no Charter**

## NY CLS Pub A, Art. 10-B, Title 4

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1 — 11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### Title 4 New York Local Government Assistance Corporation

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#### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

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## NY CLS Pub A § 3231

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3231. Short title

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This title may be cited as the “New York local government assistance corporation act”.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

Annotations

### Notes to Decisions

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#### 1. Constitutionality

Local Government Assistance Corporation Act, which establishes public benefit corporation for purpose of providing assistance payments to local government units through issuance and sale of corporation’s bonds, is constitutional because provisions of Act which relate to any payments by state are executory and subject to legislative appropriation, and thus statutory scheme neither creates debt of state, in violation of CLS NY Const Art VII § 11, nor gives or lends state’s credit to aid any public or private corporation, in violation of CLS NY Const Art VII § 8(1). *Schulz v State*, 151 Misc. 2d 594, 582 N.Y.S.2d 355, 1992 N.Y. Misc. LEXIS 77 (N.Y. Sup. Ct.), modified, aff’d, 185 A.D.2d 596, 586 N.Y.S.2d 428, 1992 N.Y. App. Div. LEXIS 9107 (N.Y. App. Div. 3d Dep’t 1992).

Local Government Assistance Corporation Act, which establishes public benefit corporation for purpose of providing assistance payments to local government units through issuance and sale of corporation’s bonds, neither imposes liability on state or any political subdivision for payment of obligations issued by public corporation nor requires legislature to impose such liability on state or any political subdivision in violation of CLS NY Const Art X § 5. *Schulz v State*, 151 Misc. 2d 594, 582 N.Y.S.2d 355, 1992 N.Y. Misc. LEXIS 77 (N.Y. Sup. Ct.), modified, aff’d, 185 A.D.2d 596, 586 N.Y.S.2d 428, 1992 N.Y. App. Div. LEXIS 9107 (N.Y. App. Div. 3d Dep’t 1992).

## NY CLS Pub A § 3232

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3232. Definitions

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For the purpose of this title:

1. “Director of the budget” means the director of the budget of the state of New York.
2. “Corporation” means the New York local government assistance corporation as created by this title.
3. “Comptroller” means the comptroller of the state of New York.
4. “State” means the state of New York.
5. “Revenues” means all aid, rents, fees, charges, payments and other income and receipts paid or payable to the corporation or to a trustee for the account of the corporation, including any payment required to be made to the corporation by this title.
6. “Operating expenses” means all expenses incurred by the corporation in the administration of the corporation including but not limited to salaries, administrative expenses, insurance premiums, fees payable to providers of bond or note facilities, auditing and legal expenses and fees and expenses incurred for professional consultants and fiduciaries.
7. “Capital reserve fund requirement” means, as of any particular date of computation and with respect to any capital reserve fund, the maximum amount required to pay, during the then current or any succeeding fiscal year, on all bonds of the corporation secured by such capital reserve fund outstanding as of the date of computation, the maximum combined amount of all interest payable during such fiscal year and all installments of principal (including mandatory sinking fund payments and amounts, payable on principal so paid, that are treated as original issue discount under the code and regulations thereunder) payable during such fiscal year; provided that the corporation may, if it determines that the security and marketability of bonds secured by a capital reserve fund will not be unduly adversely affected, reduce the requirement with respect to such capital reserve fund as so defined so as to equal no less than half of the amount so calculated; and provided, further, that the corporation may increase the amount calculated as provided in this subdivision with respect to a capital reserve fund by including any designated notes of the corporation as bonds, upon any related issuance

proceeds of which will fund the increase, and provided, further, that interest payable at a variable rate on any bonds of the corporation or payable at a rate then not determinable on short term notes to be issue [issued]\* by the corporation in renewal or replacement of other short term notes shall for purposes of any such calculation be assumed to be payable at a rate or rates reasonably assumed by the corporation having due regard for the security and marketability of all its bonds and notes.

8. "Code" means the United States Internal Revenue Code of 1986, as amended.

9. "Net proceeds" means the aggregate principal amount of any bonds or notes issued by the corporation, reduced by any amount of such bonds or notes that constitutes interest under the code and further reduced by the portion of such aggregate principal amount issued (i) to fund the capital reserve fund in accordance with the capital reserve fund requirement and to fund any other reserves that the corporation reasonably deems necessary for the security or marketability of its bonds and notes, (ii) to provide capitalized interest, and (iii) to provide fees and other charges and expenses, including underwriters' discount, related to the issuance of such bonds or notes, including fees and other charges payable from such proceeds to providers of bond or note facilities.

10. "Bond or note facility" means any insurance policy, letter of credit or other facility, agreement or arrangement referred to in subdivision sixteen, seventeen or eighteen of section three thousand two hundred thirty-five of this title.

11. "Local government" means a county, city, town, village, school district, city school district or board of cooperative educational services.

## History

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Add, L 1990, ch 220, § 1, eff June 11, 1990; amd, L 1991, ch 2, § 1, eff Jan 29, 1991.

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\* The bracketed word has been inserted by Publisher.

## NY CLS Pub A § 3233

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3233. New York local government assistance corporation

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1. There is hereby created the New York local government assistance corporation. The corporation shall be a corporate governmental agency constituting a public benefit corporation. It shall have the powers and privileges of a corporation and all of its business shall be transacted, all funds invested, all warrants for money drawn and payments made, and all cash and securities and other personal property held under its corporate name.
2. The corporation shall continue until six months after all its liabilities have been met or otherwise discharged. Upon the termination of the existence of the corporation, all of its rights and property shall pass to and be vested in the state.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

Annotations

### Research References & Practice Aids

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**Codes, Rules and Regulations:**

Public access to records. 21 NYCRR §§ 9760.1 et seq.

## NY CLS Pub A § 3234

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3234. Administration of the corporation

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1.

(a) The corporation shall be administered by seven directors, one of whom shall be the comptroller, one of whom shall be the director of the budget and five of whom shall be appointed by the governor. The comptroller and the director of the budget shall be entitled to designate a representative or representatives to attend meetings of the board in their place, and to vote or otherwise act on their behalf in their absence. Notice of such designation shall be furnished in writing to the board by the designating director. A representative shall serve at the pleasure of the designating director during the director's term of office. A representative shall not be authorized to delegate any of his or her duties or functions to any other person. A director who is not a state official shall serve for a term expiring at the end of the term actually served by the officer making the appointment and may be removed for cause by such officer after hearing on ten days notice.

(b) The secretary to the senate finance committee and the secretary to the assembly ways and means committee shall be nonvoting representatives who shall receive notice of and be entitled to attend all meetings of the directors and who shall also receive the same supporting and other documentation related to each vote to be taken by the directors at each meeting as is provided to the directors, at the same time as it is provided to the directors. The comments of the nonvoting representatives shall be entered upon the record of the meeting.

2. The governor shall designate a chairperson and a vice-chairperson from among the directors. The chairperson shall preside over all meetings of the directors and shall have such other duties as the directors or the corporation may direct. The vice-chairperson shall preside over all meetings of the directors in the absence of the chairperson and shall have such other duties as the directors of the corporation may prescribe.

3. The directors of the corporation shall serve without salary, but each director shall be reimbursed for actual necessary expenses incurred in the performance of such director's official duties as a director of the

corporation. The directors of the corporation may engage in private employment or in a profession or business if not otherwise prohibited from so doing by virtue of any other public office.

4. Notwithstanding any inconsistent provisions of law, general, special or local, no officer or employee of the state of New York, any city, county, town or village, any other political or civil division of the state, any municipality, any governmental entity operating any public school or college, any school district or any other public agency or instrumentality or unit of government which exercises governmental powers under the laws of the state, shall forfeit office or employment by reason of acceptance of appointment as a director, representative, officer or agent of the corporation nor shall service as such director, representative, officer or agent of the corporation be deemed incompatible or in conflict with such office or employment.

5. A majority of the whole number of directors then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the corporation. Except as otherwise specified in this title, for the transaction of any business or the exercise of any power of the corporation, the corporation shall have power to act by a majority of the directors present at any meeting at which a quorum is in attendance; provided that one or more directors may participate in a meeting by means of conference telephone or similar communications equipment allowing all directors participating in the meeting to hear each other at the same time and participation by such means shall constitute presence in person at a meeting. A unanimous vote of all directors then in office shall be required for approval of a resolution authorizing the issuance of bonds or notes or any supplemental or amendatory resolution. The corporation may delegate to one or more of its directors, or officers, agents and employees, such powers and duties as the directors may deem proper. Five days notice shall be given to each director and nonvoting representative prior to any meeting of the corporation.

6. On or before November fifteenth of each year, the corporation shall submit a financial statement and a report of its activities for such corporation's immediately preceding fiscal year to the governor, the temporary president of the senate, the speaker of the assembly, the comptroller, the chair of the senate finance committee and the chair of the assembly ways and means committee.

## History

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Add, L 1990, ch 220, § 1, eff June 11, 1990; amd, L 1991, ch 2, § 2, eff Jan 29, 1991; L 2002, ch 81, § 54 (Part K), eff May 29, 2002, deemed eff April 1, 2002; L 2005, ch 766, § 23, eff Jan 13, 2006; L 2010, ch 48, § 2, eff April 26, 2010; L 2011, ch 58, § 47 (Part BB), eff April 26, 2010, expired and repealed March 31, 2013; L 2013, ch 57, § 45 (Part HH), eff March 31, 2013; L 2014, ch 55, § 46-d (Part I), eff March 31, 2014, deemed eff on and after April 1, 2014.

Annotations

## Notes

**Editor's Notes:**

**Laws 2005, ch 766, §§ 1 and 31**, eff Jan 13, 2006, provide as follows:

Section 1. Short title. This act shall be known and may be cited as the “public authorities accountability act of 2005”.

§ 31. This act shall take effect immediately and shall apply to the public authority fiscal year beginning on or after January 1, 2006, provided however that section twenty-seven of this act shall take effect April 1, 2006.

**Laws 2010, ch 48, § 3**, eff April 26, 2010, deemed eff April 1, 2010, provides as follows:

§ 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2010, provided, however, that section two of this act shall expire March 31, 2011, when, upon such date, the provisions of such section shall be deemed repealed.

**Laws 2011, ch 58, § 59 (Part BB)**, eff March 31, 2011, deemed eff on and after April 1, 2011, provides as follows:

§ 59. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2011; provided further that sections one through fourteen-a and sections eighteen through twenty-eight of this act shall expire March 31, 2012, when upon such date, the provisions of such sections shall be deemed repealed; provided further that the amendments to subdivision 5 of section 97-rrr of the state finance law made by section sixteen of this act shall not affect the expiration of such subdivision and shall expire therewith; and provided further that section forty-seven of this act shall take effect on the same date as the reversion of subdivision 5 of section 3234 of the public authorities law as provided in section 3 of chapter 48 of the laws of 2010, as amended and shall expire and be deemed repealed March 31, 2013.

**Laws 2013, ch 57, § 70, sub (c)**, eff March 29, 2013, deemed eff on and after April 1, 2013, provides as follows:

§ 70. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2013; provided that:

(c) the amendments to subdivision 5 of section 3234 of the public authorities law made by section forty-five of this act shall take effect upon the expiration and reversion of such subdivision as provided in section 59 of part BB of chapter 58 of the laws of 2011;

## NY CLS Pub A § 3235

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1 — 11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3235. General powers of the corporation

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The corporation shall have the following powers in addition to those specially conferred elsewhere in this title:

1. to sue and be sued;
2. to have a seal and alter the same at pleasure;
3. to make and alter by-laws for its organization and internal management and, subject to agreements with bondholders or noteholders, to make rules and regulations governing the use of its property and facilities;
4. to make and execute contracts, leases, subleases and all other instruments or agreements necessary or convenient for the exercise of its powers and functions under this title;
5. to purchase real or personal property necessary and convenient for its purposes; to execute and deliver deeds for real property held in its own name; and to sell or otherwise to dispose of such real or personal property that, in the judgment of the corporation, is no longer necessary for its corporate purposes;
6. to appoint officers, agents and employees, prescribe their duties and qualifications and fix their compensations subject to the provisions of the civil service law and any applicable collective bargaining agreement;
7. to commence any action to protect or enforce any right conferred upon it by any law, contract or other agreement;
8. to make payments to local governments in such amounts as are provided for by this title;
9. to borrow money and, in accordance with section three thousand two hundred thirty-six of this title, to issue bonds or notes or other obligations in respect of amounts borrowed and to fund or refund the same, and to provide for the rights of the holders of its obligations subject to provisions of this title;

10. subject to the provisions of any contract with bondholders or noteholders, to invest any funds held in reserves or sinking funds, or any funds not required for immediate use or disbursement, at the discretion of the corporation, in obligations in which the comptroller is authorized to invest pursuant to section ninety-eight-a of the state finance law;
11. subject to the provisions of any contract with bondholders or noteholders, to purchase bonds or notes of the corporation;
12. to procure insurance in such amounts and from such insurers as it deems desirable;
13. to engage the services of consultants on a contract basis for rendering professional and technical assistance and advice;
14. to receive and accept, and contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof, the state or any agency or instrumentality thereof, or from any other source and to comply with the terms and conditions thereof;
15. as security for the payment of the principal of and interest on any bonds or notes issued by it pursuant to this title and any agreements made in connection therewith and for its obligations under bond or note facilities to pledge all or any part of its revenues or assets;
16. to procure insurance, letters of credit or other credit enhancement with respect to its bonds or notes issued pursuant to this title, or facilities for the payment of tenders of such bonds or notes or facilities for the payment upon maturity of short-term notes not renewed;
17. to adopt, amend or rescind rules and regulations appropriate to its corporate purposes and to enter into agreements and otherwise to do any and all things necessary or convenient to carry out its purposes and exercise the powers expressly given and granted in this title.
18. [Repealed]
19. [Redesignated]

## History

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Add, L 1990, ch 220, § 1, eff June 11, 1990; amd, L 2002, ch 81, § 41 (Part K), eff May 29, 2002, deemed eff April 1, 2002.

Annotations

## Notes

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**Editor's Notes:**

**Laws 2002, ch 81, § 42 (Part K)**, eff May 29, 2002, deemed eff April 1, 2002, provides as follows:

§ 42. Any interest rate exchange agreement entered into pursuant to subdivisions 17 and 18 of section 3235 of the public authorities law as repealed by section forty-one of this act prior to the effective date of this act shall, upon the effective date hereof, be governed by the provisions of article 5-D of the state finance law, as added by section thirty-eight of this act, and as may subsequently be amended.

## Notes to Decisions

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### 1. Constitutionality

Plaintiffs who were citizens, residents, taxpayers and registered voters of state lacked standing to maintain declaratory judgment action challenging constitutionality of Local Government Assistance Corporation Act (CLS Pub A § 3231 et seq.) on grounds that it violated, inter alia, CLS NY Const Art VII §§ 11 and 8 by authorizing issuance of long-term, tax-supported state debt for multiple purposes which were not distinctly specified, without voter approval, and by permitting lending of state's credit to Corporation, and that it violated CLS NY Const Art X §

5. *Schulz v State*, 185 A.D.2d 596, 586 N.Y.S.2d 428, 1992 N.Y. App. Div. LEXIS 9107 (N.Y. App. Div. 3d Dep't 1992), app. dismissed, app. denied, 81 N.Y.2d 336, 599 N.Y.S.2d 469, 615 N.E.2d 953, 1993 N.Y. LEXIS 1172 (N.Y. 1993).

Citizen taxpayers lacked standing to challenge constitutionality of Local Government Assistance Corporation Act, which establishes public benefit corporation for purpose of providing assistance payments to local government units through issuance and sale of corporation's bonds, in view of CLS St Fin § 123-b(1), which provides that standing otherwise accorded to citizen taxpayers to challenge illegal or unconstitutional disbursement of state funds does not apply to bond issue by any public benefit corporation. *Schulz v State*, 151 Misc. 2d 594, 582 N.Y.S.2d 355, 1992 N.Y. Misc. LEXIS 77 (N.Y. Sup. Ct.), modified, aff'd, 185 A.D.2d 596, 586 N.Y.S.2d 428, 1992 N.Y. App. Div. LEXIS 9107 (N.Y. App. Div. 3d Dep't 1992).

## Research References & Practice Aids

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**Cross References:**

This section referred to in §§ 3232, 3239.

## NY CLS Pub A § 3236

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1 — 11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3236. Bonds and notes of the corporation

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1.

(a) The corporation shall have power and is hereby authorized from time to time to issue its bonds and notes in such principal amount or amounts, subject to subdivision eight of this section, as the corporation shall determine to be necessary, to provide sufficient funds for achieving its corporate purposes, including the making of payments pursuant to section three thousand two hundred thirty-eight of this title, the payment of interest on bonds and notes of the corporation, the establishment of reserves to secure such bonds and notes, the payment of amounts required under bond or note facilities or agreements relating thereto, and the payment of all costs of issuance of its bonds and notes.

(b) The corporation shall have the power and is hereby authorized from time to time to issue (i) notes to renew notes and (ii) bonds to pay notes, including the interest thereon and, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any of its other corporate purposes. The refunding bonds may be exchanged for the bonds to be refunded or sold and the proceeds applied to the purchase, redemption or payment of such bonds.

(c) Except as may otherwise be expressly provided by the corporation, every issue of its bonds and notes shall be general obligations of the corporation payable out of any revenues of the corporation, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues.

(d)

(i) Bonds and notes shall be authorized by resolution of the corporation, be in such denominations and bear such date or dates and mature at such time or times, as such resolution may provide, provided that bonds and notes and renewals or refundings thereof shall mature on a date not later than December thirty-first, two thousand twenty-five nor more than thirty years from the date of original issuance.

(ii) Bonds and notes shall be subject to such terms of redemption, bear interest at such rate or rates, be payable at such times, be in such form, either coupon, registered or book entry form, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, and be subject to such terms and conditions as such resolution may provide.

(e) Such bonds shall be sold to the bidder offering the lowest interest cost to the corporation, taking into consideration any premium or discount and, in the case of refunding bonds, the bona fide initial public offering price, not less than four nor more than fifteen days, Sundays excepted, after a notice of such sale has been published at least once in a definitive trade publication of the municipal bond industry published on each business day in the state of New York which is generally available to participants in the municipal bond industry, which notice shall state the terms of the sale. The corporation may not change the terms of the sale unless notice of such change is sent via a definitive trade wire service of the municipal bond industry which, in general, makes available information regarding activity and sales of municipal bonds and is generally available to participants in the municipal bond industry, at least one hour prior to the time of the sale as set forth in the original notice of sale. In so changing the terms or conditions of a sale the corporation may send notice by such wire service that the sale will be delayed by up to thirty days, provided that wire notice of the new sale date will be given at least one business day prior to the new time when bids will be accepted. In such event, no new notice of sale shall be required to be published. Advertisements shall contain a provision to the effect that the corporation, in its discretion, may reject any or all bids made in pursuance of such advertisements, and in the event of such rejection, the corporation is authorized to negotiate a private sale or readvertise for bids in the form and manner above described as many times as, in its judgment, may be necessary to effect a satisfactory sale. Notwithstanding the foregoing provisions of this paragraph, whenever in the judgment of the corporation the interests of the corporation will be served thereby, the corporation may sell bonds at private sale. The corporation shall promulgate regulations governing the terms and conditions of any such private sales, which regulations shall include a provision that it give notice to the governor, the temporary president of the senate, and the speaker of the assembly of its intention to conduct a private sale of obligations pursuant to this section not less than five days prior to such sale or the execution of any binding agreement to effect such sale.

(f) The corporation shall enter into an agreement with the comptroller pursuant to which the comptroller shall be the exclusive agent of the corporation for the sale of its bonds and notes.

2. Consistent with the provisions of this title, any resolution authorizing any bonds or notes or any issue thereof may contain provisions, which shall be a part of the contract with the holders thereof, as to:

(a) pledging all or any part of the revenues to secure the payment of the bonds or notes or of any issue thereof, subject to such agreements with bondholders or noteholders as may then exist;

- (b) pledging all or any part of the assets of the corporation to secure the payment of the bonds or notes or of any issue of bonds or notes, subject to such agreements with bondholders or noteholders as may then exist;
- (c) the setting aside of reserves or sinking funds and the regulation and disposition thereof;
- (d) limitations on the purposes to which the proceeds of sale of bonds or notes may be applied and pledging such proceeds to secure the payment of the bonds or notes or of any issue thereof;
- (e) limitations on the issuance of additional bonds or notes; the terms upon which additional bonds or notes may be issued and secured; and the refunding of outstanding or other bonds or notes;
- (f) the procedure, if any, by which the terms of any contract with bondholders or noteholders may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which such consent may be given;
- (g) limitations on the amount of moneys to be expended by the corporation for operating expenses of the corporation;
- (h) vesting in a trustee, as described in subdivision six of this section, such property, rights, powers and duties in trust as the corporation may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to this title, and limiting or abrogating the right of the bondholders to appoint a trustee under this title or limiting the rights, powers, and duties of such trustee;
- (i) the acts or omissions to act which shall constitute a default in the obligations and duties of the corporation to the holders of the bonds or notes and providing for the rights and remedies of the holders of the bonds or notes in event of such default, including the right to appointment of a receiver; providing, however, that such rights and remedies shall not be inconsistent with the general laws of the state and the other provisions of this title;
- (j) any other matters, of like or different character, which in any way affect the security or protection of the holders of the bonds or notes; and
- (k) the application of any of the foregoing provisions to any provider of any applicable bond or note facility.

Notwithstanding the foregoing, the corporation shall not be authorized to make any covenant, pledge, promise, or agreement purporting to bind the state except as otherwise specifically authorized by this title.

**3.** Any pledge made by the corporation shall be valid and binding from the time when the pledge is made. The revenues or property so pledged and thereafter received by the corporation shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the corporation, irrespective of whether such parties have notice thereof. Neither the

resolution nor any other instrument by which a pledge is created need be recorded or filed to protect such pledge.

4. Neither the directors of the corporation nor any other person executing the bonds or notes of the corporation shall be subject to any personal liability or accountability by reason of the issuance thereof.
5. The corporation, subject to such agreements with bondholders or noteholders as may then exist, or with the providers of any applicable bond or note facility, shall have power out of any funds available therefor to purchase bonds or notes of the corporation, which may or may not thereupon be cancelled, at a price not substantially exceeding:
  - (a) if the bonds or notes are then redeemable, the redemption price then applicable, including any accrued interest;
  - (b) if the bonds or notes are not then redeemable, the redemption price and accrued interest applicable on the first date after such purchase upon which the bonds or notes become subject to redemption.
6. In the discretion of the directors of the corporation, the bonds and notes may be secured by a trust indenture by and between the corporation and a corporate trustee, or a corporate trustee may be appointed under the resolution as provided in subdivision two of this section.
7. Whether or not the bonds and notes are of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the bonds and notes are hereby made negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the bonds and notes for registration or any book-entry-only system.
8.
  - (a) The corporation shall not issue any bonds or notes in an amount in excess of four billion seven hundred million dollars, plus a principal amount of bonds or notes:
    - (i) to fund any capital reserve fund in accordance with the capital reserve fund requirement,
    - (ii) to provide capitalized interest for a period not to exceed six months, and
    - (iii) to provide for the payment of fees and other charges and expenses, including underwriters' discount, related to the issuance of such bonds or notes, or related to the provision of any applicable bond or note facilities.
  - (b) In computing for the purposes of this section, the aggregate amount of indebtedness evidenced by bonds and notes of the corporation issued pursuant to this title, there shall be excluded (i) the amount of bonds or notes issued that would constitute interest under the Code as amended to the effective date of this title, and (ii) the amount of such indebtedness represented by such bonds or notes issued to refund or otherwise repay bonds or notes, provided that the amount so excluded under this subparagraph (ii) may exceed the principal amount of such bonds or notes that were issued to refund

or otherwise repay only if the present value of the aggregate debt service on the refunding or repayment bonds or notes shall not have at the time of their issuance exceeded the present value of the aggregate debt service of the bonds or notes they were issued to refund or repay, such present value in each case being calculated by using the effective interest rate of the refunding or repayment bonds or notes, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding or repayment bonds or notes from the payment date thereof to the date of issue of the refunding or repayment bonds or notes and to the price bid therefor, or to the proceeds received by the corporation from the sale thereof, in each case including estimated accrued interest.

9. Each issuance of bonds by the corporation under this title shall provide for the retirement thereof so that debt service thereon, calculated in accordance with reasonably assumed interest rates to the extent not then determinable, shall be on a substantially [substantial]\* level or decreasing debt-service payment basis no later than one year from the date of their issuance to the date of retirement of the latest bond within such issue to retire. Each issuance of notes shall provide for annual reductions of the aggregate outstanding principal in equal or increasing amounts of such reduction. Notwithstanding the foregoing, if the corporation shall issue refunding bonds, the debt service thereon shall be structured on any basis that the corporation deems is in its best interest, provided that debt service on all outstanding bonds, notes and other financial obligations is not increased in any future fiscal year after giving effect to such refunding.

## History

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Add, L 1990, ch 220, § 1, eff June 11, 1990; amd, L 1991, ch 2, § 3, eff Jan 29, 1991; L 1999, ch 219, § 11, eff July 12, 1999; L 2011, ch 58, § 48 (Part BB), eff March 31, 2011, deemed eff on and after April 1, 2011.

Annotations

## Research References & Practice Aids

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### Cross References:

This section referred to in §§ 3235, 3241-a, 3243.

### Codes, Rules and Regulations:

Private sale of bonds or notes. 21 NYCRR § 9750.1.

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\* The bracketed word has been inserted by the Publisher.

## NY CLS Pub A § 3237

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3237. Capital reserve fund

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1. The corporation shall create and establish one or more special funds (each herein referred to as a capital reserve fund), which may be funded initially from proceeds of bonds or notes of the corporation issued pursuant to this title, in an amount equal to the capital reserve fund requirement of the bonds or notes secured thereby. All amounts held in a capital reserve fund shall be used solely for the payment of principal of or interest on the bonds or notes secured thereby, sinking fund payments thereon, the redemption thereof and payments to providers of bond or note facilities in respect of payments of such principal, interest or sinking fund payments made by them, in accordance with the applicable provisions of any and all resolutions and trust indentures, if any, securing such bonds and notes. Any income or interest, not required to be rebated to the United States to provide for continued exclusion from gross income for federal income tax purposes of interest on the bonds and notes of the corporation, earned by, or increment to, the capital reserve fund due to the investment thereof, in excess of the amount thereof needed to pay interest on the bonds or notes issued to fund the capital reserve fund, shall be used to pay debt service on bonds or notes issued by the corporation. Any amounts released from a capital reserve fund shall be applied, or set aside to be applied when practicable, by the corporation to the payment of principal on the applicable bonds or notes, or to redemption thereof or to the providers of bond or note facilities.

2. In computing the amount of the capital reserve fund for the purposes of this section, obligations in which all or a portion of such fund shall be invested shall be valued at par if purchased at par or, if purchased at a premium above or a discount below par, the value at any given date obtained by dividing the total premium or discount at which such obligations were purchased by the number of interest payment dates remaining to maturity on such obligations after such purchase, and by multiplying the number so calculated by the number of interest payment dates having passed since the date of such purchase; and (i) in the case of such obligations purchased at a premium, by deducting the product thus obtained from the purchase price; and (ii) in the case of such obligations purchased at a discount, by adding the product thus obtained to the purchase price. In lieu of a deposit of money or obligations to the capital reserve fund, the corporation, having due regard for the security and marketability of all affected bonds and notes, may satisfy the whole or any portion of the capital reserve fund requirement by providing one or more surety agreements,

insurance agreements, letters of credit or other type of agreement or arrangement satisfying the provisions of all applicable resolutions or trust indentures, if any, each of which provides for the availability, at all times required thereunder, of the amount of money or the value of the obligations in lieu of the deposit of which such agreement or arrangement is provided.

## History

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Add, L 1990, ch 220, § 1, eff June 11, 1990; amd, L 1991, ch 2, § 4, eff Jan 29, 1991.

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## NY CLS Pub A § 3238

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3238. Payments to local governments

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The local government assistance corporation shall not issue obligations for payments to local governments unless an appropriation or appropriations have been enacted providing for the determination of the amount and manner of payments to local governments. Payments to local governments from the net proceeds of the obligations of the corporation shall be for any or all of the following purposes:

1. elementary and secondary education, community college aid and support for tuition assistance programs;
2. payment of the nonfederal share of local medicaid costs; and
3. other local assistance programs, including revenue sharing assistance, aid for health and the improvement of environmental quality, housing initiatives, mental health and drug abuse programs, mass transportation and highway and bridge programs.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

Annotations

### Research References & Practice Aids

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#### Cross References:

This section referred to in § 3236.

## NY CLS Pub A § 3238-a

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1 — 11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### **§ 3238-a. Payment to city of New York.**

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1. Notwithstanding any inconsistent provision of law, the corporation shall transfer to the city of New York one hundred seventy million dollars from the resources of the corporation pursuant to section thirty-two hundred thirty-nine of this title. Such payment shall be made during each city fiscal year; provided, however, that on and after July first, two thousand twenty, the obligation of the corporation to make such payments shall be terminated if all outstanding bonds of the sales tax asset receivable corporation that are secured by the corporation's payments described in this subdivision have been fully paid and discharged by means of a legal defeasance in accordance with the trust indenture under which they were issued before July first, two thousand twenty-one, and in addition the corporation has paid to the city of New York or to its assignee if such payments have been assigned pursuant to this subdivision, the sum of forty-six million dollars on or before June thirtieth, two thousand twenty-one. Such payments from the corporation shall be made from the fund established by section ninety-two-r of the state finance law and in accordance with the provisions thereof.

2. The city of New York, acting by the mayor alone, may assign all or any portion of such amount to any not-for-profit corporation incorporated pursuant to section fourteen hundred eleven of the not-for-profit corporation law and, upon such assignment, the amount so assigned shall be the property of such not-for-profit corporation for all purposes. Following notice from the city of New York to the corporation and the comptroller of such assignment, such payment shall be made directly to the city's assignee. If such not-for-profit corporation issues bonds and/or notes, the state does hereby pledge and agree with the holders of any issue of bonds and/or notes secured by such a pledge that the state will not limit or alter the rights vested in such not-for-profit corporation to fulfill the terms of any agreements made with such holders or in any way impair the rights and remedies of such holders or the security for such bonds and/or notes until such bonds and/or notes, together with the interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully paid and discharged. The foregoing pledge and agreement may be included in any agreement with the holders of such bonds or notes. Nothing contained in this section shall be deemed to restrict the right of the state to amend, modify, repeal or

otherwise alter statutes imposing or relating to the taxes subject to such assignment, but such taxes shall in all events continue to be so payable, as assigned, so long as any such taxes are imposed.

3. Proceeds of state supported debt, as defined in subdivision one of section sixty-seven-a of the state finance law, or other available monies, may be provided to the trustee for the bonds of the sales tax asset receivable corporation secured by the corporation's payments described in subdivision one of this section in an amount sufficient to fully pay and discharge such bonds by means of a legal defeasance of all such outstanding bonds in accordance with the trust indenture under which they were issued. So long as such bonds are legally defeased and the corporation has paid to the city of New York or to its assignee if such payments have been assigned pursuant to this subdivision, the sum of forty-six million dollars on or before June thirtieth, two thousand twenty-one the corporation's obligation contained in subdivision one of this section to transfer funds to the city of New York shall be deemed satisfied and fully discharged. Upon any such legal defeasance of such bonds, the sales tax asset receivable corporation shall no longer be deemed a local authority within the meaning of subdivision two of section two of this chapter and the provisions of this chapter, including, without limitation, the provisions of article nine of this chapter, shall no longer be applicable to the sales tax asset receivable corporation.

4. Notwithstanding any inconsistent provision of law, the dormitory authority of the state of New York and the New York state urban development corporation are hereby authorized to issue bonds in one or more series pursuant to article five-C or article five-F of the state finance law in an aggregate principal amount sufficient to directly or indirectly (i) finance the legal defeasance or payment of all of the outstanding bonds of the sales tax asset receivable corporation secured by the corporation's payments described in subdivision one of this section, (ii) one or more related debt service reserve funds, and (iii) costs of issuance attributable to such bonds, and the issuance of such bonds is hereby determined to be for an "authorized purpose", as defined in subdivision two of section sixty-eight-a and subdivision two of section sixty-nine-m of the state finance law, as the case may be.

## History

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Add, L 2003, ch 62, § 1 (Part A4), eff July 1, 2003; amd, L 2003, ch 63, § 1 (Part V), eff July 1, 2003; L 2021, ch 59, § 51 (Part JJJ), effective April 19, 2021.

Annotations

## Notes

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### Editor's Notes:

**Laws 2003, ch 62, § 3 (Part A4)**, eff July 1, 2003, provides as follows:

§ 3. This act shall take effect on the first of July next succeeding the date on which it shall have become a law and shall expire and be deemed repealed on July 1, 2034.

**Laws 2021, ch 59, § 61 (Part JJJ)**, eff April 19, 2021, provides:

§ 61. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2021; provided, however, that the provisions of sections one, one-a, two, three, four, five, six, seven, eight, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty-one, and twenty-two-a of this act shall expire March 31, 2022 when upon such date the provisions of such sections shall be deemed repealed; provided further that sections forty-four and sixty of this act shall be deemed to have been in full force and effect on and after April 1, 2020; and provided further that the amendments to section 3238-a of the public authorities law made by section fifty-one of this act shall be subject to the repeal of such section and shall expire and be deemed repealed therewith.

### **Amendment Notes**

**The 2021 amendment by ch 59, § 51 (Part JJJ)**, added the (1) designation; rewrote (1); added the (2) designation; and added (3) and (4).

## **Notes to Decisions**

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### **1. Constitutionality**

Court declined to enjoin the City of New York and the Sales Tax Asset Receivable Corporation from implementing the Municipal Assistance Corporation Refinancing Act after the Local Government Assistance Corporation (LGAC) argued that the Act involved an unconstitutional multi-year obligation because it did not subject the annual payments to a referendum or to an appropriation by the legislature; N.Y. Pub. Auth. Laws § 3238-a required that payments to the city be made in accordance with N.Y. State Fin. Law § 92-r, which required an appropriation prior to payment, and although the legislature had modified N.Y. Pub. Auth. Laws § 3240(5), it left intact § 3240(3), which required that payments to the LGAC be appropriated. *Local Gov't Assistance Corp. v Sales Tax Asset Receivable Corp.*, 764 N.Y.S.2d 577, 1 Misc. 3d 272, 2003 N.Y. Misc. LEXIS 1090 (N.Y. Sup. Ct. 2003), app. dismissed in part, 5 A.D.3d 829, 773 N.Y.S.2d 460, 2004 N.Y. App. Div. LEXIS 2234 (N.Y. App. Div. 3d Dep't 2004).

Plain reading of the phrase “notwithstanding any inconsistent provision of law” in N.Y. Pub. Auth. Law § 3238-a reveals an intent on the part of the Legislature to require the Local Government Assistance Corporation (LGAC) to make the annual payments to New York City, even if some other provision would prohibit LGAC from making payments of this sort; N.Y. Pub. Auth. Law § 3241(1) merely confirms the priority of payment set forth in LGAC’s contract with its bondholders and does not prohibit LGAC from making such payments to the City; thus, while N.Y. Pub. Auth. Law § 3238-a requires LGAC to make annual payments to the City, it does not modify or repeal the State’s pledge to honor the contractual rights and remedies of LGAC’s bondholders pursuant to § 3241(1) and,

therefore, does not violate U.S. Const. art. I, § 10. *Local Gov't Assistance Corp. v Sales Tax Asset Receivable Corp.*, 2 N.Y.3d 524, 780 N.Y.S.2d 507, 813 N.E.2d 587, 2004 N.Y. LEXIS 1049 (N.Y. 2004).

Amended sentence of N.Y. Pub. Auth. Law § 3240(5) was intended to apply only to the previous sentence, not the entire subdivision because, reading the Municipal Assistance Corporation Refinancing Act, 2003 N.Y. Laws ch. 62, part A4; 2003 N.Y. Laws ch. 63, part V, as a whole, other provisions of the Act explicitly require that the payments be subject to annual legislative appropriation, including (1) N.Y. Pub. Auth. Law § 3238-a's provision requiring payments to be made from the Tax Fund established by N.Y. State Fin. Law § 92-5(1) and in accordance with the appropriation requirement of § 92-r(5)(a); (2) N.Y. Pub. Auth. Law § 3240(1)'s requirement that the Local Government Assistance Corporation (LGAC) include the payments to New York City in its annual certification, and (3) § 3240(3)'s requirement that the Comptroller can only pay the amount certified by the LGAC only if it has first been appropriated by the State. Thus, the Act does not violate the appropriation requirements of N.Y. Const. art. VII, § 11. *Local Gov't Assistance Corp. v Sales Tax Asset Receivable Corp.*, 2 N.Y.3d 524, 780 N.Y.S.2d 507, 813 N.E.2d 587, 2004 N.Y. LEXIS 1049 (N.Y. 2004).

Debt under N.Y. Const. art. VIII, § 2 can arise only where the municipality has incurred a legal obligation to fund the public benefit corporation's debt service to its bondholders should the corporation default on its obligation; thus, New York City's assignment of its right under N.Y. Pub. Auth. Law § 3238-a to receive the Local Government Assistance Corporation's (LGAC) annual payment to a non-profit organization, in exchange for the proceeds on the bonds that the non-profit would issue, was not a debt of the City requiring a pledge of the City's faith and credit under N.Y. Const. art. VIII, § 2 where the City had no legal obligations either to the nonprofit or to its bondholders should LGAC fail to make its payment to the non-profit. *Local Gov't Assistance Corp. v Sales Tax Asset Receivable Corp.*, 2 N.Y.3d 524, 780 N.Y.S.2d 507, 813 N.E.2d 587, 2004 N.Y. LEXIS 1049 (N.Y. 2004).

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## NY CLS Pub A § 3239

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3239. Resources of the corporation

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1. Subject to the provisions of this title, the directors of the corporation shall receive, accept, invest, administer, expend and disburse for its corporate purposes all monies for the corporation from whatever sources derived including:
  - (a) payments by the state pursuant to the provisions of section three thousand two hundred forty of this title; and
  - (b) any other payments, gifts, or appropriations to the corporation from any other source.
2. The monies of the corporation shall be held by the corporation and may be invested as provided in subdivision ten of section thirty-two hundred thirty-five of this title. Subject to provisions of any contract with bondholders or noteholders, all monies received by the corporation other than as proceeds of its bonds or notes which, together with other monies of the corporation available for the operating expenses of the corporation, the payment of debt service and the other purposes listed in section thirty-two hundred forty of this title, exceed the amount required for such purposes shall be applied by the corporation to the acceleration of the payment of principal on the bonds or notes of the corporation or to the redemption thereof.
3. The comptroller or legally authorized representative, from time to time may examine the books and accounts of the corporation, including its receipts, disbursements, contracts, reserves, investments, and any other matters relating to its financial standing. Such an examination should be conducted by the comptroller or such legally authorized representative at least once every five years; in lieu of such an examination, the comptroller may accept from the corporation an external examination of the books and accounts made at the request of the directors of the corporation.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

Annotations

## Notes to Decisions

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### 1. Applicability

Agreement with bondholders, pursuant to N.Y. Pub. Auth. Law § 3241(1) was not breached by the requirement under N.Y. Pub. Auth. Law § 3238-a that mandated a \$170,000,000 payment to New York City because the payments were not made at the expense of existing bondholders and the payment was subject to an annual appropriation; if there was an annual shortfall, nothing in N.Y. Pub. Auth. Law 3239(1) required that the payment be made. *Local Gov't Assistance Corp. v Sales Tax Asset Receivable Corp.*, 5 A.D.3d 829, 773 N.Y.S.2d 460, 2004

N.Y. App. Div. LEXIS 2234 (N.Y. App. Div. 3d Dep't), app. denied, 2 N.Y.3d 731, 778 N.Y.S.2d 452, 810 N.E.2d 904, 2004 N.Y. LEXIS 494 (N.Y. 2004), modified, 2 N.Y.3d 524, 780 N.Y.S.2d 507, 813 N.E.2d 587, 2004 N.Y. LEXIS 1049 (N.Y. 2004).

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## NY CLS Pub A § 3240

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3240. Payments to the corporation

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1. [Eff until July 1, 2034] Not less than one hundred twenty days before the beginning of each fiscal year of the corporation (but not later than October first, nineteen hundred ninety, for the fiscal year ending March thirty-first, nineteen hundred ninety-one) the chairperson of the corporation shall certify to the state comptroller and to the governor a schedule of cash requirements for such fiscal year. The total amount so certified for such fiscal year shall be equal to the total amount of the debt service then due on the bonds and notes of the corporation, including payments of interest and principal (including sinking fund payments) including payments required to be made pursuant to section thirty-two hundred thirty-eight-a of this title, together with:

- (a) the amount, if any, due to any provider of any bond or note facility, representing payments made by it as provided in the applicable resolution or trust indenture as a result of any previous failure of the state to make any payment provided for in this section, including any related reasonable interest, fees or charges so provided,
- (b) the amount, if any, required to restore the capital reserve fund to the capital reserve fund requirement to the extent any deficiency therein has resulted directly or indirectly from failure by the state to make any payment provided for in this section,
- (c) the amount, if any, required to be rebated to the United States to provide for continued federal tax exemption for bonds and notes of the corporation, and
- (d) the expenses of the establishment and continued operating expenses of the corporation, but not in excess of one hundred thousand dollars, exclusive of trustees' fees, fees payable to providers of bond or note facilities, fees for issuing and paying agents, remarketing agents and dealers, counsels, financial advisors, independent auditors, providers of interest rate exchange agreements, rating agencies, transfer or information agents, the publication of advertisements and notices, surety arrangements, and printers; fees or charges incurred by the corporation to comply with applicable federal and state securities or tax laws; and any other costs of issuance in excess of the amount provided therefor in the proceeds of the sale of bonds or notes of the corporation, to the extent that any

of the foregoing amounts or expenses are not to be paid from other resources available to the corporation for such purpose.

1. [Eff July 1, 2034] Not less than one hundred twenty days before the beginning of each fiscal year of the corporation (but not later than October first, nineteen hundred ninety, for the fiscal year ending March thirty-first, nineteen hundred ninety-one) the chairperson of the corporation shall certify to the state comptroller and to the governor a schedule of cash requirements for such fiscal year. The total amount so certified for such fiscal year shall be equal to the total amount of the debt service then due on the bonds and notes of the corporation, including payments of interest and principal (including sinking fund payments) together with:

(a) the amount, if any, due to any provider of any bond or note facility, representing payments made by it as provided in the applicable resolution or trust indenture as a result of any previous failure of the state to make any payment provided for in this section, including any related reasonable interest, fees or charges so provided,

(b) the amount, if any, required to restore the capital reserve fund to the capital reserve fund requirement to the extent any deficiency therein has resulted directly or indirectly from failure by the state to make any payment provided for in this section,

(c) the amount, if any, required to be rebated to the United States to provide for continued federal tax exemption for bonds and notes of the corporation, and

(d) the expenses of the establishment and continued operating expenses of the corporation, but not in excess of one hundred thousand dollars, exclusive of trustees' fees, fees payable to providers of bond or note facilities, fees for issuing and paying agents, remarketing agents and dealers, counsels, financial advisors, independent auditors, providers of interest rate exchange agreements, rating agencies, transfer or information agents, the publication of advertisements and notices, surety arrangements, and printers; fees or charges incurred by the corporation to comply with applicable federal and state securities or tax laws; and any other costs of issuance in excess of the amount provided therefor in the proceeds of the sale of bonds or notes of the corporation, to the extent that any of the foregoing amounts or expenses are not to be paid from other resources available to the corporation for such purpose.

1-a. The chairperson of the corporation may revise such certification at such times as shall be determined by the chairperson, provided, however, that the chairperson of the corporation shall revise such certification not later than thirty days after the issuance of any bonds or notes of the corporation including refunding bonds, and the adoption of any interest rate exchange or other financial arrangement affecting the cash requirements of the corporation.

2. The schedule accompanying such certification shall provide for payments on such dates as the corporation deems appropriate to ensure that sufficient funds will be available from the sources identified in this section to enable it to meet its current obligations as they become due.

3. Upon receipt of such certification, or any revision thereof, the comptroller shall pay such amount to the corporation for payment or deposit in accordance with such certification, from the local government assistance tax fund established by section ninety-two-r of the state finance law or from any other amount appropriated for such purpose to the extent that moneys in such fund are insufficient for such purpose. Any such payment shall be made within thirty days of the receipt of the certification or at the time specified within the certification, whichever is later, provided that any such amounts shall have been first appropriated by the state.
4. [Eff until July 1, 2034] In any year in which the state appropriates money out of any other funds available to it directly for the payment of debt service of the corporation or for any other corporate purposes for which payments out of the local government assistance fund may be made, except any appropriated amount in respect of a deficiency in such fund, the amount certified by the chairperson of the corporation shall be reduced by the amount of such direct state payments. Provided however, this subdivision shall not apply for payments made pursuant to section thirty-two hundred thirty-eight-a of this title.
4. [Eff July 1, 2034] In any year in which the state appropriates money out of any other funds available to it directly for the payment of debt service of the corporation or for any other corporate purposes for which payments out of the local government assistance fund may be made, except any appropriated amount in respect of a deficiency in such fund, the amount certified by the chairperson of the corporation shall be reduced by the amount of such direct state payments.
5. [Eff until July 1, 2034] The agreement of the state contained in this section shall be deemed executory only to the extent of appropriations available for payments under this section and no liability on account of any such payment shall be incurred by the state beyond such appropriations. The state, acting through the director of the budget, and the corporation may enter into, amend, modify, or rescind one or more agreements providing for the specific manner, timing, and amount of payments to be made under this section, but only in conformity with this section. Provided however, this subdivision shall not apply for payments made pursuant to section thirty-two hundred thirty-eight-a of this title.
5. [Eff July 1, 2034] The agreement of the state contained in this section shall be deemed executory only to the extent of appropriations available for payments under this section and no liability on account of any such payment shall be incurred by the state beyond such appropriations. The state, acting through the director of the budget, and the corporation may enter into, amend, modify, or rescind one or more agreements providing for the specific manner, timing, and amount of payments to be made under this section, but only in conformity with this section.
6. Nothing contained in this title shall be deemed to restrict the right of the state to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes imposed pursuant to sections eleven hundred five and eleven hundred ten of the tax law. The corporation shall not include within any resolution, contract or agreement with holders of the bonds or notes issued under this title any provision which provides that a default occurs as a result of the state exercising its right to amend, repeal, modify or otherwise alter the taxes imposed pursuant to sections eleven hundred five and eleven hundred ten of the tax law.

## History

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Add, L 1990, ch 220, § 1, eff June 11, 1990; amd, L 1991, ch 2, §§ 5, 6, eff Jan 29, 1991; L 2003, ch 62, § 2 (Part A4), eff July 1, 2003.

Annotations

## Notes

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### Editor's Notes:

**Laws 2003, ch 62, § 3 (Part A4)**, eff July 1, 2003, expires and repealed July 1, 2034, provides as follows:

§ 3. This act shall take effect on the first of July next succeeding the date on which it shall have become a law and shall expire and be deemed repealed on July 1, 2034.

## Notes to Decisions

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### 1. Constitutionality

Court declined to enjoin the City of New York and the Sales Tax Asset Receivable Corporation from implementing the Municipal Assistance Corporation Refinancing Act after the Local Government Assistance Corporation (LGAC) argued that the Act it involved an unconstitutional multi-year obligation because it did not subject the annual payments to a referendum or to an appropriation by the legislature; N.Y. Pub. Auth. Laws § 3238-a required that payments to the city be made in accordance with N.Y. State Fin. Law § 92-r, which required an appropriation prior to payment, and although the legislature had modified N.Y. Pub. Auth. Laws § 3240(5), it left intact § 3240(3), which required that payments to the LGAC be appropriated. *Local Gov't Assistance Corp. v Sales Tax Asset Receivable Corp.*, 764 N.Y.S.2d 577, 1 Misc. 3d 272, 2003 N.Y. Misc. LEXIS 1090 (N.Y. Sup. Ct. 2003), app. dismissed, in part, 5 A.D.3d 829, 773 N.Y.S.2d 460, 2004 N.Y. App. Div. LEXIS 2234 (N.Y. App. Div. 3d Dep't 2004).

Municipal Assistance Corporation Refinancing Act, 2003 N.Y. Laws ch. 62, part A4; 2003 N.Y. Laws ch. 63, part V, does not violate N.Y. Const. art. VII, § 11 because it ensures that any payments to New York City are subject to an annual legislative appropriation notwithstanding the amendment to N.Y. Pub. Auth. Law § 3240(5) and the entire purpose of channeling the annual payments through the Local Government Assistance Corporation (LGAC) is to make use of LGAC's trapping mechanism, which gives the Legislature an incentive, but not an obligation, to appropriate. *Local Gov't Assistance Corp. v Sales Tax Asset Receivable Corp.*, 2 N.Y.3d 524, 780 N.Y.S.2d 507, 813 N.E.2d 587, 2004 N.Y. LEXIS 1049 (N.Y. 2004).

## NY CLS Pub A § 3240

Amended sentence of N.Y. Pub. Auth. Law § 3240(5) was intended to apply only to the previous sentence, not the entire subdivision because, reading the Municipal Assistance Corporation Refinancing Act, 2003 N.Y. Laws ch. 62, part A4; 2003 N.Y. Laws ch. 63, part V, as a whole, other provisions of the Act explicitly require that the payments be subject to annual legislative appropriation, including (1) N.Y. Pub. Auth. Law § 3238-a's provision requiring payments to be made from the Tax Fund established by N.Y. State Fin. Law § 92-5(1) and in accordance with the appropriation requirement of § 92-r(5)(a); (2) N.Y. Pub. Auth. Law § 3240(1)'s requirement that the Local Government Assistance Corporation (LGAC) include the payments to New York City in its annual certification, and (3) § 3240(3)'s requirement that the Comptroller can only pay the amount certified by the LGAC only if it has first been appropriated by the State. Thus, the Act does not violate the appropriation requirements of N.Y. Const. art. VII, § 11. *Local Gov't Assistance Corp. v Sales Tax Asset Receivable Corp.*, 2 N.Y.3d 524, 780 N.Y.S.2d 507, 813 N.E.2d 587, 2004 N.Y. LEXIS 1049 (N.Y. 2004).

## Research References & Practice Aids

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### Cross References:

This section referred to in § 3239.

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## NY CLS Pub A § 3241

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1 — 11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3241. Agreement with the state

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1. The state does hereby pledge to and agree with the holders of any bonds or notes issued under this title and with the providers of any bond or note facilities that the state will not limit or alter the rights hereby vested in the corporation to fulfill the terms of any agreements made with the said holders or the said providers, or in any way impair the rights and remedies of such holders or providers until such bonds and notes, together with the interest thereon, with interest on any unpaid installments of interest, and all obligations of the corporation to such providers, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders or providers, are fully met and discharged. The corporation is authorized to include this pledge and agreement of the state in any agreement with the holders of such bonds or notes or with any such providers.

2. In order to induce prospective purchasers to purchase bonds and notes of the corporation, the state hereby further pledges and agrees with the holders of bonds and notes of the corporation that, while any bonds or notes of the corporation are outstanding, the state will abide by and not amend the provisions of section three thousand two hundred forty-one-a of this title other than amendments which implement or clarify any ambiguity in its terms in ways that do not have a material adverse effect on the protections established in such section. The corporation shall include the pledge and agreement set forth herein in any agreement with the holders of its bonds and notes.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

Annotations

### Notes to Decisions

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**1. Constitutionality**

**2. Applicability**

**1. Constitutionality**

Plain reading of the phrase “notwithstanding any inconsistent provision of law” in N.Y. Pub. Auth. Law § 3238-a reveals an intent on the part of the Legislature to require the Local Government Assistance Corporation (LGAC) to make the annual payments to New York City, even if some other provision would prohibit LGAC from making payments of this sort; N.Y. Pub. Auth. Law § 3241(1) merely confirms the priority of payment set forth in LGAC’s contract with its bondholders and does not prohibit LGAC from making such payments to the City; thus, while N.Y. Pub. Auth. Law § 3238-a requires LGAC to make annual payments to the City, it does not modify or repeal the State’s pledge to honor the contractual rights and remedies of LGAC’s bondholders pursuant to § 3241(1) and, therefore, does not violate U.S. Const. art. I, § 10. *Local Gov’t Assistance Corp. v Sales Tax Asset Receivable Corp.*, 2 N.Y.3d 524, 780 N.Y.S.2d 507, 813 N.E.2d 587, 2004 N.Y. LEXIS 1049 (N.Y. 2004).

**2. Applicability**

Agreement with bondholders, pursuant to N.Y. Pub. Auth. Law § 3241(1) was not breached by the requirement under N.Y. Pub. Auth. Law § 3238-a that mandated a \$170,000,000 payment to New York City because the payments were not made at the expense of existing bondholders and the payment was subject to an annual appropriation; if there was an annual shortfall, nothing required that the payment be made. *Local Gov’t Assistance Corp. v Sales Tax Asset Receivable Corp.*, 5 A.D.3d 829, 773 N.Y.S.2d 460, 2004 N.Y. App. Div. LEXIS 2234 (N.Y. App. Div. 3d Dep’t), app. denied, 2 N.Y.3d 731, 778 N.Y.S.2d 452, 810 N.E.2d 904, 2004 N.Y. LEXIS 494 (N.Y. 2004), modified, 2 N.Y.3d 524, 780 N.Y.S.2d 507, 813 N.E.2d 587, 2004 N.Y. LEXIS 1049 (N.Y. 2004).

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## NY CLS Pub A § 3241-a

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1 — 11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3241-a. Limitation on issuance of tax and revenue anticipation notes by the state

1. Except as otherwise provided in subdivision two of this section, the aggregate principal amount of tax and revenue anticipation notes issued pursuant to section nine of article seven of the constitution in any fiscal year by the state and maturing in such fiscal year shall not exceed the amount of four billion seven hundred million dollars, less the aggregate principal amount of bonds and notes theretofore issued by the corporation exclusive of any bonds or notes referred to in subparagraph (i) or (iii) of paragraph (a) of subdivision eight of section thirty-two hundred thirty-six of this title, or excluded by paragraph (b) of such subdivision.
2. The state may issue in any fiscal year tax and revenue anticipation notes in an aggregate principal amount in excess of the limit on issuance set forth in subdivision one of this section, if and only if there shall have first been executed in such fiscal year a written certificate signed by the governor, the temporary president of the senate and the speaker of the assembly, which shall set forth:
  - (a) the emergency or extraordinary factors or factors unanticipated at the time of adoption of the budget for the fiscal year in which such borrowing is to be made that gave rise to the need for the issuance of tax and revenue anticipation notes in excess of such limit, and
  - (b) the amount of tax and revenue anticipation notes projected to be issued in each of the three fiscal years commencing subsequent to the fiscal year in which such limit was originally exceeded, which will result in the elimination of such excess as soon as practicable but in no event later than by the end of the third fiscal year commencing subsequent to the fiscal year in which such limit was originally exceeded.
3. The need for the issuance referred to in paragraph (a) of subdivision two of this section shall be in the conclusive, final and binding discretion of the signatories to the written certificate described in subdivision two of this section and not subject to judicial challenge or review.
4. In no event shall a written certificate referred to in subdivision two of this section be issued in more than four consecutive fiscal years.

5. In the event of any inconsistency between this section and any amendment to the constitution relating to the issuance of tax and revenue anticipation notes, the provisions of such constitutional amendment shall control.

6. Nothing contained in this section shall be deemed to relieve the state of its obligation to repay tax and revenue anticipation notes within one year from the date of issuance thereof.

## History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

Annotations

## Research References & Practice Aids

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### Cross References:

This section referred to in § 3241.

## NY CLS Pub A § 3242

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### **§ 3242. State and local governments not liable on bonds and notes**

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The notes, bonds or other obligations of the corporation shall not be a debt of the state or of any local government, and neither the state nor any local government shall be liable thereon, nor shall they be payable out of any funds other than those of the corporation; and such bonds and notes shall contain on the face thereof a statement to such effect.

### **History**

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

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## NY CLS Pub A § 3243

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3243. Remedies of bondholders and noteholders

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1. Subject to the provisions of section three thousand two hundred thirty-six of this title, in the event that the corporation shall default in the payment of principal of or interest on or sinking fund payment on any issue of bonds or notes after the same shall become due, whether at maturity or upon call for redemption, or in the event that the corporation or the state shall default in any agreement made with the holders of any issue of bonds or notes, the holders of twenty-five per centum in aggregate principal amount of the bonds or notes of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county of Albany and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds or notes for the purposes herein provided.
2. Such trustee, or any trustee appointed under section three thousand two hundred thirty-six of this title, may, and upon written request of the holders of twenty-five per centum in principal amount of such bonds or notes then outstanding shall, in his or its own name:
  - (a) by suit, action or proceeding in accordance with the civil practice law and rules, enforce all rights of the bondholders or noteholders, including the right to require the corporation to carry out any agreement with such holders and to perform its duties under this title;
  - (b) bring suit upon such bonds and notes;
  - (c) by action or suit, require the corporation to account as if it were the trustee of an express trust for the holders of such bonds or notes;
  - (d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds or notes; and
  - (e) declare all such bonds or notes due and payable, and if all defaults shall be made good, then, with the consent of the holders of twenty-five per centum of the principal amount of such bonds or notes then outstanding annul such declaration and its consequences provided, however, that nothing herein shall preclude the corporation from agreeing that consent of the provider of a bond or note facility is

required for an acceleration of related bonds or notes in the event of a default other than a failure to pay principal of or interest on the bonds or notes when due.

3. The supreme court shall have jurisdiction of any suit, action or proceeding by the trustee on behalf of such bondholders or noteholders. The venue of any such suit, action or proceeding shall be laid in the county of Albany.
4. Before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days' notice in writing to the corporation, the governor, the comptroller, the temporary president of the senate, the speaker of the assembly and to the attorney general of the state.

## History

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Add, L 1990, ch 220, § 1, eff June 11, 1990; amd, L 1991, ch 2, § 7, eff Jan 29, 1991.

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## NY CLS Pub A § 3244

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3244. Bonds and notes as legal investments

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The bonds and notes of the corporation are hereby made securities in which all public officers and bodies of this state and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them. The bonds and notes are also hereby made securities which may be deposited with and may be received by all public officers and bodies of the state and all municipalities, political subdivisions and public corporations for any purpose for which the deposit of bonds or other obligations of the state is now or may hereafter be authorized.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

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## NY CLS Pub A § 3245

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1 — 11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3245. Exemption from taxation

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1. It is hereby determined that the creation of the corporation and the carrying out of its corporate purpose is in all respects a public and governmental purpose for the benefit of the people of the state and for the improvement of their health, safety, welfare, comfort and security, and that said purposes are public purposes and that the corporation will be performing an essential governmental function in the exercise of the powers conferred upon it by this title.
2. The property of the corporation and its income and operations shall be exempt from taxation.
3. The bonds and notes of the corporation issued pursuant to this title and the income therefrom and all its fees, charges, gifts, grants, revenues, receipts, and other monies received or to be received, pledged to pay or secure the payment of such bonds or notes shall at all times be free from taxation, except for estate and gift taxes on transfers.
4. In the case of any bonds or notes of the corporation, interest on which is intended to be exempt from federal income tax, the corporation shall prescribe restrictions on the use of the proceeds thereof and related matters as are necessary to assure such exemption, and the recipients of such proceeds shall be bound thereby to the extent such restrictions shall be made applicable to them.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

## NY CLS Pub A § 3246

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3246. Employees of the corporation

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1. In order to reduce its operating expenses the corporation shall, to the extent practicable, utilize existing employees of the state, pursuant to section thirty-two hundred forty-eight of this title, hiring its own employees only if the necessary functions of the corporation cannot be performed without the hiring of such employees. Employee compensation shall be paid only from appropriations made to the corporation by law.
2. In accordance with the provisions of section seventy of the civil service law and any applicable collective bargaining agreement, the state and the corporation shall have the power to provide for the transfer to the corporation of such agents, employees and facilities of the state as shall enable the corporation to fulfill its corporate purposes. Employees of the state so transferred shall be appointed, without further examination, to the corporation in the same or equivalent classification and position they hold at the time of the transfer.
3. A transferred employee shall remain in the same collective bargaining unit as was the case prior to his or her transfer; successor employees to the positions held by such transferred employees shall, consistent with the provisions of article fourteen of the civil service law, be included in the same unit as their predecessors. Employees serving in positions in newly created titles shall be assigned to such same collective bargaining unit if they would have been assigned to such unit were such titles created prior to the establishment of the corporation. Nothing contained in this title shall be construed to diminish (a) the rights of employees pursuant to a collective bargaining agreement or (b) to affect existing law with respect to an application to the public employment relations board seeking a designation by the board that certain persons are managerial or confidential.
4. The corporation and its employees shall be subject to article fourteen of the civil service law and for all purposes the corporation shall be deemed a “public employer”.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

## NY CLS Pub A § 3247

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3247. Actions against the corporation

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1. An action against the corporation for death, personal injury or property damage or founded on tort shall not be commenced more than one year and ninety days after the cause of action thereof shall have accrued nor unless a notice of claim shall have been served on a director or the corporation or officer or employee thereof designated by the corporation for such purpose, within the time limited by, and in compliance with the requirements of section fifty-e of the general municipal law.
2. The venue of every action, suit or special proceeding brought against the corporation shall be laid in the county of Albany.
3. Neither any director of the corporation nor any officer, employee, or agent of the corporation, while acting within the scope of their authority, shall be subject to any personal liability resulting from exercising or carrying out of any of the corporation's purposes or powers.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

## NY CLS Pub A § 3248

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3248. Assistance to the corporation

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With the consent of the governor, comptroller or attorney general as the case may be, the corporation may use agents, employees and facilities of the state paying to the affected agency its agreed proportion of the compensation or costs.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

Annotations

### Research References & Practice Aids

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#### Cross References:

This section referred to in § 3246.

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End of Document

## NY CLS Pub A § 3249

*New York Consolidated Laws Service > Public Authorities Law (Arts. 1—11) > Article 10-B [New York Local Government Assistance Corporation] (Title 4) > Title 4 New York Local Government Assistance Corporation (§§ 3231 — 3249)*

### § 3249. Preference for actions or proceeding\* against the corporation

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Any action or proceeding to which the corporation or the people of the state may be parties, in which any question arises as to the validity of this title, shall be preferred over all other civil causes of action or cases, except election causes of action or cases, in all courts of the state and shall be heard and determined in preference to all other civil business pending therein, except election causes, irrespective of position on the calendar. The same preference shall be granted upon application of the corporation or its counsel in any action or proceeding questioning the validity of this title in which the corporation may be allowed to intervene. The venue of any such action or proceeding shall be laid in the supreme court of the county of Albany.

### History

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Add, L 1990, ch 220, § 1, eff June 11, 1990.

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End of Document

\* Does not conform with Title schedule.

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NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION  
BY-LAWS

ARTICLE I  
THE CORPORATION

SECTION 1. The Corporation. The New York Local Government Assistance Corporation (the "Corporation") is a corporate governmental agency constituting a public benefit corporation.

SECTION 2. Acts of the Corporation. All acts, agreements and documents of the Corporation shall be performed or executed in the name of the Corporation by a Director or other duly authorized officer of the Corporation.

SECTION 3. Certification of Instruments. Each Director or other duly authorized officer of the Corporation shall have the authority, when necessary or appropriate, to certify the records, proceedings, rules and regulations and other instruments of the Corporation and to affix and attest to the official seal of the Corporation on contracts and other instruments of the Corporation.

SECTION 4. Administration. The powers, organization and administration of the Corporation shall be in accordance with the provisions of the New York Local Government Assistance Corporation Act, other applicable laws and these By-Laws.

SECTION 5. Fiscal Year. The fiscal year of the Corporation shall begin April 1 and end the following March 31.

SECTION 6. Seal of the Corporation. The official seal of the Corporation shall be in such form as may be determined, from time to time, by the resolution of the Directors of the Corporation. No document properly executed by a Director or other duly authorized officer or employee of the Corporation on behalf of the Corporation shall be required to be sealed to be

binding and effective. The seal on any corporate obligation for the payment of money may be a facsimile.

SECTION 7. Offices. The principal office and place of business of the Corporation shall be located in the city of Albany, New York, State of New York. The Corporation may also have other offices at such other places within the State of New York as may be deemed necessary by the Directors of the Corporation.

## ARTICLE II DIRECTORS

SECTION 1. Directors. The business and affairs of the Corporation shall be managed by the Directors of the Corporation, who shall be selected and shall hold office as provided in the New York Local Government Assistance Corporation Act.

SECTION 2. Compensation of Directors. The Directors of the Corporation shall serve without salary, but each Director shall be reimbursed for actual necessary expenses incurred in the performance of such Director's official duties as a Director of the Corporation.

SECTION 3. Chairperson and Vice-Chairperson. The Governor shall designate a Chairperson and a Vice-Chairperson from among the Directors. The Chairperson shall preside over all meetings of the Directors and shall have such other duties as the Directors of the Corporation may direct. The Vice-Chairperson shall preside over all meetings of the Directors in the absence of the Chairperson and shall have such other duties as the Directors of the Corporation may prescribe. The Vice-Chairperson is authorized to perform all duties of the Chairperson in the event of absence, unavailability or incapacity of the Chairperson.

SECTION 4. Appointment and Delegation. The Directors of the Corporation may appoint such officers, employees and other agents of the Corporation as are deemed necessary to effectuate the purposes of the Corporation and may delegate to such officers, employees and

agents such powers and duties as the Directors may deem proper and in accordance with the above goal.

ARTICLE III  
MEETINGS OF THE CORPORATION

SECTION 1. Annual Meeting. The Annual Meeting of the Corporation shall be held on such date as shall be agreed upon by the Directors and shall be designated in the notice of such meeting.

SECTION 2. Regular Meetings. The Directors of the Corporation may establish a schedule of regular meetings to be held, within the State of New York, between the annual meetings.

SECTION 3. Special Meetings. Special Meetings may be called by the Chairperson, whenever she/he deems it expedient, and shall be called by the Chairperson upon request of a majority of the Directors of the Corporation.

SECTION 4. Notice. Five days notice shall be given to each Director prior to any meeting of the Corporation.

SECTION 5. Waiver of Notice. Notice of any meeting of the Corporation need not be given to any Director if waived in writing by him/her either before or after such meeting, or if he/she shall be present at such meeting. No notice may be given of any meeting if all the Directors then in office shall be present thereat. Notice of an adjourned meeting need not be given to any Director present at the time of the adjournment.

SECTION 6. Quorum and Exercise of Powers. A majority of the whole number of Directors then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the Corporation. The Corporation shall have power to act by a majority of the Directors present at any meeting at which a quorum is in attendance, except a unanimous

vote of all Directors then in office shall be required for approval of a resolution authorizing the issuance of bonds or notes or any supplemental or amendatory resolution.

SECTION 7. Meetings by Conference Telephone. If the Chairperson determines there is a need for the Directors to act before such time as it is possible or practicable to bring a quorum of the Directors together at the same location, the Chairperson may give notice that Directors may participate in a meeting of the Corporation by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other and persons present at the designated place of the meeting can hear all of the persons participating in the meeting, and such participation in the meeting shall constitute presence in person at such meeting. Any required notice of the place of a meeting at which participation is by means of a conference telephone or similar communications equipment shall be sufficient if it designates as the place of the meeting, the place at which one or more of the participants in the meeting is located at the time the meeting is held.

SECTION 8. Procedure. The order of business and all other matters of procedure at each meeting of the Corporation may be determined by the presiding officer.

#### ARTICLE IV COMMITTEES

SECTION 1. Committees. The Corporation may create one or more committees of the Corporation, which committees shall exercise the powers and perform such duties as the Corporation may determine.

#### ARTICLE V INDEMNIFICATION

SECTION 1. Indemnification of Officers, Directors and Employees. The Corporation shall indemnify and hold harmless all Directors, officers and employees of the Corporation in the same manner as State employees are indemnified in their official actions and to the full extent

permitted by law, as the same may exist at the time such person may become entitled to indemnification by the Corporation.

ARTICLE VI  
AMENDMENTS

SECTION 1. Amendments. These By-Laws may be amended by resolution duly adopted at any meeting, provided that notice of intention to present such resolution shall have been given in advance of the meeting at which the motion to adopt such resolution is made. Such notice shall have appended thereto the complete, written text of the By-Laws being proposed. Approval of amended By-Laws requires affirmative vote of a majority of the Directors present at a meeting at which such a quorum is in attendance.

ARTICLE VII  
SUSPENSION OF BY-LAWS

SECTION 1. Suspension of By-Laws. By affirmative vote of a majority of Director present at a meeting at which a quorum is in attendance, the provisions of any or all of these By-Laws, except as may be otherwise provided by law, may be temporarily suspended.

**Appendix E**

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION  
ANNUAL BOND SALE REPORT, COSTS OF ISSUANCE AND  
UNDERWRITER'S DISCOUNT  
FISCAL YEAR 2021-22**

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION  
ANNUAL BOND SALE REPORT, COST OF ISSUANCE AND  
UNDERWRITER'S DISCOUNT  
FISCAL YEAR 2021-22**

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The Corporation did not issue bonds in the 2021-22 Fiscal Year.

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## **Appendix F**

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**

**AUDITED BASIC FINANCIAL STATEMENTS FOR  
FISCAL YEAR ENDED MARCH 31, 2022**

# NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

*(A Component Unit of the State of New York)*



## Basic Financial Statements

for fiscal year ended March 31, 2022

**NEW YORK**  
**LOCAL GOVERNMENT ASSISTANCE CORPORATION**  
**(A Component Unit of the State of New York)**  
**Basic Financial Statements**  
**Year Ended March 31, 2022**

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## **Independent Auditor's Report**

Board of Directors  
New York Local Government Assistance Corporation  
Albany, New York

### **Report on the Audit of the Financial Statement**

#### ***Opinions***

We have audited the financial statement of the governmental activities and each major fund of the New York Local Government Assistance Corporation (Corporation), for the year ended March 31, 2022, and the related notes to the financial statement, which collectively comprise the Corporation's basic financial statement as listed in the table of contents.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the respective changes in financial position of the governmental activities and each major fund of the Corporation for the year ended March 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 1a, in accordance with subdivision 2 of Section 3233 of the Public Authorities Law, the Corporation will terminate on October 1, 2022. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statement***

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

***Responsibilities of Management for the Financial Statement - Continued***

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statement. Such information is the responsibility of management and, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement 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 statement, and other knowledge we obtained during our audit of the basic financial statement. 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, 2022, 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.

BST+Co.CPAs, LLP

Albany, New York  
June 2, 2022



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## **MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**

The following discussion and analysis of the New York Local Government Assistance Corporation’s (the “Corporation” or “LGAC”) financial performance provides an overview of the Corporation’s financial activities for the fiscal year ended March 31, 2022.

### **FINANCIAL HIGHLIGHTS**

- The Corporation made its final debt service payment in the amount of \$92.3 million on April 1, 2021. All of the Corporation’s obligations have been paid and remaining assets were transferred to the State of New York.
- The Corporation will terminate and all operations will cease on October 1, 2022. Upon the termination of the existence of the Corporation, all of its rights and property shall pass to and be vested in the State of New York (the “State”).

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## **USING THIS FINANCIAL REPORT**

This financial report consists of the Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities on page 10.

The Statement of Activities provides information about the activities of the Corporation as a whole, and presents a longer-term view of the Corporation's finances by focusing on total available resources and changes therein. Fund financial statements also report the Corporation's operations in more detail than the Corporation-wide statements by providing information about the Corporation's two separate funds: the General Fund and the Debt Service Fund.

The change in the focus between currently available resources and total available resources is identified in the Adjustments column found on the financial statements (page 10). To arrive at the Statement of Activities, transactions relating to long-term liabilities and expenditures that were deferred and amortized are added to or eliminated from the Statement of Revenues, Expenditures and Changes in Fund Balances. For the Corporation, transactions not affecting its reported net position are payments of debt principal, the advance repayment of debt, and expenditures incurred in prior periods. Amounts relating to the aforementioned transactions are displayed in the Adjustments column to the left of the Statement of Activities.

## **REPORTING THE CORPORATION AS A WHOLE**

### **The Statement of Activities**

This statement reports the Corporation's changes to the Corporation's net position. Annual changes in the Corporation's net position - assets and deferred outflows of resources less liabilities and deferred inflows of resources - provide one way to measure the Corporation's financial health or financial position. The Corporation was entirely dependent on appropriations from the State of New York ("State") to support the payments of debt service on the Corporation's bonds, as well as its other expenses.

## **REPORTING THE CORPORATION'S FUNDS**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the Corporation's two distinct funds - not the Corporation as a whole. The fund financial statements are prepared using a different approach than the Corporation-wide financial statement. The fund financial statements focus on how money flows into and out of those funds and the balances remaining at year-end. The Corporation's revenues and expenditures are reported in governmental funds. These funds are reported using the modified accrual basis of accounting, which reports revenues when they become both measurable and available to finance expenditures of the current period; expenditures are recorded in the period the liability is incurred and expected to be paid from current financial resources, with the exception of long-term liabilities which are recognized in the period they are payable. The governmental fund statements provide a detailed short-term view of the Corporation's operating requirements for the year ended March 31, 2022.

## **THE CORPORATION AS A WHOLE**

The Corporation has annually reported a deficit in its net position. The deficit in the Corporation's net position arose as it carried out its statutory purpose of eliminating the State's annual short-term borrowing. During the years 1991 through 1995, the Corporation issued long-term obligations to finance State local assistance payments, capital reserve requirements, and costs of issuance. This debt was repaid from annual appropriations received from the State. This unrestricted deficit was extinguished with the retirement of the Corporation's debt outstanding.

The following table summarizes the net position for the fiscal years ended March 31, 2022 and March 31, 2021:

**Table 1**  
**Net Position as of March 31, 2022 and March 31, 2021**  
**(Amounts in thousands)**

	2022	2021
<b>Assets:</b>		
Cash and investments .....	\$ -	\$ 93,271
Deferred outflows of resources .....	-	1,086
<b>Total assets</b> .....	<u>-</u>	<u>94,357</u>
<b>Liabilities:</b>		
Liabilities due within one year .....	-	98,799
<b>Net Position:</b>		
Restricted for debt service .....	-	92,286
Unrestricted (deficit) .....	-	(96,728)
<b>Total net position (deficit)</b> .....	<u>\$ -</u>	<u>\$ (4,442)</u>

The Corporation's net position increased by \$4.4 million from one year ago, from a deficit of \$4.4 million to a net position of zero. The increase in the net position resulted from the liquidation of all liabilities including the amortization of bond premiums.

The following table summarizes the changes in net position for the fiscal years ended March 31, 2022 and March 31, 2021.

**Table 2**  
**Changes in Net Position for the fiscal years ended March 31, 2022 and March 31, 2021**  
**(Amounts in thousands)**

	2022	2021
<b>General Revenues:</b>		
Appropriations from New York State .....	\$ -	\$ 79,443
Settlement refunds .....	-	527
Investment income .....	-	16
<b>Total revenues</b> .....	<u>-</u>	<u>79,986</u>
<b>Expenses:</b>		
General and administrative .....	41	113
Transfers to New York State .....	950	-
Interest expense .....	(5,433)	(2,859)
<b>Total expenses</b> .....	<u>(4,442)</u>	<u>(2,746)</u>
<b>Changes in net position</b> .....	<u>4,442</u>	<u>82,732</u>
<b>Net position (deficit), beginning of year</b> .....	<u>(4,442)</u>	<u>(87,174)</u>
<b>Net position (deficit), end of year</b> .....	<u>\$ -</u>	<u>\$ (4,442)</u>

The Corporation reported a credit of \$5.4 million in interest expense due to the amortization of \$6.5 million in bond premiums offset by \$1.1 million in amortization deferred losses on bond refunding transactions. These

non-cash credits to expense were offset by \$41 thousand in general and administrative expenses. The remaining Corporation assets of \$950 thousand were transferred to the State as part of the Corporation's planned dissolution.

## **THE CORPORATION'S GOVERNMENTAL FUNDS**

The Corporation made its final debt service payment on April 1, 2021, which consisted of \$90.1 million in bond principal and \$2.2 million in interest. These payments, combined with an interfund transfer to the general fund in the amount of \$15 thousand, reduced the Debt Service fund balance to \$0. The Corporation's General Fund incurred \$41 thousand in general and administrative expenses. After the receipt of \$15 thousand from the Debt Service Fund, the Corporation transferred \$950 thousand to the State, which reduced the General Fund balance to \$0. The Corporation does not anticipate any operations subsequent to March 31, 2022.

### **Debt**

The Corporation was authorized to issue up to \$4.7 billion of bonds or notes plus an amount necessary to fund capital reserve requirements, costs of issuance and a limited amount of capitalized interest. As of March 31, 1996, the Corporation had issued all the debt it was authorized to issue. At year end, the Corporation had no bonds outstanding.

## **CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT**

If you have any questions about this report or need additional financial information, contact the Corporation at 110 State Street, 15<sup>th</sup> Floor, Albany, New York 12236, by phone at (518) 474-4015 or by email at [debtmanagement@osc.ny.gov](mailto:debtmanagement@osc.ny.gov).

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**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF NEW YORK)**  
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities

For the Year Ended March 31, 2022  
(Amounts in thousands)

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments (Note 4)</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>					
General and administrative.....	\$ 991	\$ —	\$ 991	\$ —	\$ 991
Debt service					
Principal.....	—	90,135	90,135	(90,135)	—
Interest.....	—	2,136	2,136	(7,569)	(5,433)
<b>Total expenditures/expenses.....</b>	<b>991</b>	<b>92,271</b>	<b>93,262</b>	<b>(97,704)</b>	<b>(4,442)</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>(991)</b>	<b>(92,271)</b>	<b>(93,262)</b>	<b>97,704</b>	<b>—</b>
<b>Other financing sources (uses):</b>					
Transfers To/From.....	15	(15)	—	—	—
<b>Net change in fund balance.....</b>	<b>(976)</b>	<b>(92,286)</b>	<b>(93,262)</b>	<b>93,262</b>	<b>—</b>
<b>Change in net position.....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,442</b>	<b>4,442</b>
<b>Fund balances/net position (deficit):</b>					
Beginning of year.....	976	92,286	93,262	(97,704)	(4,442)
<b>End of year.....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

See accompanying notes to the basic financial statements.

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**  
**(A COMPONENT UNIT OF THE STATE OF NEW YORK)**

Notes to the Financial Statements  
Year Ended March 31, 2022

**(1) Summary of Significant Accounting Policies**

**(a) Organization**

The New York Local Government Assistance Corporation (“Corporation” or “LGAC”) was established by Chapter 220 of the Laws of 1990 (as amended) to issue up to \$4.7 billion in long-term debt, in order to finance certain local assistance payments appropriated by the State of New York (“State”), in addition to bonds necessary to fund a capital reserve account, costs of issuance and up to six months of capitalized interest. Prior to the creation of the Corporation, certain large payments due to the State's local government units were made in the first quarter of the State's fiscal year, particularly in support of primary and secondary education, while revenues were received more evenly throughout the fiscal year. To meet these payments, the State issued short-term tax and revenue anticipation notes referred to as the annual “Spring Borrowing.” Primarily as a result of bond issuances by the Corporation, there was no Spring Borrowing in the State's 1995 through 2022 fiscal years. The fiscal year ended March 31, 2022 was the thirty-first year of the Corporation's existence. The Corporation is a blended component unit of the State, and its continued operations are almost entirely dependent upon the annual appropriations received from the State.

The Corporation made its final debt service payment on April 1, 2021. All liabilities or obligations of the Corporation have been paid or discharged in full, and its remaining assets were transferred to the State of New York. Accordingly, the Corporation has no assets or liabilities as of March 31, 2022. In accordance with subdivision 2 of Section 3233 of the Public Authorities Law, the Corporation will terminate on October 1, 2022.

**(b) Basis of Presentation**

The accompanying basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (“GASB”), which is the standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The Corporation has prepared a Corporation-wide financial statement titled “Statement of Activities” as well as the required supplementary information titled “Management’s Discussion and Analysis” which precedes the financial statements. The Corporation also prepared fund financial statements titled “Statement of Revenues, Expenditures and Changes in Fund Balances.” The basic financial statements include both the Corporation-wide and the fund financial statements, which have been combined together and presented on the same page.

The Corporation follows the principles of fund accounting in that each segment of operations is represented under a discrete fund presentation in the fund financial statements. The Corporation uses funds to report its financial position and results of operations. The General Fund consists of the Operating Account, Cost of Issuance Accounts for new bond issuances, and the Local Assistance Payment Account. The Debt Service Fund consists of the Debt Service Accounts, the Capital Reserve Accounts, the Rebate Accounts, and the Cost of Issuance Accounts for refunding bond issuances. The General Fund is used to account for all financial transactions of the Corporation except for debt service related transactions which are accounted for in the Debt Service Fund. The Rebate Account

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**  
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within the Debt Service Fund is used to remit investment earnings to the United States Department of the Treasury, when necessary, in accordance with the Internal Revenue Code (arbitrage rebate payments).

**(c) *Basis of Accounting***

The Corporation utilizes the modified accrual basis of accounting, which focuses on changes in current financial resources, in the preparation of the fund financial statements. Under the modified accrual basis of accounting, revenues and related receivables are recorded in the accounting period that they become both measurable and available. “Available” means collectible within the current period, which is within twelve months of the end of the current fiscal period, to be used to pay liabilities of the current period. Expenditures and related liabilities are recorded in the accounting period the liability is incurred and payable from current resources, except for principal and interest on long-term debt and estimated other long-term liabilities which are recorded only when payment is due and payable.

Operating expenditures are direct costs incurred by the Corporation, such as legal fees, financial advisory fees, printing costs, trustee fees, arbitrage rebate calculation fees, and other related costs. Operating expenditures are paid from monies received from the State and earnings from their investments. Staff support is provided by the State without cost to the Corporation.

The Corporation utilizes the full accrual basis of accounting, which focuses on changes in total economic resources, in the preparation of the Corporation-wide financial statement. Under the full accrual basis of accounting, changes in long-term assets and deferred outflows of resources and liabilities and deferred inflows of resources are incorporated into the financial statements. Since the fund financial statements are prepared using a different method of measuring revenues and expenditures and a different basis of accounting than the Corporation-wide financial statement, an adjustments column is presented to convert the fund basis financial statements into the Corporation-wide financial statement.

Amortization of bond premiums has been computed using the straight-line method. The Corporation also defers and amortizes losses on refunding bond issuances using the straight-line method.

**(d) *Municipal Assistance Corporation Refinancing Act***

Chapter 62 and Chapter 63 of the Laws of 2003 enacted, among other provisions, the Municipal Assistance Refinancing Act (“Act”), effective July 1, 2003 and is deemed repealed as of July 1, 2034. The Act created an incentive for the State to seek an appropriation to provide \$170 million per year, from the LGATF to the City of New York (“City”) for each of the City’s fiscal years beginning July 1, 2003 and ending June 30, 2034. The Act requires the Corporation to annually certify \$170 million so that the State, subject to annual State appropriation by the Legislature, can provide for a series of payments to the City or the Mayor’s assignee in each City fiscal year beginning July 1, 2003 and ending June 30, 2034.

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The Act was established with the expectation that the City, acting through the Mayor, would assign the annual payments from the State to a newly created not-for-profit corporation that would issue bonds and use those proceeds to refinance all existing debt of the Municipal Assistance Corporation for the City of New York (“MAC”) due in the near term (approximating \$2.5 billion at the time of the Act). The City subsequently created the Sales Tax Asset Receivable Corporation (“STARC”) which, in 2004, securitized the annual payments and refinanced the MAC bonds with the proceeds. In 2014, STARC refinanced this debt and certain other bonds, all payable from the \$170 million State payment from the LGATF, as assigned. By law, the LGATF receives a portion of the receipts generated by the State’s sales and use tax (equivalent to one quarter of the four percent tax which was \$4.1 billion during State fiscal year 2021-22). The balance of the LGATF’s receipts not needed by the Corporation for its purposes are transferred from the LGATF to the State’s General Fund. Under prior statute, until the Legislature enacted an annual appropriation of \$170 million, the Corporation certified the release of the funds, the \$170 million State payment was made, the Legislature enacted an appropriation to satisfy all Dedicated Highway and Bridge Trust Fund Cooperative Agreement payments as certified by the Chair of the New York State Thruway Authority and the Corporation received the amount it had certified for its needs, no excess sales tax receipts could be transferred from the LGATF to the State’s General Fund.

Chapter 59 of the Laws of 2021 included provisions that, on and after July 1, 2020, the obligation of the Corporation to make such annual payments shall be terminated if all outstanding bonds of STARC are legally defeased before July 1, 2021 and the Corporation has paid \$46 million to the City of New York on or before June 30, 2021. Prior to July 1, 2021, the outstanding bonds of STARC were legally defeased and the Corporation certified and paid \$46 million dollars to the City of New York on June 29, 2021.

The Corporation filed a complaint in New York State Supreme Court in August 2003 seeking a court determination that the statute requiring a certification and possible payment by the Corporation to the City or its assignee was invalid. Ultimately, the New York State Court of Appeals found the statute to be valid but determined that it does require an annual State appropriation to make any payments. The court further found that any annual payment required by the State could not interfere with the Corporation bondholders' rights.

In May 2004, the Corporation amended its General Bond Resolution and General Subordinate Lien Bond Resolution (“the Resolutions”) to clarify that any failure to certify or assure that the State’s payments are made to the City or its assignee has no impact on the Corporation’s own bondholders; and that if any such act or omission were to occur with respect to any potential STARC bonds, that act or omission would not constitute an Event of Default with respect to the Corporation bonds. In June 2004, the Corporation’s Trustee, The Bank of New York Mellon, notified the Corporation’s bondholders of these amendments.

***(e) Adoption of New Accounting Pronouncements***

During the fiscal year ended March 31, 2022, the Corporation did not adopt any new accounting standards issued by the GASB.

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Notes to the Financial Statements  
Year Ended March 31, 2022

**(2) Bonds Payable**

The Corporation was 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, 1996, the Corporation had issued bonds equal to its authorized amount. The Corporation had no bonds outstanding as of March 31, 2022.

The State 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 Division of the Budget and the Corporation for the purpose of funding the Corporation's debt service. Subject to appropriation, the State made these payments to the Corporation five days prior to the debt service due date. The \$92.3 million representing fiscal year 2021-22 debt service payments was comprised of \$90.1 million in principal and \$2.2 million in interest.

**(3) Changes in Long-Term Liabilities**

Long-term liability activity for the year ended March 31, 2022 was as follows (amounts in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds payable.....	\$ 90,135	\$ -	\$ 90,135	\$ -	\$ -
Unamortized premium ....	<u>6,520</u>	<u>-</u>	<u>6,520</u>	<u>-</u>	<u>-</u>
<b>Total long-term liabilities.....</b>	<b>\$ <u>96,655</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>96,655</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>

**(4) Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities**

Repayment of bond principal is reported as an expenditure in the governmental funds and, therefore, contributes to the change in fund balance. In the Statement of Net Position, however, repaying bond principal decreases long-term liabilities. Similarly, recognition of revenues and expenditures not expected to be received or paid in the current year will not affect the fund balance reported for the governmental funds. In the Statement of Activities prepared on the full accrual basis, however, all revenues and expenses are recognized in the year they are earned or incurred, regardless of when they are paid, and will therefore be reflected in the Statement of Activities. These differences in measurement recognition affect both the reported fund balance and reported net position. Adjustments required to be made to the reported governmental funds expenditures in order to arrive at the Statement of Activities for March 31, 2022 are as follows (amounts in thousands):

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Notes to the Financial Statements  
Year Ended March 31, 2022

**Adjustments to expenditures:**

Repayment of bond principal:	
To bondholders for repayment of debt.....	\$ (90,135)
Amortization of loss on refunding of bonds.....	1,086
Amortization of premium on refunding of bonds .....	(6,520)
Net adjustment to arrive at interest expense.....	<u>(2,135)</u>
<b>Net adjustment to expenditures .....</b>	<b><u><u>\$ (97,704)</u></u></b>

## **Appendix G**

**NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION**

**FOURTH QUARTER UPDATE TO THE ANNUAL BUDGET  
FOR FISCAL YEAR 2021-22**

**(as of March 31, 2022)**

**New York Local Government Assistance Corporation**  
**Fourth Quarter Update to Annual Budget for Fiscal Year 2021-22**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**With Actual Results Through March 31, 2022**  
 Modified Accrual Basis of Accounting w/Adjustment for Cash  
 Amounts in Thousands

**GENERAL FUND**

FISCAL PERIOD END	Actual Fiscal	Approved Budget	Revised	Actual	Variance
	Year Ended	Fiscal Year	Forecast	Year Ended	Year Ended
	March 31, 2021 (1)	March 31, 2022	March 31, 2022	March 31, 2022 (1)	March 31, 2022
<b>Beginning of Period Cash and Investments</b>	\$ 1,554	\$ 974	\$ 985	\$ 985	\$ -
<b>Receipts/Revenues:</b>					
State appropriation receipts	-	-	-	-	-
Investment receipts	1	1	-	-	-
Total receipts	1	1	-	-	-
Adjustment for accrual of investment earnings	-	-	-	-	-
Total revenues	1	1	-	-	-
<b>Disbursements/Expenditures:</b>					
Liquidity support costs	284	-	-	-	-
Variable rate bond remarketing fees	51	-	-	-	-
Other costs	235	35	37	50	13
Transfers to New York State	-	-	963	950	(13)
Total disbursements	570	35	1,000	1,000	-
Adjustment for accounts payable	(457)	-	-	(9)	(9)
Total expenditures	113	35	1,000	991	(9)
<b>Excess (Deficiency) of Revenues over General Fund Expenditures</b>	(112)	(34)	(1,000)	(991)	9
<b>Other financing sources (uses):</b>					
Transfers from	-	-	15	15	-
Net other financing sources (uses)	-	-	15	15	-
<b>Net Change In Fund Balance</b>	(112)	(34)	(985)	(976)	9
<b>End of Period Cash and Investments</b>	\$ 985	\$ 940	\$ -	\$ -	\$ -

**Note:**

1. Reflects audited amounts.

**New York Local Government Assistance Corporation**  
**Fourth Quarter Update to Annual Budget for Fiscal Year 2021-22**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**With Actual Results Through March 31, 2022**  
**Modified Accrual Basis of Accounting w/Adjustment for Cash**  
*Amounts in Thousands*

**DEBT SERVICE FUND**

FISCAL PERIOD END	Actual Fiscal	Approved Budget	Revised	Actual	Variance
	Year Ended	Fiscal Year	Forecast	Year Ended	Year Ended
	March 31, 2021 (1)	March 31, 2022	March 31, 2022	March 31, 2022 (1)	March 31, 2022
<b>Beginning of Period Cash and Investments:</b>					
Amounts required for current debt maturities	\$ 169,688	\$ 80,035	\$ 80,034	\$ 80,034	\$ -
Restricted bond reserves	12,238	12,238	12,252	12,252	-
Total beginning of period cash and investments	181,926	92,273	92,286	92,286	-
<b>Receipts/Revenues:</b>					
State appropriation receipts	79,443	70	-	-	-
Public Authority proceeds	-	-	-	-	-
Settlement income	527	-	-	-	-
Investment receipts	15	-	-	-	-
Total receipts	79,985	70	-	-	-
Adjustment for accrual of investment earnings	-	-	-	-	-
Total revenues	79,985	70	-	-	-
<b>Disbursements/Expenditures:</b>					
Repayment of principal	162,975	90,135	90,135	90,135	-
Payment of interest	6,650	2,136	2,136	2,136	-
Arbitrage rebate	-	68	-	-	-
Transfers to	-	-	-	-	-
Total disbursements	169,625	92,339	92,271	92,271	-
Adjustment for accounts payable	-	-	-	-	-
Total expenditures	169,625	92,339	92,271	92,271	-
<b>Excess (Deficiency) of Revenues over Debt Service Fund Expenditures</b>					
	(89,640)	(92,269)	(92,271)	(92,271)	-
<b>Other financing sources (uses):</b>					
Transfers to	-	-	(15)	(15)	-
Net other financing sources (uses)	-	-	(15)	(15)	-
<b>Net Change In Fund Balance</b>					
	(89,640)	(92,269)	(92,286)	(92,286)	-
Change in accruals for investment income					
	-	-	-	-	-
<b>End of Period Cash and Investments:</b>					
Amounts required for current debt maturities	80,034	4	-	-	-
Restricted bond reserves	12,252	-	-	-	-
Total end of period cash and investments	\$ 92,286	\$ 4	\$ -	\$ -	\$ -

**Note:**

1. Reflects audited amounts.

## **Appendix H**

### **NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS**



**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***

Independent Auditor's Report

Board of Directors  
New York Local Government Assistance Corporation  
Albany, New York

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 statement of the governmental activities and each major fund of the New York Local Government Assistance Corporation (Corporation), as of and for the year ended March 31, 2022, and the related notes to the financial statement, which collectively comprise the Corporation's basic financial statement, and have issued our report thereon dated June 2, 2022, which contains an emphasis of matter paragraph stating that, in accordance with subdivision 2 of Section 3233 of the Public Authorities Law, the Corporation will terminate on October 1, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, 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 opinions on the financial statement, 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 entity's financial statement 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 or significant deficiencies may exist that were not identified.

Board of Directors  
New York Local Government Assistance Corporation  
June 2, 2022

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statement is 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 statement. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BST & Co. CPAs, LLP*

Albany, New York  
June 2, 2022



## **Appendix I**

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



**Report on Compliance with Section 201.3 of  
Title Two of the Official Compilation of Codes, Rules  
and Regulations of the State of New York**

Board of Directors  
New York Local Government Assistance Corporation  
Albany, New York

We have examined the New York Local Government Assistance Corporation's (Corporation), a component unit of the State of New York, 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, 2022. Management of the Corporation 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 whether the Corporation complied, in all material respects, with the specified requirements referred to above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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.

Our examination does not provide a legal determination on the Corporation's compliance with the specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Corporation complied, in all material respects, with Section 201.3 during the year ended March 31, 2022.

In accordance with *Government Auditing Standards*, we are required to report material weaknesses and 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 the 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*.

Board of Directors  
New York Local Government Assistance Corporation

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 to be and should not be used by anyone other than these specified parties.

BST+Co.CPAs, LLP

Albany, New York  
June 2, 2022

