

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2008-09

AND

**MULTI-YEAR FINANCIAL PLAN FOR
FISCAL YEARS 2008-09 THROUGH 2011-12**

**December 21, 2007 Proposal
as Modified and Updated
May 13, 2008**

Approved by the Board of
Directors as presented
May 20, 2008. There were no
changes from the Proposed
Budget and Multi-year plan.

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Introduction

In accordance with Section 2801 of Public Authorities Law and Title 2, Chapter 5, Part 203 of the *Official Compilation of Codes, Rules and Regulations of the State of New York*, the New York Local Government Assistance Corporation (the Corporation) presents herewith its proposed annual budget for fiscal year 2008-09 and multi-year financial plan (the plan) for fiscal years 2008-09 through 2011-12 for review and approval by the Corporation's Board of Directors.

Organization

The Corporation was established by Chapter 220, of the Laws of 1990 (the Act, as amended) to issue up to \$4.7 billion in long-term debt in order to eliminate the State's annual short-term borrowing that was used to finance certain local assistance payments made by the State, in addition to bonds necessary to fund a capital reserve account, costs of issuance and a limited amount of capitalized interest. The fiscal year ended March 31, 2007 was the sixteenth year of the Corporation's existence. The Corporation's continued operations are entirely dependent upon the annual appropriations received from the State. Pursuant to the Act establishing the Corporation, the State deposits sales and use tax revenues equal to a rate of taxation of one percent into a special fund (the Local Government Assistance Tax Fund, or the Fund), which is used by the State to make necessary payments to the Corporation. Payments of debt service on the Corporation's bonds are made from appropriations received from the State. The Corporation's bondholders do not have a lien on monies deposited in the Fund.

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

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

The Corporation does not compensate its Directors. The Corporation's Directors appoint its key officers (General Counsel, Executive Directors, Treasurer and Secretary). The Board of Directors has provided the Treasurer and Secretary with the authorization to appoint assistants. The Board of Directors, non-voting representatives and officers of the Corporation are presented on pages 5 and 6 of this document, respectively.

New York Local Government Assistance Corporation

Board of Directors

Chairperson and Director

Patrick Bulgaro

Directors

Honorable Thomas P. DiNapoli

Laura Anglin

Kevin Murray

Marc Shaw

Priscilla Almodovar

Diana Jones Ritter

Non-Voting Representatives

Vacant

Secretary to the Senate Finance Committee

Dean Fuleihan

Secretary to the Assembly Ways and Means Committee

New York Local Government Assistance Corporation

Officers

Co-Executive Director

Mary Louise Mallick
Office of the NY State Comptroller

Co-Executive Director

Vacant

General Counsel

Honorable Andrew M. Cuomo
Attorney General of the State of New York

Treasurer

Patricia Warrington
Office of the NY State Comptroller

Secretary

Jay Kiyonaga
NYS Division of the Budget

Internal Control Officer

Thomas J. Lukacs
NYS Division of the Budget

Assistant Treasurer

William J. O'Reilly
Office of the NY State Comptroller

Budget Process

Proposed Plan

The plan is prepared in accordance with accounting principles generally accepted in the United States of America on a modified accrual basis, but also includes adjustments for cash basis accounting. Comparative amounts for the fiscal year ended March 31, 2007 were derived from the Corporation's audited financial statements, copies of which were previously delivered to and approved by the Board. Estimated amounts have been developed using assumptions disclosed in plan notes. Working papers that document the reasonable assumptions and methods of estimation, consistent with prudent budgetary practices, have been prepared contemporaneously with the plan and will be maintained by the Corporation.

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

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

On December 21, 2007 the Corporation staff submitted a proposed Annual Budget for Fiscal Year 2008-09 and Multi-Year Financial Plan for Fiscal Years 2008-09 through 2011-12 (the original proposed budget) to the Corporation's Board for review. Subsequent to the issuance of the original proposed budget the market for certain variable rate bonds issued by the Corporation has significantly deteriorated, liquidity support costs on certain of the Corporation's variable rate bonds have increased due to the rating agency downgrades of certain bond insurers, the Corporation completed a bond refunding transaction, the New York State Division of the Budget issued revised estimates of variable rate interest costs and leakage on interest rate exchange agreements and estimated appropriation revenues to be received by the Corporation through March 31, 2008 have become actually known amounts. Accordingly the Corporation staff modified and updated the original proposed budget for fiscal year 2008-09 that was submitted to the Corporation's Board to address these subsequent events. The figures contained in this document are reflective of these modifications and updates.

Approved Plan

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

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

Principal Budgetary Assumptions and Assessment of Budgetary Risks

State appropriation amounts constitute the majority of the Corporation's projected revenue, and for fiscal year 2007-08 (revised forecast) are equal to amounts certified by the Corporation's Chairperson through the end of the 2007-08 fiscal year. State appropriations in the Corporation's financial plan for debt service for fiscal years 2008-09 through 2011-12, are equal to amounts provided in the *2008-09 Executive Budget Supplemented for 21-Day Amendments*. State appropriations for operating expenses are reflective of an estimate of the Corporation's actual costs. Annually, the Legislature appropriates an amount necessary to pay all obligations of the Corporation including debt service and related expenses pursuant to Section 3240(1) of Public Authorities Law. The plan also assumes the annual payment of \$170,000,000 to the City of New York or its assignee will be paid directly by the State to the City or its assignee.

The plan includes estimates developed using assumptions as disclosed in notes to the plan. Estimates are subject to risk due to assumptions made about future costs. One of the most significant risks is if actual interest rates on the Corporation's variable rate bonds are significantly higher than interest rates assumed in the plan. Additionally, liquidity support costs could increase if the Corporation or insurers of certain of the Corporation's variable rate bonds are downgraded.

Debt service payments on unhedged variable rate bonds in the plan were calculated using the following interest rates: 3.55 percent for fiscal year 2007-08, 3.15 percent for fiscal year 2008-09, 3.20 percent for fiscal year 2009-10, 3.15 percent for fiscal year 2010-11, and 2.80 for fiscal year 2011-12. These rates are consistent with interest rate assumptions used by the Division of the Budget in the *2008-09 Executive Budget Supplemented for 21-Day Amendments*. Interest rates on fixed rate bonds, including synthetic fixed rate bonds, range from 2 percent to 7.4 percent. The rates for synthetic fixed rate bonds are assumed to be equal to the intended fixed rates, excluding support costs, plus swap basis leakage of 0.17 percent, 0.26 percent, 0.11 percent, 0.07, and -0.29 in fiscal year 2007-08, through 2011-12. The payments on variable rate and synthetic fixed rate bonds vary based on changes in market interest rates. Debt service payments are paid by the Corporation from appropriations it receives from the State, monthly swap receipts and earnings on investments.

New York Local Government Assistance Corporation
Annual Budget for Fiscal Year 2008-09
Including multi-year financial plan with actual results for fiscal year 2006-07 and a revised forecast for fiscal year 2007-08
Statement of Revenues, Expenditures and Changes in Fund Balances
Modified Accrual Basis of Accounting w/Adjustment for Cash
Amounts in Thousands

GENERAL FUND							
FISCAL PERIOD END	March 31, 2007	March 31, 2008	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012
	(Actual)	(Approved Budget)	(Revised Forecast)1	(Proposed Budget)	(Forecast)	(Forecast)	(Forecast)
Beginning of Period Cash and Investments	\$ 4,589	\$ 4,131	\$ 4,131	\$ 4,091	\$ 4,146	\$ 4,220	\$ 4,281
Receipts/Revenues:							
State appropriations receipts	6,000	6,000	6,000	10,400	8,200	8,100	7,900
Investment receipts (2)	169	169	134	169	169	169	169
Receipts Subtotal	<u>6,169</u>	<u>6,169</u>	<u>6,134</u>	<u>10,569</u>	<u>8,369</u>	<u>8,269</u>	<u>8,069</u>
Adjustment for accrual of investment earnings	1	-	(6)	-	-	-	-
Total revenues	<u>6,170</u>	<u>6,169</u>	<u>6,128</u>	<u>10,569</u>	<u>8,369</u>	<u>8,269</u>	<u>8,069</u>
Disbursements/Expenditures:							
Liquidity support costs (3)	4,247	4,159	3,935	8,140	6,818	6,742	6,624
Variable rate bond remarketing fees (3)	1,952	1,939	1,834	1,320	1,049	1,038	1,022
Other costs (3) (4)	428	428	405	1,054	428	428	428
Total disbursements	<u>6,627</u>	<u>6,526</u>	<u>6,174</u>	<u>10,514</u>	<u>8,295</u>	<u>8,208</u>	<u>8,074</u>
Adjustment for accounts payable	(224)	-	567	-	-	-	-
Total expenditures	<u>6,403</u>	<u>6,526</u>	<u>6,741</u>	<u>10,514</u>	<u>8,295</u>	<u>8,208</u>	<u>8,074</u>
Excess (deficiency) of revenues over General Fund expenditures	<u>(233)</u>	<u>(357)</u>	<u>(613)</u>	<u>55</u>	<u>74</u>	<u>61</u>	<u>(5)</u>
End of Period Cash and Investments	<u>\$ 4,131</u>	<u>\$ 3,774</u>	<u>\$ 4,091</u>	<u>\$ 4,146</u>	<u>\$ 4,220</u>	<u>\$ 4,281</u>	<u>\$ 4,276</u>

Notes:

1. The Revised Forecast for fiscal year 2007-08 is based upon a projection of unaudited actual amounts compiled through March 31, 2008.
2. Investment receipts in fiscal years 2008-09 through 2011-12 are anticipated to approximate amounts received in fiscal year 2006-07.
3. Expenditures for Liquidity Support and Remarketing Services in fiscal years 2007-08 through 2011-12 are based upon current rates in effect and rates anticipated based upon responses to a request for proposals and assume FGIC insured VRDB's are refunded and Auction Rate Securities are refunded or converted. These fees are contingent upon these transactions actually occurring and renewal or extension of liquidity agreements which will expire during the term of the plan.
4. Other costs in fiscal year 2008-09 includes \$626,000 for the estimated cost of converting the FSA insured Auction Rate Securities to Variable Rate Demand Bonds. Such costs are contingent upon the conversion actually occurring.

New York Local Government Assistance Corporation

Annual Budget for Fiscal Year 2008-09

Including multi-year financial plan with actual results for fiscal year 2006-07 and a revised forecast for fiscal year 2007-08

Statement of Revenues, Expenditures and Changes in Fund Balances

Modified Accrual Basis of Accounting w/Adjustment for Cash

Amounts in Thousands

DEBT SERVICE FUND

FISCAL PERIOD END	March 31, 2007 (Actual)	March 31, 2008 (Approved Budget)	March 31, 2008 (Revised Forecast)1	March 31, 2009 (Proposed Budget)	March 31, 2010 (Forecast)	March 31, 2011 (Forecast)	March 31, 2012 (Forecast)
Beginning of Period Cash and Investments:							
Amounts required for current debt maturities	\$ 221,594	\$ 331,523	\$ 331,523	\$ 277,485	\$ 296,096	\$ 306,563	\$ 316,186
Restricted bond reserves	248,872	248,872	248,872	245,179	245,179	245,179	245,179
Total beginning of period cash and investments	470,466	580,395	580,395	522,664	541,275	551,742	561,365
Receipts/Revenues:							
State appropriations (2)	418,770	300,946	278,891	366,587	365,054	364,779	358,451
Investment receipts (3)(4)	10,358	10,358	15,319	10,358	10,358	10,358	10,358
Receipts subtotal	429,128	311,304	294,210	376,945	375,412	375,137	368,809
Adjustment for accrual of investment earnings	3,084	-	7,969	-	-	-	-
Total revenues	432,212	311,304	302,179	376,945	375,412	375,137	368,809
Expenditures:							
Repayment of principal	143,515	182,080	182,085	200,050	210,145	219,470	229,470
Payment of interest (5)	178,420	174,258	178,185	157,789	154,354	144,343	127,845
Cost of issuance for refundings	-	-	2,716	-	-	-	-
Arbitrage rebate (6)	-	411	-	495	446	1,701	-
Total expenditures	321,935	356,749	362,986	358,334	364,945	365,514	357,315
Excess (deficiency) of revenues over Debt Service Fund expenditures	110,277	(45,445)	(60,807)	18,611	10,467	9,623	11,494
Other Financing Sources and Uses:							
Issuance of refunding bonds	-	-	779,930	-	-	-	-
Premiums on refunding bonds, net of discounts	-	-	46,192	-	-	-	-
Payments to refunding bond escrow agent	-	-	(823,328)	-	-	-	-
Net other financing sources and uses	-	-	2,794	-	-	-	-
Net Change in Fund Balance	110,277	(45,445)	(58,013)	18,611	10,467	9,623	11,494
Change in accruals for investments and cost of issue	2,736	-	8,251	-	-	-	-
End of Period Cash and Investments:							
Amounts required for current debt maturities	331,497	286,078	277,485	296,096	306,563	316,186	327,680
Restricted bond reserves	248,898	248,872	245,179	245,179	245,179	245,179	245,179
Total end of period cash and investments	\$ 580,395	\$ 534,950	\$ 522,664	\$ 541,275	\$ 551,742	\$ 561,365	\$ 572,859

Notes:

- The Revised Forecast for fiscal year 2007-08 is based upon a projection of unaudited actual amounts compiled through March 31, 2008.
- State appropriations for debt service in fiscal year 2007-08 equals amount certified by the Corporation's Chairperson. State Appropriations for debt service for fiscal years 2008-09 through 2011-12 equal amounts projected in the 2008-09 Executive Budget Supplemented for 21-Day Amendments.
- Fiscal year 2007-08 investment receipts are based upon higher than average balances available to invest. Investment receipts for fiscal years after 2007-08 are anticipated to approximate fiscal year 2006-07 amounts.
- Debt Service Fund investment receipts in fiscal years 2007-08 through 2011-12 assume that the capital reserve will remain approximately at the current level.
- Unhedged variable rate debt service payments were calculated using the rates provided by the New York State Division of the Budget and are consistent with the Governor's 2008-09 proposed budget which were 3.55 percent for fiscal year 2007-08, 3.15 percent for fiscal year 2008-09, 3.20 percent for fiscal year 2009-10, 3.15 percent for fiscal year 2010-11 and 2.80 for fiscal year 2011-12. Hedged variable rate debt service was calculated at swap rate plus an basis leakage of 0.17 percent, .26 percent, .11 percent, .07 percent, and -.29 percent for fiscal years 2007-08 through 2011-12 respectively.
- Arbitrage rebate expenditures are estimated by the Corporation's professional arbitrage rebate calculator and represent estimated liabilities as of May 6, 2008.

Reconciliation of Changes from Adopted Budget for Fiscal Year 2007-08

As reflected in the fiscal year ended March 31, 2008 Revised Forecast column in the annual budget and multi-year financial plan above, the Corporation has revised the previous forecast of the current year's budget.

General Fund

The Revised Forecast for the Corporation's General Fund has increased by \$215,000 from the Corporation's Approved Budget for fiscal year 2007-08, principally due to increased fees related to standby bond purchase agreements on three series of variable rate demand bonds. The fee is based upon the credit rating of the bond insurer which was downgraded.

Debt Service Fund

State Appropriations – The Revised Forecast anticipates a \$22.1 million decrease in the amount of State appropriations to be received from the State from the Corporation's Approved Budget for fiscal year 2007-08. This decrease is attributable to amounts actually required for payment of debt service being less than amounts anticipated in the State's 2007-08 Enacted Budget and Financial Plan.

Investment Receipts – The Revised Forecast reflects an assumption that investment receipts on the Corporation's debt service funds will be \$5.0 million higher than was anticipated in the Approved Budget for fiscal year 2007-08. Investment receipts are higher than anticipated as a result of having higher than average debt service funds available for investment.

Payment of Interest – The Revised Forecast for interest payments on the Corporation's bonds is \$3,927,000 or 2.3 percent higher in fiscal year 2007-08. The additional interest payments are more than offset by the additional investment receipts discussed above.

Cost of Issuance – The Revised Forecast includes \$2,716,000 for bond issuance costs which were not included in the original budget, but are related to the bond refunding authorized by the Board of Directors on July 24, 2007 and January 14, 2008. These expenses were paid for from proceeds of the refunding bonds issued.

Arbitrage Rebate – The Revised Forecast includes a \$411,000 reduction in arbitrage rebate expense for the Corporation's 2007-08 fiscal year. This reduction is due to revised estimates of liability based upon updated arbitrage rebate liability calculations.

Other Financing Sources and Uses – The Revised Forecast includes \$826.1 million in issuance of refunding bonds and \$823.3 million in payments to refunding bond escrow agent which were not included in the Approved Budget, but are related to the bond refundings authorized by the Board of Directors on July 24, 2007 and January 14, 2008.

The multi-year forecast has also been adjusted to reflect the revisions highlighted above.

Statement of Borrowed Debt

The Corporation is authorized to issue up to \$4.7 billion in bonds plus an amount necessary to fund a capital reserve, costs of issuance and a limited amount of capitalized interest. As of March 31, 1996, the Corporation had issued bonds equal to its authorized amount. Under existing statutes, any future issuance of bonds by the Corporation is limited to refunding purposes only.

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

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

Statement of Borrowed Debt

Submitted with Proposed Annual Budget for Fiscal Year 2008-09 and Multi-Year Financial Plan

Fiscal Year Ending March 31	Bonds Outstanding (1)				Total Debt Service	Bonds Outstanding (1)		Total Revenues (3)	Debt Service as % of Revenues
	April 1	Principal	Interest (2)	March 31		March 31			
2008	\$ 4,343,040	\$ 182,085	\$ 175,061	\$ 357,146	\$ 4,160,955	\$ 299,686	119.2%	(4)	
2009	\$ 4,160,955	\$ 200,050	\$ 157,789	\$ 357,839	\$ 3,960,905	\$ 386,914	92.5%	(4)	
2010	\$ 3,960,905	\$ 210,145	\$ 154,354	\$ 364,499	\$ 3,750,760	\$ 384,881	94.7%		
2011	\$ 3,750,760	\$ 219,470	\$ 144,343	\$ 363,813	\$ 3,531,290	\$ 384,306	94.7%		
2012	\$ 3,531,290	\$ 229,470	\$ 127,845	\$ 357,315	\$ 3,301,820	\$ 377,678	94.6%		

Purpose of the Debt:

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

Notes:

1. Capital Appreciation Bonds are shown at gross amounts (fully accreted values).
2. Unhedged variable rate debt service payments were calculated using the rates provided by the New York State Division of the Budget and are consistent with the Governor's 2008-09 proposed budget which were 3.55 percent for fiscal year 2010-11 and 2.80 percent for fiscal year 2011-12. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage of 0.17 percent, .26 percent, .11 percent, .07 percent, and -.29 percent for fiscal years 2007-08 through 2011-12 respectively.
3. Total revenues equal those shown on the General and Debt Service Fund budget on page 11 of the Annual Budget and Multi-Year Financial Plan.
4. The Corporation received approximately \$66 million more in revenues from State appropriations in fiscal-year 2006-07 for debt service than initially planned. These revenues will be used to pay debt service in fiscal year 2007-08. Accordingly, debt service as a percentage of revenues is lower in fiscal year 2006-07 and higher in fiscal year 2007-08 than it would have been had this fiscal year 2006-07 receipt not occurred until fiscal year 2007-08.

LGAC Projected Debt Service by Debt Issuance

Fiscal Year Ending	Total Revenues	Debt Service for Issuance 2008A	% of Total Revenue	Debt Service for Issuance 2007A	% of Total Revenue	Debt Service for Issuance 2004A	% of Total Revenue	Debt Service for Issuance 2003A	% of Total Revenue
2008	\$299,686	\$ -	0.0%	\$ -	0.0%	\$ 7,393	2.5%	\$ 82,204	27.4%
2009	\$386,914	\$ 11,419	3.0%	\$ 21,464	5.5%	\$ 8,879	2.3%	\$ 82,802	21.4%
2010	\$384,881	\$ 96,574	25.1%	\$ 19,366	5.0%	\$ 8,630	2.2%	\$ 84,483	22.0%
2011	\$384,306	\$ 17,447	4.5%	\$ 100,608	26.2%	\$ 8,536	2.2%	\$ 83,944	21.8%
2012	\$377,678	\$ 17,444	4.6%	\$ 100,498	26.6%	\$ 7,460	2.0%	\$ 101,057	26.8%

Unhedged variable rate debt service payments were calculated using the rates provided by the New York State Division of the Budget and are consistent with the Governor's 2008-09 proposed budget which were 3.55 percent for fiscal year 2007-08, 3.15 percent for fiscal year 2008-09, 3.20 percent for fiscal year 2009-10, 3.15 percent for fiscal year 2010-11 and 2.80 for fiscal year 2011-12. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage of 0.17 percent, .26 percent, .11 percent, .07 percent, and -.29 percent for fiscal years 2007-08 through 2011-12 respectively.

LGAC Projected Debt Service by Debt Issuance

Fiscal Year Ending	Total Revenues	Debt Service for Issuance 1998A	% of Total Revenue	Debt Service for Issuance 1997B	% of Total Revenue	Debt Service for Issuance 1997A	% of Total Revenue	Debt Service for Issuance 1996A	% of Total Revenue	Debt Service for Issuance 1995B-G	% of Total Revenue
2008	\$299,686	\$ 13,718	4.6%	\$ 40,846	13.6%	\$ 30,854	10.3%	\$ 47,317	15.8%	\$ 30,562	10.2%
2009	\$386,914	\$ 22,971	5.9%	\$ 15,525	4.0%	\$ 11,860	3.1%	\$ 34,289	8.9%	\$ 29,235	7.6%
2010	\$384,881	\$ 36,001	9.4%	\$ 2,501	0.6%	\$ -	0.0%	\$ -	0.0%	\$ 29,719	7.7%
2011	\$384,306	\$ 35,966	9.4%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 29,914	7.8%
2012	\$377,678	\$ 35,937	9.5%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 29,094	7.7%

Unhedged variable rate debt service payments were calculated using the rates provided by the New York State Division of the Budget and are consistent with the Governor's 2008-09 proposed budget which were 3.55 percent for fiscal year 2007-08, 3.15 percent for fiscal year 2008-09, 3.20 percent for fiscal year 2009-10, 3.15 percent for fiscal year 2010-11 and 2.80 for fiscal year 2011-12. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage of 0.17 percent, .26 percent, .11 percent, .07 percent, and -.29 percent for fiscal years 2007-08 through 2011-12 respectively.

LGAC Projected Debt Service by Debt Issuance

Fiscal Year Ending	Total Revenues	Debt Service for Issuance 1994B	% of Total Revenue	Debt Service for Issuance 1993D&E	% of Total Revenue	Debt Service for Issuance 1993C	% of Total Revenue	Debt Service for Issuance 1993A	% of Total Revenue
2008	\$299,686	\$ 8,429	2.8%	\$ 21,417	7.1%	\$ 8,699	2.9%	\$ 15,783	5.3%
2009	\$386,914	\$ 8,010	2.1%	\$ 21,398	5.5%	\$ 8,699	2.2%	\$ 15,211	3.9%
2010	\$384,881	\$ 8,216	2.1%	\$ 21,390	5.6%	\$ 8,699	2.3%	\$ 15,554	4.0%
2011	\$384,306	\$ 8,303	2.2%	\$ 21,390	5.6%	\$ 8,699	2.3%	\$ 15,661	4.1%
2012	\$377,678	\$ 8,107	2.1%	\$ 21,385	5.7%	\$ 8,699	2.3%	\$ 15,391	4.1%

Unhedged variable rate debt service payments were calculated using the rates provided by the New York State Division of the Budget and are consistent with the Governor's 2008-09 proposed budget which were 3.55 percent for fiscal year 2007-08, 3.15 percent for fiscal year 2008-09, 3.20 percent for fiscal year 2009-10, 3.15 percent for fiscal year 2010-11 and 2.80 for fiscal year 2011-12. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage of 0.17 percent, .26 percent, .11 percent, .07 percent, and -.29 percent for fiscal years 2007-08 through 2011-12 respectively.

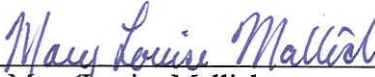
LGAC Projected Debt Service by Debt Issuance

Fiscal Year Ending	Total Revenues	Debt Service for Issuance 1992C	% of Total Revenue	Debt Service for Issuance 1991C	% of Total Revenue	Debt Service for Issuance 1991B	% of Total Revenue	Debt Service for Issuance 1991A	% of Total Revenue
2008	\$299,686	\$ 3,179	1.1%	\$ 14,045	4.7%	\$ -	0.0%	\$ 32,700	10.9%
2009	\$386,914	\$ 12,297	3.2%	\$ -	0.0%	\$ 21,085	5.4%	\$ 32,695	8.5%
2010	\$384,881	\$ 12,281	3.2%	\$ -	0.0%	\$ 21,085	5.5%	\$ -	0.0%
2011	\$384,306	\$ 12,260	3.2%	\$ -	0.0%	\$ 21,085	5.5%	\$ -	0.0%
2012	\$377,678	\$ 12,243	3.2%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%

Unhedged variable rate debt service payments were calculated using the rates provided by the New York State Division of the Budget and are consistent with the Governor's 2008-09 proposed budget which were 3.55 percent for fiscal year 2007-08, 3.15 percent for fiscal year 2008-09, 3.20 percent for fiscal year 2009-10, 3.15 percent for fiscal year 2010-11 and 2.80 for fiscal year 2011-12. Hedged variable rate debt service was calculated at swap rate plus an allowance for basis leakage of 0.17 percent, .26 percent, .11 percent, .07 percent, and -.29 percent for fiscal years 2007-08 through 2011-12 respectively.

Certification

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



Mary Louise Mallick,
Co-Executive Director
New York Local Government
Assistance Corporation

The Proposed and Enacted Budget and Multi-Year Financial Plans for Fiscal Year 2008-09 through 2011-12 are available for public inspection at the following locations:

BUFFALO REGIONAL OFFICE

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

ROCHESTER REGIONAL OFFICE

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

SYRACUSE REGIONAL OFFICE

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

BINGHAMTON REGIONAL OFFICE

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

GLENS FALLS REGIONAL OFFICE

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

ALBANY REGIONAL OFFICE

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

NEWBURGH REGIONAL OFFICE

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

HAUPPAUGE REGIONAL OFFICE

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

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

Office of the State Comptroller
59 Maiden Lane, 29th Floor
New York, New York 10038

The Proposed and Enacted Budget and Multi-Year Financial Plan for Fiscal Year 2008-09 through 2011-12 may also be viewed electronically on the Corporation's website at:

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