New York Local Government Assistance Corporation

Annual Report

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

for fiscal year ended March 31, 2016

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION
ANNUAL REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2016
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, 2016

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 of New York (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 through 2034, 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 2015-16 Mission Statement Measurements.)

BOARD OF DIRECTORS *(as of March 31, 2016):*

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

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EXECUTIVE STAFF*: (as of March 31, 2016)*

Dominic Colafati	Co-Executive Director
Robert B. Ward	Co-Executive Director
The Honorable Eric T. Schneiderman	General Counsel
Patricia Warrington	Treasurer
Pat Reale	Secretary
Kristee Iacobucci	Internal Control Officer
Chuck Trimbach	Assistant Treasurer
Kelsey Cheng	Assistant Secretary

See Appendix B for the Corporation's Organization Chart and more information on LGAC'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 (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 may now issue bonds only for the purpose of refunding outstanding bonds of the Corporation.

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.

GOVERNANCE/BOARD STRUCTURE

Until January 13, 2006, LGAC was governed by a three member Board of 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). 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. Each of the appointed Directors serving as of March 31, 2016 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 Board members 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. Since the

amendment was enacted both the Comptroller and the Budget Director have designated representatives.[1]

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, 2016, board and committee meetings convened in the 2015-16 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 LGAC Directors appoint the officers of LGAC. As of March 31, 2016, Dominic Colafati, Unit Chief in the Division of the Budget, and Robert B. Ward, Deputy Comptroller for Budget and Policy Analysis in the Office of the State Comptroller, serve as Co-Executive Directors. Patricia Warrington, Assistant Comptroller for Debt Management and Policy in the Office of the State Comptroller, serves as LGAC's Treasurer and Pat Reale, Principal Budget Examiner in the Division of the Budget, serves as Secretary. Kristee Iacobucci, Assistant Comptroller in the Office of the State Comptroller, is the Corporation's Internal Control Officer. The State's Attorney General, the Honorable Eric T. Schneiderman, is General Counsel for LGAC. 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.

From funds appropriated by the Legislature, the State paid approximately $3.5 million, pursuant to the Chairperson's certification, to LGAC for operating expenses in its fiscal year ended March 31, 2016. These funds were used principally for payments to the Corporation's trustee, financial advisor, auditor and bond counsel as well as for variable rate bond support costs paid to remarketing agents, broker-dealers and banks. The Corporation's appropriation was sufficient for all payments.

[1] 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 Pat Reale, Principal Budget Examiner in the Division of the Budget. The Comptroller has designated the following representative: Alexander B. "Pete" Grannis, First Deputy Comptroller in the Office of the State Comptroller.

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.

The Corporation has not owned any real property since its inception and during fiscal year 2015-16 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 purchased certain services on a non-competitive basis where the actual or estimated value of the service was under $5,000 or was related to the issuance of bond ratings. Specifically, the Corporation paid annual surveillance fees to Moody's Investors Service, Fitch Ratings, and Standard & Poor's Ratings Services related to certain of its variable rate demand bonds and an annual maintenance fee for the continuation of the Corporation's legal entity identifier related to its interest rate exchange agreements.

The Corporation was not involved as a party in any material pending litigation during fiscal year 2015-16.

CODE OF ETHICS

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

All New York Local Government Assistance 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 New York Local Government Assistance Corporation and such provisions shall apply as if there were no such exclusion.

ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS

In accordance with the Public Authorities Accountability Act of 2005 ("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 of Directors ("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"). Therefore, Corporation management ("Management") will continue to conduct an annual internal control assessment of LGAC's operations to ensure continued compliance with existing laws and regulations and to provide assurance that LGAC's assets are 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, 2016 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 SaxBST, 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. Management believes that this assessment provides a reasonable basis for its opinion.

On December 7, 1990, the Board of Directors 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 fiscal year 2015-16 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 Public Officers Law ("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, 2016, the Corporation approved such budget, reports and guidelines in conformance with applicable requirements. During the year ended March 31, 2016, the Corporation complied with the provisions of Parts 201, 203, 204 and 206 of 2 NYCRR in all material respects.

The law creating and governing the Corporation ("Enabling Act") requires it 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 annually on March 31.

The Enabling Act also requires the Chairperson or Vice-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 or Vice-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, 2016. 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, 2016.

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 or Vice-Chairperson of the Corporation and all other obligations subject to impoundment have been satisfied. In the 2015-16 fiscal year, $2.728 billion was transferred to the State's General Fund. This amount includes the $170 million 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.

As of March 31, 2016, the long-term ratings assigned to the Corporation's bonds were Aa1 by Moody's Investors Service ("Moody's"), AAA by Standard & Poor's Ratings Services ("S&P"), and AA+ by Fitch Ratings ("Fitch"). The Corporation's Series 2003A-9V Variable Interest Rate Subordinate Lien Refunding Bonds, Series 2003A-10V Variable Interest Rate Subordinate Lien Refunding Bonds, Series 2003A-11V Variable Interest Rate Subordinate Lien Refunding Bonds and Series 2003A-12V Variable Interest Rate Subordinate Lien Refunding Bonds, each in auction rate mode, were originally issued as Financial Security Assurance Inc. ("FSA")-insured bonds. FSA was acquired by Assured Guaranty in 2009. The long-term ratings on these bonds issued in auction rate mode as of March 31, 2016, were Aa1 by Moody's, AAA by S&P, and AA+ by Fitch.

The short-term ratings on the Corporation's Variable Rate Demand Bonds supported by Standby Bond Purchase Agreements issued by certain Banks reflect the short-term ratings of the Banks providing them. The short-term ratings of each of these bonds as of March 31, 2016, were as follows:

> Series 2008B-AV Variable Interest Rate Senior Lien Refunding Bonds, Series 2008B-BV Variable Interest Rate Senior Lien Refunding Bonds, Series 2008B-3V Variable Interest Rate Subordinate Lien Refunding Bonds and Series 2008B-7V Variable Interest Rate Subordinate Lien Refunding Bonds were each rated VMIG1 by Moody's and A-1 by S&P; the Series 2003A-4V Variable Interest Rate Subordinate Lien Refunding Bonds were rated A-1 by S&P and F1 by Fitch; and the Series 2003A-8V Variable Interest Rate Subordinate Lien Refunding Bonds were rated A-1 by S&P and F1+ by Fitch.

The Corporation did not issue any bonds or pay any expenses related to costs of issuance or underwriter's discount during the 2015-16 fiscal year.

The Corporation had bonds outstanding totaling $2.058 billion as of March 31, 2016 as shown in the graph on the following page.

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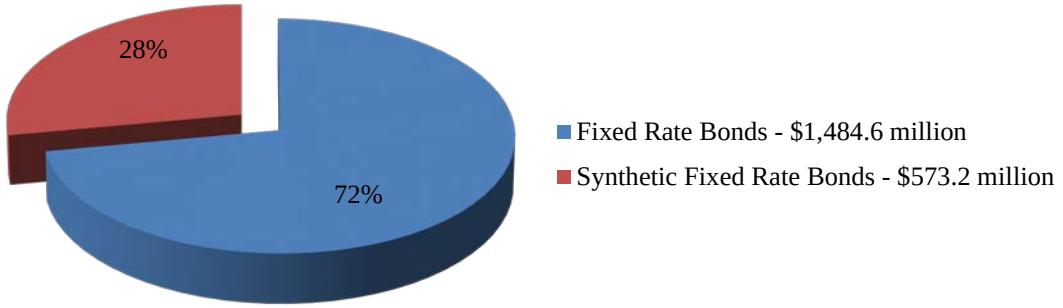
BONDS OUTSTANDING - $2,058,400,000
(as of March 31, 2016)



Note: In addition to the amounts of Fixed Rate Bonds and Synthetic Fixed Rate Bonds shown above, total bonds outstanding included $630,000 in Unhedged Variable Rate Bonds, representing 0.03 percent of the Corporation's total bonds outstanding.

As of March 31, 2016, the Corporation had approximately $573.9 million of variable interest rate debt in ten series of bonds outstanding as follows (rates include remarketing agent, broker-dealer and liquidity fees):

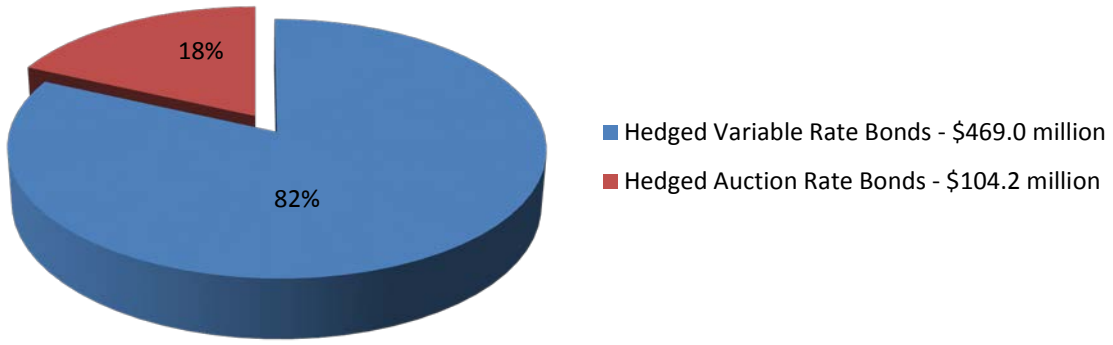
					Liquidity Support	
Series	**Outstanding (thousands)**	**Bond Insurer**	**Interest Rate at 3/31/16**	**Current Interest Rate Mode**	**Type of Liquidity Support**	**Expiration Date**
2003A-4V	137,500	None [2]	0.990%	Weekly	SBPA[1]	11/16/2018
2003A-8V	40,885	None [3]	1.150%	Weekly	SBPA[1]	7/16/2019
2003A-9V	26,075	FSA [4]	0.605%	Auction	N/A	N/A
2003A-10V	26,050	FSA [4]	0.620%	Auction	N/A	N/A
2003A-11V	26,050	FSA [4]	0.805%	Auction	N/A	N/A
2003A-12V	26,050	FSA [4]	0.820%	Auction	N/A	N/A
2008B-AV	51,305	None	1.000%	Weekly	SBPA[1]	6/24/2019
2008B-BV	51,305	None	1.000%	Weekly	SBPA[1]	6/24/2019
2008B-3V	137,765	None	1.165%	Weekly	SBPA[1]	6/24/2019
2008B-7V	50,885	None	1.165%	Weekly	SBPA[1]	6/24/2019
Total	**$ 573,870**					

N/A - Not Applicable

1. SBPA - Standby Bond Purchase Agreement
2. These bonds were originally issued as Financial Security Assurance Inc. ("FSA")-insured bonds. On December 1, 2010, the bonds were remarketed as uninsured VRDBs after cancellation of the FSA municipal bond insurance policy.
3. These bonds were originally issued as FSA-insured bonds. On August 3, 2009, the bonds were remarketed as uninsured VRDBs after cancellation of the FSA municipal bond insurance policy.
4. Acquired by Assured Guaranty in 2009.

As illustrated in the preceding Bonds Outstanding chart, 28 percent of the Corporation's bonds were in a variable rate mode at March 31, 2016. The chart that follows illustrates the two major components of the Corporation's variable rate portfolio.

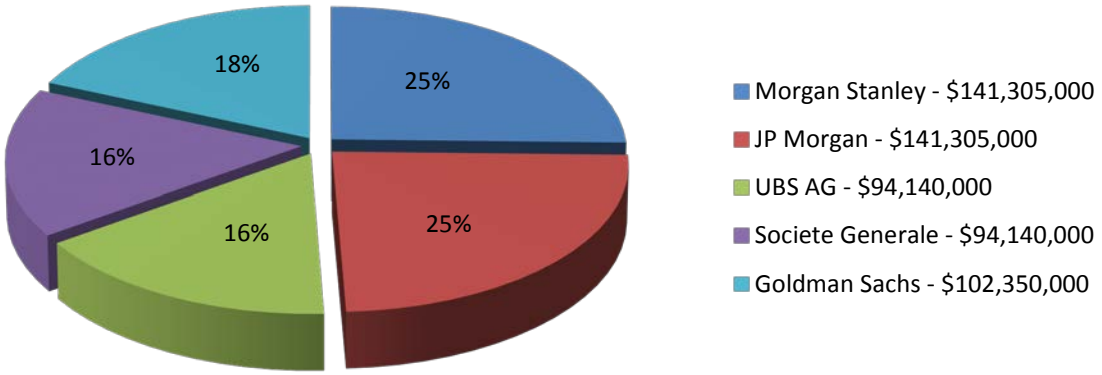
VARIABLE RATE PORTFOLIO
$573,870,000
(as of March 31, 2016)



Note: In addition to the amounts of Hedged Variable Rate Bonds and Hedged Auction Rate Bonds shown above, total variable rate bonds outstanding included $630,000 in Unhedged Variable Rate Bonds, representing 0.11 percent of the Corporation's total variable rate bonds outstanding.

The Corporation has entered into swaps that have notional amounts as of March 31, 2016 that are shown in the following chart. These agreements provide for a synthetic fixed rate of interest, thereby essentially eliminating the Corporation's unhedged variable rate exposure to its overall bond portfolio (as illustrated in the preceding Bonds Outstanding chart).

SWAP COUNTERPARTIES BY NOTIONAL AMOUNT - $573,240,000
(as of March 31, 2016)



The following schedule presents the notional amount of the Corporation's outstanding swap agreements through final termination. All of the swaps hedge variable rate bonds to achieve a synthetic fixed rate.

Fiscal Year Ending	2003 Swaps Notional Amount of Swaps Outstanding	2004 Swaps Notional Amount of Swaps Outstanding	Total Swaps Notional Amount of Swaps Outstanding
3/31/2016	$ 470,890,000	$ 102,350,000	$ 573,240,000
3/31/2017	$ 392,915,000	$ 99,225,000	$ 492,140,000
3/31/2018	$ 366,665,000	$ 86,975,000	$ 453,640,000
3/31/2019	$ 366,665,000	$ 74,275,000	$ 440,940,000
3/31/2020	$ 325,780,000	$ 47,650,000	$ 373,430,000
3/31/2021	$ 245,925,000	$ 10,050,000	$ 255,975,000
3/31/2022	$ 154,005,000	-	$ 154,005,000
3/31/2023	$ 79,340,000	-	$ 79,340,000
3/31/2024	$ 24,360,000	-	$ 24,360,000
3/31/2025	-	-	-

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The following schedules provide detailed historical information regarding the Corporation's bonds refunded, bonds outstanding with amounts issued and retired and swap agreements as of March 31, 2016.

New York Local Government Assistance Corporation
Bonds Refunded[1] by Refunding Transaction or Use of Certain Proceeds from Capital Reserve Fund Release[2]
All Amounts are Par or Unaccreted Amounts
From Inception through March 31, 2016
(In Thousands)

Series	1993B	1993C	1993E	1996A	1997A	1997B	1998A	2000 Capital Reserve Release [3]	2003A	2003A-4V [4]	2003A-5/6	2003A-8V [5]	2004A	2007A	2008A	2008B	2008B-C/D	2008C	2010A	2010B	2011A	2012A [6]	Total
1991A	$ -	$ 116,845	$ -	$ 110,705	$ 59,120	$ 160,630	$ -	$ 25,025	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 472,325
1991B	297,320	43,725	-	55,085	15,945	14,885	13,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	440,870
1991C	-	168,680	231,160	45,170	97,990	25,515	-	11,595	-	-	-	-	-	-	-	-	-	-	-	-	-	-	580,110
1991D	-	159,180	94,725	62,300	25,460	22,340	-	10,135	-	-	-	-	-	-	-	-	-	-	-	-	-	-	374,140
1992A	-	48,900		177,970	29,700	16,780	-	7,615	-	-	-	-	-	-	-	-	-	-	-	-	-	-	280,965
1992B	-	-	-	-	-	112,195	196,925	9,480	-	-	-	-	-	-	-	-	-	-	-	-	-	-	318,600
1992C	-	-	-	-	-	105,535	15,350	7,055	78,585	-	-	-	-	-	-	-	-	-	-	-	-	-	206,525
1993A	-	-	-	-	-	-	-	11,000	-	-	-	-	-	-	-	-	-	-	-	168,600	-	-	179,600
1993B	-	-	-	-	-	-	-	13,530	333,525	-	-	-	-	-	-	-	-	-	-	-	-	-	347,055
1993C	-	-	-	-	-	-	-	13,050	339,295	-	-	-	89,565	-	-	-	-	-	-	-	-	-	441,910
1993D	-	-	-	-	-	-	-	2,530	185,295	-	-	-	97,335	-	-	-	-	-	-	-	-	-	285,160
1993E	-	-	-	-	-	-	-	-	1,820	-	-	-	-	-	-	-	-	-	-	-	-	-	1,820
1994A	-	-	-	-	-	-	-	3,805	104,115	-	-	-	17,890	-	-	-	-	-	-	-	-	-	125,810
1994B	-	-	-	-	-	-	-	500	-	-	-	-	-	-	-	-	-	-	-	96,500	-	-	97,000
1995A	-	-	-	-	-	-	65,850	25,180	212,205	-	-	-	-	-	-	-	-	-	-	-	-	-	303,235
1995B	-	-	-	-	-	-	-	3,500	-	-	-	-	-	-	-	-	-	-	69,600	-	-	-	73,100
1995C	-	-	-	-	-	-	-	1,700	-	-	-	-	-	-	-	-	-	-	-	-	-	63,000	64,700
1995D	-	-	-	-	-	-	-	3,700	-	-	-	-	-	-	-	-	-	-	69,000	-	-	-	72,700
1995E	-	-	-	-	-	-	-	3,600	-	-	-	-	-	-	-	-	-	-	-	-	-	62,900	66,500
1995F	-	-	-	-	-	-	-	4,000	-	-	-	-	-	-	-	-	-	-	69,400	-	-	-	73,400
1995G	-	-	-	-	-	-	-	1,100	-	-	-	-	-	-	-	-	-	-	69,400	-	-	-	70,500
1996A	-	-	-	-	-	-	-	-	4,735	-	-	-	-	302,100	79,300	-	-	-	-	-	-	-	386,135
1997A	-	-	-	-	-	-	-	-	-	-	-	-	-	101,930	905	-	-	-	-	-	-	-	102,835
1997B	-	-	-	-	-	-	-	-	42,295	-	-	-	-	-	327,820	-	-	-	-	-	-	-	370,115
1998A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	215,095	-	-	-	-	215,095
2003A	-	-	-	-	-	-	-	-	-	137,500	191,665	40,885	-	-	-	376,600	-	-	-	-	-	-	746,650
2004A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,450	-	-	-	-	-	-	210,450
2008B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,485	-	-	-	188,705	-	294,190
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	$ 204,790	$ 404,030	$ 408,025	$ 587,050	$ 105,485	$ 215,095	$ 277,400	$ 265,100	$ 188,705	$ 125,900	$ 7,201,495

Notes:

1. All bonds refunded were defeased to an available call date selected at the time of the refunding.
2. Use of proceeds from capital reserve fund release relates to the Capital Reserve Funds released as described in footnote 3 and footnote 6.
3. 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.
4. The Series 2003A-4V bonds were converted from FSA insured VRDB to uninsured VRDB with a substitution of liquidity facility.
5. The Series 2003A-8V bonds were converted from FSA insured VRDB to uninsured VRDB.
6. The Series 2012A refunding resulted in a release of $24,866,400 from the Capital Reserve Fund which was applied toward the redemption of the Series 1995C & E 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 Fiscal Year ended March 31, 2016

Bond Issue and Description	Original Amount Issued	Balance at March 31, 2015	Issued	Retired [1]	Balance at March 31, 2016
Series 1993C, Delivered July 22, 1993, Maturing through April 1, 2021, Serial and Term bonds @ 4.3% to 5.5%	$ 639,763,073.80	$ 158,170,000.00	-	$ 28,510,000.00	$ 129,660,000.00
Series 1993D&E, Delivered December 23, 1993, Maturing through April 1, 2023, Serial and Term bonds @ 3.2% to 6.0%	700,955,000.00	201,205,000.00	-	51,340,000.00	149,865,000.00
Series 2003A, Delivered February 20, 2003, Maturing through April 1, 2024, Serial bonds @ 2.25% to 5.0% on $349.7 million fixed rate bonds and variable on $1 billion variable rate bonds.	1,349,660,000.00	179,750,000.00	-	75,525,000.00	104,225,000.00
Series 2007A, Delivered August 22, 2007, Maturing through April 1, 2019, Serial bonds @ 5.0%.	387,320,000.00	111,630,000.00	-	38,515,000.00	73,115,000.00
Series 2008A, Delivered February 28, 2008, Maturing through April 1, 2021, Serial bonds @ 3.25% to 5.0%.	392,610,000.00	276,670,000.00	-	15,880,000.00	260,790,000.00
Series 2008B, Delivered June 26, 2008, Maturing through April 1, 2024, Term bonds @ variable rates [2]	588,325,000.00	294,135,000.00	-	2,875,000.00	291,260,000.00
Series 2008C, Delivered August 21, 2008, Maturing through April 1, 2018, Serial bonds @ 4.0% to 5.0%	203,550,000.00	76,690,000.00	-	17,795,000.00	58,895,000.00
Series 2003A-5/6, Delivered June 10, 2009, Maturing through April 1, 2020, Serial bonds @ 5.0% to 5.5%	182,670,000.00	182,670,000.00	-	-	182,670,000.00
Series 2008B-C/D, Delivered June 10, 2009, Maturing through 4/1/2021, Serial bonds @ 3.0% to 5.5%	102,325,000.00	102,325,000.00	-	2,795,000.00	99,530,000.00
Series 2003A-8V Variable Rate Bonds, Delivered August 3, 2009, Maturing through 4/1/2019, Term bond @ variable rates [3]	40,885,000.00	40,885,000.00	-	-	40,885,000.00
Series 2010A, Delivered May 27, 2010, Maturing through April 1, 2025, Serial bonds @ 4.0% to 5.0%	250,050,000.00	200,975,000.00	-	14,250,000.00	186,725,000.00
Series 2010B, Delivered December 1, 2010, Maturing through 4/1/2023, Serial bonds @ 5.0%	206,020,000.00	162,100,000.00	-	16,130,000.00	145,970,000.00
Series 2003A-4V Variable Rate Bonds, Delivered December 1, 2010, Maturing through 4/1/2022, Term bond @ variable rates [4]	137,500,000.00	137,500,000.00	-	-	137,500,000.00
Series 2011A, Delivered September 15, 2011, Maturing through April 1, 2021, Serial bonds @ 4.0% to 5.0%	184,040,000.00	142,960,000.00	-	17,560,000.00	125,400,000.00
Series 2012A, Delivered June 1, 2012, Maturing through April 1, 2025, Serial Bonds @2.0% to 5.0%	86,845,000.00	77,375,000.00	-	5,465,000.00	71,910,000.00
Total	$ 5,675,858,073.80	$ 2,345,040,000.00	$ -	$ 286,640,000.00	$ 2,058,400,000.00

Notes:

1. Scheduled maturities of all variable rate bonds require issuance of a call notice.
2. The Series 2008B-BV2 bonds were refunded with the Series 2011A fixed rate bonds in September 2011.
3. The Series 2003A-8V bonds were converted from FSA insured VRDB to uninsured VRDB in August 2009.
4. The Series 2003A-4V bonds were converted from FSA insured VRDB to uninsured VRDB with a substitution of liquidity facility in December 2010.

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New York Local Government Assistance Corporation
Schedule of Bonds Outstanding with Related Swap Agreements

Bond Issue	Swap	Notional Amount as of 3/31/2016	Counterparty	Notional Amount as of 3/31/2016
Series 2003A-4V Weekly Variable Rate Demand Bond	2003 Swap	$ 137,500,000	Morgan Stanley	$ 68,750,000
			JP Morgan	68,750,000
Series 2003A-8V Weekly Variable Rate Demand Bond	2003 Swap	40,885,000	Morgan Stanley	20,442,500
			JP Morgan	20,442,500
Series 2003A-9V Weekly Auction Rate Bond	2003 Swap	26,075,000	Morgan Stanley	13,037,500
			JP Morgan	13,037,500
Series 2003A-10V Weekly Auction Rate Bond	2003 Swap	26,050,000	Morgan Stanley	13,025,000
			JP Morgan	13,025,000
Series 2003A-11V Weekly Auction Rate Bond	2003 Swap	26,050,000	Morgan Stanley	13,025,000
			JP Morgan	13,025,000
Series 2003A-12V Weekly Auction Rate Bond	2003 Swap	26,050,000	Morgan Stanley	13,025,000
			JP Morgan	13,025,000
Series 2008B-3V Weekly Variable Rate Demand Bond	2003 Swap	137,500,000	UBS AG	68,750,000
			Societe Generale	68,750,000
Series 2008B-7V Weekly Variable Rate Demand Bond	2003 Swap	50,780,000	UBS AG	25,390,000
			Societe Generale	25,390,000
Series 2008B-AV Weekly Variable Rate Demand Bond	2004 Swap	51,175,000	Goldman Sachs	51,175,000
Series 2008B-BV Weekly Variable Rate Demand Bond	2004 Swap	51,175,000	Goldman Sachs	51,175,000
		$ 573,240,000		$ 573,240,000

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DEBT SERVICE PAYMENTS AND SOURCE OF FUNDS FOR PAYMENTS

During its 2015-16 fiscal year, LGAC made $384.6 million in net debt service payments on its outstanding fixed and variable rate bonds and associated interest rate exchange agreements. 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 fund and debt service funds).

The Office of the State Comptroller reported to the Corporation that approximately $12.5 billion was received by the State from the four percent sales tax, net of refunds, during the State's 2015-16 fiscal year, of which the one percent share, net of refunds, deposited to the LGATF was $3.1 billion. This reflects a 3.11 percent increase from the one percent share of sales tax, net of refunds, received by the LGATF during the 2014-15 fiscal year. The following schedule provides historical information relating to sales tax receipts from State fiscal years 2006-07 through 2015-16.

SALES TAX RECEIPTS[1]
(Millions of Dollars)

State Fiscal Year	Net Receipts of Sales Tax (At 4%)[2]	Net Receipts of 1% Sales Tax[2]	Annual Percentage Growth/(Decline)[3]
2006-07	10,050	2,511	(3.98)
2007-08	10,590	2,646	5.38
2008-09	10,274	2,567	(2.99)
2009-10	9,871	2,467	(3.90)
2010-11	10,782	2,697	9.32
2011-12	11,125	2,780	3.08
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

1. These amounts reflect receipts of the full amount of the sales and compensating use tax deposited in the General Fund and the Local Government Assistance Tax Fund.
2. Net of refunds.
3. Represents growth rate of 1% Sales Tax. Unadjusted for rate and base changes.

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The following schedule provides information relating to the debt service coverage ratio for the Corporation's outstanding bonds using receipts from the 1% sales tax receipts during the 2015-16 fiscal year:

	(Dollars in Thousands)
2015-16 Fiscal Year 4% Sales Tax Receipts	$ 12,485,096
2015-16 Fiscal Year 1% Sales Tax Receipts[1]	$ 3,121,259
Maximum Annual Debt Service[2]	$ 378,849
Debt Service Coverage[3]	8.2

1 Net of approximately $16.5 million in collection expenses.

2 The calculation of Maximum Annual Debt Service assumes all variable rate bonds are unhedged, uses rates in effect on March 31, 2016 and includes remarketing agent, broker-dealer and liquidity costs.

3 Assumes no interest earnings on the Capital Reserve Fund.

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CERTIFICATION

Appendix F of this report contains the basic financial statements of LGAC for the fiscal year ended March 31, 2016 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.

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

Robert B. Ward
Co-Executive Director
New York Local Government Assistance Corporation

Patricia Warrington
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
2015-16 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 of New York (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 through 2034, 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 of New York (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 2015-16, 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 assessed its portfolio and market conditions to determine if any actions (including, but not limited to conversions, liquidity facility replacement, or refundings) are needed to lower costs or manage risk?

Response: The Corporation manages its existing debt portfolio to strategically minimize risk and lower costs while adhering to all notice and any other requirements of each bond series' underlying documents, which may include policies of municipal bond insurance. In the case of variable rate debt, this can also include adherence to liquidity facility, remarketing and/or broker-dealer agreements. In September 2015, the Corporation executed amendments to its Standby Bond Purchase Agreement ("SBPA") with Bank of America, N.A. that was set to expire in November 2015 to extend the agreement for an additional three years and to reduce the commitment fees by 22 basis points compared to the annual fees in the expiring SBPA which was for a 5-year term..

Q. 3. 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 insure that tax requirements are met. The Corporation also 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. The Corporation also annually reviews available State funds to ensure that tax requirements are met.

Q. 4. 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 effectively met its other investment objectives, including to obtain the maximum yield consistent with safety of principal; to develop a portfolio which will emphasize quality, flexibility, diversity (where possible), and marketability; and to maintain the tax-exempt status of LGAC's debt..

Q. 5. 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, 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.

Goal #3: Beginning in 2004, certify on an annual basis through 2034, 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 accurately and in a timely manner completed the required certification of the payment to be made to the Sales Tax Asset Receivable Corporation during fiscal year 2015-16 and has done the same for all previous fiscal years, where required.

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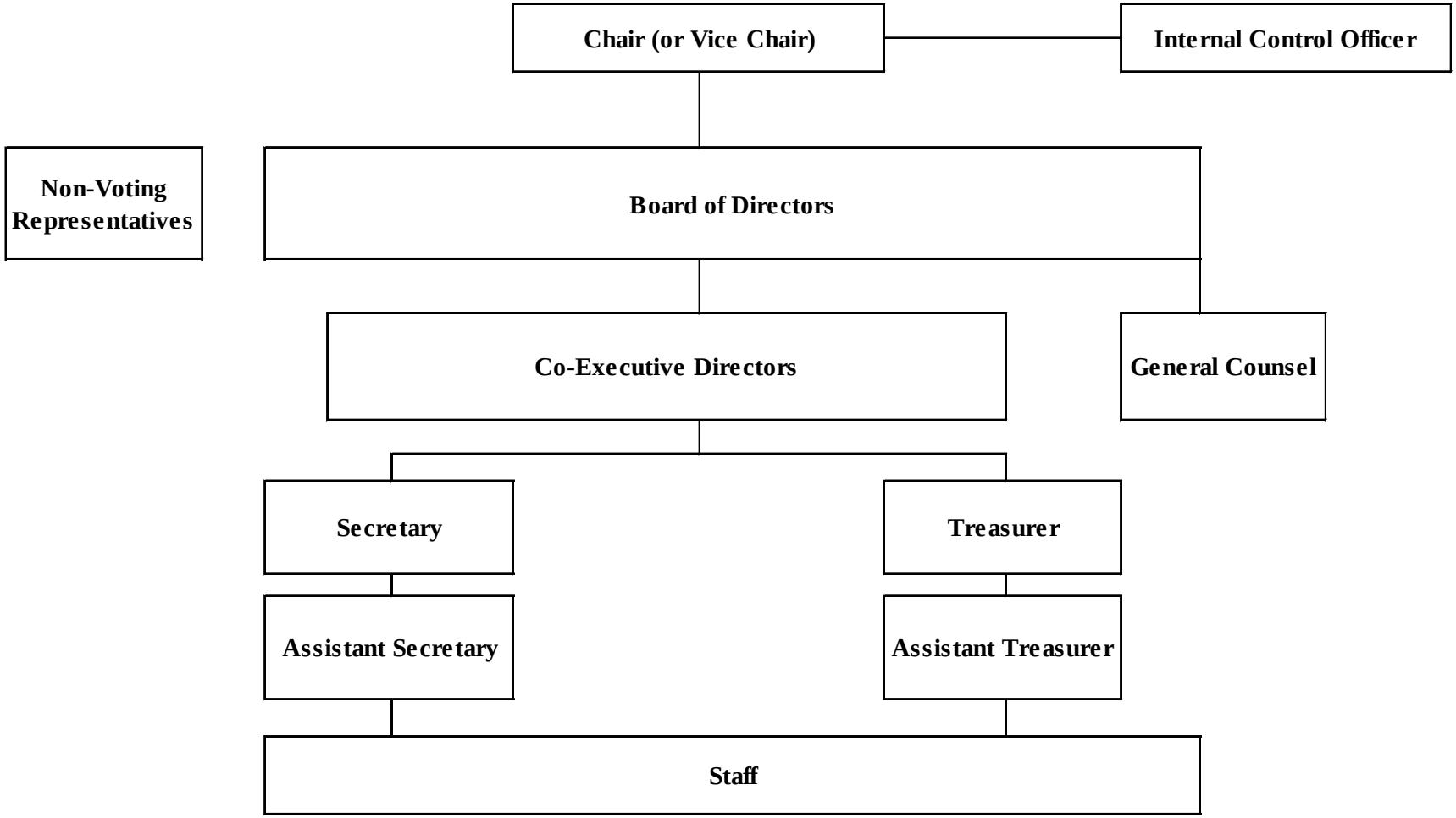
Appendix B

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, 2016

The Corporation is administered by a non-compensated, seven member Board of Directors, 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 3 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 as of January 22, 2015 upon the resignation of Robert L. Megna.

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, 2018. 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*. Mr. Shaw was appointed a Director of the Corporation on May 21, 2007 by then Governor Eliot Spitzer. He currently serves as the Chair of the Advisory Board of the CUNY Institute for State and Local Governance and is a Senior Advisor to the Chancellor for Fiscal Policy. From 2010 to 2014, he served as the Senior Vice Chancellor for Budget, Finance and Financial Policy at CUNY, overseeing and managing the finances of CUNY's 23 colleges and professional schools and the University's central administration. Mr. Shaw served as a Senior Advisor to the Governor on Metropolitan Transportation Authority ("MTA") finances and fiscal affairs during 2009. From 2006 to 2008, he was 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 Governor Pataki appointed him to serve as the Executive Director and Chief Operating Officer for the MTA. Mr. Shaw has served as the Budget Director for the New York City (the "City") Office of Management and Budget, the Commissioner for the New York City Department of Finance and as the Director of Finance for the New York City Council. Mr. Shaw also worked for the New York State Senate Finance Committee. He has been an adjunct assistant professor of Public Service at the Robert F. Wagner Graduate School of Public Service of New York University and an adjunct professor at the Columbia University School of International and Public Affairs. He graduated magna cum laude from the State University College at Buffalo and received his M.A. degree from the State University of New York at Buffalo.

Director. Vacant with the resignation of Diana Jones Ritter in September 2010.

Director. Vacant with the resignation of Priscilla Almodovar in January 2010.

In addition, pursuant to the Act, the Secretary to the Finance Committee of the State Senate, Michael Paoli 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 of Directors 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.

Eric T. Schneiderman, *General Counsel*. Mr. Schneiderman 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. He 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. Mr. Schneiderman was elected Attorney General in November 2010. His current term of office expires December 31, 2018.

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.

Robert B. Ward, *Co-Executive Director*. Mr. Ward was appointed Co-Executive Director of the Corporation on June 25, 2012. Mr. Ward is New York State Deputy Comptroller for Budget and Policy Analysis. He previously was Deputy Director of the Nelson A. Rockefeller Institute of Government, the public-policy research arm of the State University of New York. In that role, he led the Institute's New York State studies and its research on the finances of state and local governments across the country. He is author of "New York State Government." Earlier in his career he was assistant to the Chairman of the Assembly Ways and Means Committee, director of research for the Public Policy Institute of New York State, and a newspaper reporter and editor. He is a graduate of Syracuse University.

Patricia Warrington, *Treasurer*. Ms. Warrington was appointed Treasurer of the Corporation on May 17, 2005. Ms. Warrington has served as Assistant Comptroller in the Office of Budget and Policy Analysis within the Office of the State Comptroller since April 2007. Prior to this, she served as Director of the Bureau of Debt Management in the Office of the State Comptroller. Before joining the Comptroller's staff in January 2005, Ms. Warrington served as Director of Budget Studies for the New York State Assembly Ways and Means Committee, where she was employed for 17 years, serving in various budget and fiscal positions for the Committee. She received a Bachelor of Arts in Political Science from the State University of New York at Cortland and a Master of Arts in Political Science from the State University of New York at Binghamton.

Pat Reale, *Secretary*. Mr. Reale was appointed Secretary of the Corporation on March 13, 2012. Mr. Reale has been with the New York State Division of the Budget since 1995. Currently, he serves as Principal Budget Examiner in the Division's Expenditure/Debt Unit, and is responsible for overseeing and managing the State's debt portfolio and its debt service budget, as well as the annual development of 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 Masters Degree in Public Administration from the Rockefeller College of Public Affairs and Policy, University at Albany.

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 and is a Certified Internal Auditor.

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 State University of New York at Potsdam and a Masters degree in Business Administration from Niagara University.

Kelsey Cheng, *Assistant Secretary*. Ms. Cheng was appointed Assistant Secretary of the Corporation on June 12, 2015. She has been with the New York State Division of the Budget since 2013, and currently serves as a Budget Examiner in the Division's Expenditure/Debt Unit, where she is responsible for managing the State's debt portfolio. Ms. Cheng received three Bachelor of Arts degrees—in Mathematics, Economics and Statistical Science—from Cornell University. She is currently pursuing an M.B.A. in Finance at the State University of New York at Albany.

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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

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 LGAC's Audit Committee as of March 31, 2016 were Kevin Murray, serving as Chair, and Marc Shaw. At March 31, 2016, 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 LGAC's Finance Committee as of March 31, 2016 were Comptroller Thomas P. DiNapoli, serving as Chair, Budget Director Robert F. Mujica Jr., , Kevin Murray and Marc Shaw. At March 31, 2016, 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 LGAC's Governance Committee as of March 31, 2016 were Kevin Murray and Marc Shaw. At March 31, 2016, there was one vacancy on the Governance Committee.

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION
Board of Directors and Committee Meetings Convened
During Fiscal Year 2015-16

Date	Meeting Convened	Directors on Committee/Board and in Attendance at Meeting*	Committee/Board Meeting at Which Minutes Were Adopted
June 22, 2015	Board of Directors	Four, with all in attendance	Minutes Adopted - March 11, 2016 Board of Directors Meeting
June 22, 2015	Finance	Four, with three in attendance	Minutes Adopted - March 11, 2016 Finance Committee Meeting
June 22, 2015	Audit	Two, with all in attendance	Minutes not yet Adopted
March 11, 2016	Board of Directors	Four, with all in attendance	Minutes not yet Adopted
March 11, 2016	Finance	Four, with three 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.

NEW YORK LOCAL GOVERNMENT
ASSISTANCE CORPORATION
MINUTES OF BOARD OF DIRECTORS MEETING
June 22, 2015, 2:20 p.m.
New York State Capitol, Albany, New York

Board Members Present:

Pat Reale	Chairperson Designee
Thomas P. DiNapoli	Director (via Telephone)
Marc Shaw	Director (via Telephone)
Kevin Murray	Director (via Telephone)

Also Present:

Patricia Warrington	Office of the State Comptroller
Chuck Trimbach	Office of the State Comptroller
Kelsey Cheng	Division of the Budget
William Storrs	Department of Law
Kristee Iacobucci	Office of the State Comptroller
Henrik Westin	Office of the State Comptroller
Sean Lichorowiec	Office of the State Comptroller
Robert Ward	Office of the State Comptroller
Brendan Kennedy	SaxBST, LLP
Stan Kramer	Hawkins, Delafield & Wood LLP (via Telephone)
Monika Conley	Public Resources Advisory Group (via Telephone)

BOARD OF DIRECTORS MEETING

The meeting of the full Board was called to order by Chairperson Designee Pat Reale at 2:20 p.m.

Minutes of Previous Meeting:

Mr. Reale asked the members for a motion to adopt the minutes from the March 20, 2015 LGAC Board meeting. A motion was made and seconded, and the Directors approved the minutes.

Resolution No. 2015-05: Approving the Corporation's Audited Financial Statements for the year ended March 31, 2015.

Mr. Reale mentioned that the Audit Committee had previously met and recommended approval of the Resolution.

After no questions or comments were brought before the Board, Mr. Reale asked the members for a motion to adopt the Resolution. A motion was made and seconded, and the Directors approved the Resolution.

Resolution No. 2015-06: Approving the Corporation's Annual Procurement Contracts Report for the fiscal year ended March 31, 2015 and reapproving the Procurement Guidelines for the New York Local Government Assistance Corporation.

After no questions or comments were brought before the Board, Mr. Reale asked the members for a motion to adopt the Resolution. A motion was made and seconded, and the Directors approved the Resolution.

Resolution No. 2015-07: Approving the Corporation's Annual Investment Report for the fiscal year ended March 31, 2015 and approving the Investment Guidelines and amendments thereto for the New York Local Government Assistance Corporation.

After no questions or comments were brought before the Board, Mr. Reale asked the members for a motion to adopt the Resolution. A motion was made and seconded, and the Directors approved the Resolution.

Resolution No. 2015-08: Approving the Annual Report of the New York Local Government Assistance Corporation for the fiscal year ended March 31, 2015.

After no questions or comments were brought before the Board, Mr. Reale asked the members for a motion to adopt the Resolution. A motion was made and seconded, and the Directors approved the Resolution.

Resolution No. 2015-09: Authorizing the extension and amendment of the Corporation's Standby Bond Purchase Agreement with Bank of America in connection with the Corporation's Series 2003A-4V Variable Rate Demand Bonds.

Mr. Reale mentioned that the Finance Committee had previously met and recommended approval of the Resolution.

After no questions or comments were brought before the Board, Mr. Reale asked the members for a motion to adopt the Resolution. A motion was made and seconded, and the Directors approved the Resolution.

Once it was determined that there was no further business to be brought before the Board, Mr. Reale adjourned the Board meeting at 2:30 p.m.

Date: June 22, 2015

Kelsey Cheng
Assistant Secretary
New York Local Government
Assistance Corporation

NEW YORK LOCAL GOVERNMENT
ASSISTANCE CORPORATION
MINUTES OF FINANCE COMMITTEE MEETING
June 22, 2015, 2:00 p.m.
State Capitol, Albany, New York

Finance Committee Members Present:

Thomas P. DiNapoli	Committee Chairperson/Director (via Telephone)
Kevin Murray	Director (via Telephone)
Marc Shaw	Director (via Telephone)

Also Present:

Patricia Warrington	Office of the State Comptroller
Chuck Trimbach	Office of the State Comptroller
Kelsey Cheng	Division of the Budget
William Storrs	Department of Law
Kristee Iacobucci	Office of the State Comptroller
Henrik Westin	Office of the State Comptroller
Sean Lichorowiec	Office of the State Comptroller
Robert Ward	Office of the State Comptroller
Brendan Kennedy	SaxBST, LLP
Stan Kramer	Hawkins, Delafield & Wood LLP (via Telephone)
Monika Conley	Public Resources Advisory Group (via Telephone)

FINANCE COMMITTEE MEETING

Committee Chairperson DiNapoli called the Finance Committee meeting to order at 2:00 p.m.

Mr. DiNapoli noted that the minutes from the March 20, 2015 Finance Committee meeting had been previously distributed and made a motion to approve the minutes. The motion was seconded and the Finance Committee members approved the minutes.

Mr. DiNapoli referenced a staff memo recommending the Committee authorize the extension and amendment of the Corporation's Standby Bond Purchase Agreement with Bank of America in connection with Series 2003A-4V Variable Rate Demand Bonds for a term of three years.

The Committee Members indicated they had reviewed the materials provided and as there were no questions or comments, Mr. DiNapoli recommended that the proposal be advanced and recommended for approval by the full Board. The Finance Committee members approved the recommendation.

After it was determined that there were no further issues to be brought before the Board by the Finance Committee, the Finance Committee Meeting was adjourned.

Date: June 22, 2015

Kelsey Cheng
Assistant Secretary
New York Local Government
Assistance Corporation

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

Current through 2016 released chapters 1-34, 50-60

Title 4 New York Local Government Assistance Corporation

History

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

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Current through 2016 released chapters 1-34, 50-60

§ 3231. Short title

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

History

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

Annotations

Notes to Decisions

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).

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§ 3232. Definitions

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,

[*] The bracketed word has been inserted by Publisher.

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

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

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§ 3233. New York local government assistance corporation

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

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

Annotations

Research References & Practice Aids

Codes, Rules and Regulations:

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

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§ 3234. Administration of the corporation

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

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 (see 2005 note below); L 2010, ch 48, § 2, eff April 26, 2010 (see 2010 and 2011 notes below); L 2011, ch 58, § 47 (Part BB), eff April 26, 2010, expired and repealed March 31, 2013 (see 2011 note below); L 2013, ch 57, § 45 (Part HH), eff March 31, 2013 (see 2013 note below); 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;.

Amendment Notes:

2014. Chapter 55, § 46-d (Part I) amended:

Sub 1, par (a) by adding the matter in italics.

Sub 4 by adding the matter in italics.

2013. Chapter 57, § 45 (Part HH) amended:

Sub 5 by adding the matter in italics.

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§ 3235. General powers of the corporation

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

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

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

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

Cross References:

This section referred to in §§ 3232, 3239.

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§ 3236. Bonds and notes of the corporation

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 [1] *hour* prior to the [2] *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

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

Notes

Amendment Notes:

2011. Chapter 58, § 48 (Part BB) amended:

Sub 1, par (e) by deleting at fig 1 "day", at fig 2 "date" and adding the matter in italics.

Research References & Practice Aids

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.

§ 3237. Capital reserve fund

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

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

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Current through 2016 released chapters 1-34, 50-60

§ 3238. Payments to local governments

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

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

Annotations

Research References & Practice Aids

Cross References:

This section referred to in § 3236.

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§ 3238-a. [Expires and repealed July 1, 2034] Payment to city of New York

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 [1] during [2] *each* city fiscal year. 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.

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.

History

Add, L 2003, ch 62, § 1 (Part A4), eff July 1, 2003, expires and repealed July 1, 2034 (see 2003 note below); amd, L 2003, ch 63, § 1 (Part V), eff July 1, 2003, expires and repealed July 1, 2034.

Annotations

Notes

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.

Amendment Notes:

2034. Chapter 63, § 1 (part v) amended:

Par by deleting "by the comptroller" and "the".

Notes to Decisions

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, 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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§ 3239. Resources of the corporation

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

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

Annotations

Notes to Decisions

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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§ 3240. Payments to the corporation

1. 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-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. 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.*

5. 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.*

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

Add, L 1990, ch 220, § 1, eff June 11, 1990; amd, L 1991, ch 2, § 5, eff Jan 29, 1991,6, eff Jan 29, 1991; L 2003, ch 62, § 2 (Part A4), eff July 1, 2003, expires and repealed July 1, 2034 (see 2003 note below).

Annotations

Notes

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

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, 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)*.

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

Cross References:

This section referred to in § 3239.

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§ 3241. Agreement with the state

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

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

Annotations

Notes to Decisions

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).

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).

Current through 2016 released chapters 1-34, 50-60

§ 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

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

Annotations

Research References & Practice Aids

Cross References:

This section referred to in § 3241.

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Current through 2016 released chapters 1-34, 50-60

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

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

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

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§ 3243. Remedies of bondholders and noteholders

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

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

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Current through 2016 released chapters 1-34, 50-60

§ 3244. Bonds and notes as legal investments

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

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

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Current through 2016 released chapters 1-34, 50-60

§ 3245. Exemption from taxation

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

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

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§ 3246. Employees of the corporation

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

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

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§ 3247. Actions against the corporation

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

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

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§ 3248. Assistance to the corporation

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

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

Annotations

Research References & Practice Aids

Cross References:

This section referred to in § 3246.

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

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

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

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* Does not conform with Title schedule.

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 2015-16

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION
ANNUAL BOND SALE REPORT, COST OF ISSUANCE AND UNDERWRITER'S DISCOUNT
FISCAL YEAR 2015-16

The Corporation did not issue bonds or pay any costs of issuance or underwriter expenses in the 2015-16 Fiscal Year.

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Appendix F

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

Audited Basic Financial Statements for
Fiscal Year Ended March 31, 2016

New York Local Government Assistance Corporation

(A Component Unit of the State of New York)

Basic Financial Statements

for fiscal year ended March 31, 2016

NEW YORK
LOCAL GOVERNMENT ASSISTANCE CORPORATION
(A Component Unit of the State of New York)
Basic Financial Statements
Year Ended March 31, 2016

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Governmental Funds Balance Sheet/Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances/ Statement of Activities	11
Notes to the Financial Statements	12

SAXBST
ACCOUNTING / TAX / ADVISORY

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements 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, 2016, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
New York Local Government Assistance Corporation

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Corporation as of March 31, 2016, and the respective changes in financial position and, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 5 to 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements 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 statements, and other knowledge we obtained during our audit of the basic financial statements. 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 17, 2016, 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 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 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.

SaxBST LLP

Albany, New York
June 17, 2016

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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, 2016.

FINANCIAL HIGHLIGHTS

- The Corporation's total bonds outstanding at year-end were $2.2 billion, net of unamortized amounts, which is a decrease of $302.4 million from the prior year.
- The Corporation's variable interest rate bonds outstanding on March 31, 2016 comprised 28 percent of all its outstanding bonds. The Corporation has hedged its exposure to nearly all of its variable interest rate debt through the use of interest rate exchange agreements.
- The Corporation's net position as of March 31, 2016 is a deficit of $1.7 billion. This represents an increase of $312 million from the Corporation's net position from the previous fiscal year-end, a deficit of $2 billion. This increase is primarily the result of repayment of bonds.
- During the fiscal year ended March 31, 2016, the Corporation had revenues of $394.2 million, which included $393 million in funds drawn from appropriations from New York State.
- Total expenses of the Corporation for the fiscal year ended March 31, 2016 on a full accrual basis were $82.2 million, which includes $78.7 million for interest on the Corporation's outstanding bonds.
- The Corporation's General Fund ended the year with an annual operating surplus of $44 thousand and a fund balance of $2.4 million.
- The Corporation's Debt Service Fund ended the year with an annual operating surplus of $6.2 million and a fund balance of $495.3 million. Assets in the Debt Service Fund included $158 million in investments, $337.1 million in cash, and $265 thousand in interest receivable. The Corporation's Trustee held the cash to pay debt service of $337.1 million that was payable on April 1, 2016. The annual operating surplus and related increase in fund balance in the Debt Service Fund are primarily attributable to the fact that the funds drawn from State appropriations were greater than debt service paid.
- The Corporation's $317.1 million combined capital reserve requirements were satisfied on an amortized cost basis by holding cash and investments with an amortized cost of $147.1 million and owning a surety bond that will pay up to $170 million through April 1, 2021 to pay debt service, if needed. A portion of the Corporation's Senior Capital Reserve Fund is currently funded with a municipal bond debt service reserve fund policy. Pursuant to a reinsurance agreement between FGIC and National Public Finance Guarantee Corporation, a subsidiary of MBIA, Inc., National Public Finance Guarantee Corporation has reinsured certain obligations of FGIC, including the FGIC Municipal Bond Debt Service Reserve Insurance Policy on deposit in the Senior Capital Reserve Fund. As of March 31, 2016, National Public Finance Guarantee is rated A3 by Moody's Investor Services ("Moody's"), and AA- by Standard and Poor's Rating Services, ("S&P").
- The long-term bond ratings assigned to the Corporation as of March 31, 2016 were Aa1 by Moody's, AAA by S&P, and AA+ by Fitch Ratings, Inc. ("Fitch"). The short-term ratings on the Corporation's Variable Rate Demand Bonds supported by Standby Bond Purchase Agreements issued by certain banks reflect the short-term ratings of the banks providing them. The short-term ratings of each of these bonds as of March 31, 2016, were as follows: Series 2008B-AV, Series 2008B-BV, Series 2008B-3V and Series 2008B-7V were each rated VMIG1 by Moody's and A-1 by S&P; the Series 2003A-4V were rated A-1 by S&P and F1 by Fitch; and the Series 2003A-8V were rated A-1 by S&P and F1+ by Fitch.

USING THIS FINANCIAL REPORT

This financial report consists of four financial statements presented on two pages. The first two financial statements are the Governmental Funds Balance Sheet/Statement of Net Position on page 10. The final two financial statements are the Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities on page 11.

The Statement of Net Position and the Statement of Activities provide information about the activities of the Corporation as a whole, and present a longer term view of the Corporation's finances by focusing on total available resources and changes therein. The fund financial statements indicate how expenditures were financed in the short-term as well as reflecting amounts remaining as fund balance. 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 columns found on the financial statements (pages 10 and 11). To arrive at the Statement of Net Position, the accrued interest expense on the Corporation's bonds, the outstanding balance of bonds, and certain other adjustments are added to the total column on the Governmental Funds Balance Sheet. This is displayed in the Adjustments column to the left of the Statement of Net Position. 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 Net Position and the Statement of Activities

These statements report the Corporation's net position and 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. Over time, increases or decreases in the Corporation's net position are indicators of whether its financial health is improving or deteriorating. As the Corporation is entirely dependent on appropriations from the State of New York ("State") in evaluating the financial health of the Corporation the reader will also need to consider the ability and likelihood of the State to continue to make appropriations to the Corporation 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 statements. 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, 2016.

THE CORPORATION AS A WHOLE

The Corporation will annually report 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 debt issuance. This debt will continue to be repaid from appropriations expected to be received from the State in subsequent years. This unrestricted deficit can be expected to continue for as long as the Corporation has debt outstanding.

The following table summarizes the net position for the fiscal years ended March 31, 2016 and March 31, 2015:

Table 1
Net Position as of March 31, 2016 and March 31, 2015
(Amounts in thousands)

	2016	2015
Assets and Deferred Outflows of Resources:		
Cash and investments	$ 498,118	$ 492,022
Interest receivable	265	183
Total assets	**498,383**	**492,205**
Deferred outflows of resources	67,105	77,319
Total assets and deferred outflows of resources	**565,488**	**569,524**
Liabilities:		
Liabilities due within one year	346,720	339,730
Liabilities due in more than one year	1,925,118	2,248,205
Total liabilities	**2,271,838**	**2,587,935**
Net Position:		
Restricted for debt service	495,072	488,994
Unrestricted (deficit)	(2,201,422)	(2,507,405)
Total net position (deficit)	**$ (1,706,350)**	**$ (2,018,411)**

The Corporation's combined net deficit decreased by $312 million from one year ago, from a deficit of $2 billion to a deficit of $1.7 billion. The decrease in the combined net deficit is the result of a reduction of bonds payable resulting from the repayment of Corporation debt.

The following table summarizes the changes in net position for the fiscal years ended March 31, 2016 and March 31, 2015.

Table 2
Changes in Net Position for the fiscal years ended March 31, 2016 and March 31, 2015
(Amounts in thousands)

	2016	2015
General Revenues:		
Appropriations from New York State	$ 393,002	$ 394,786
Investment income	1,210	1,160
Total revenues	**394,212**	**395,946**
Expenses:		
General and administrative	3,413	3,697
Interest expense	78,738	92,106
Total expenses	**82,151**	**95,803**
Changes in net position	**312,061**	**300,143**
Net position (deficit), beginning of year	**(2,018,411)**	**(2,318,554)**
Net position (deficit), end of year	**$ (1,706,350)**	**$ (2,018,411)**

THE CORPORATION'S FUNDS

At the close of the 2015-16 fiscal year, the Corporation reported a combined fund balance in its governmental funds (as presented in the balance sheet on page 10) of $497.8 million, an increase of $6.2 million or 1.3 percent more than the prior year's combined fund balance of $491.6 million. Included in this year's total changes in fund balances are an annual operating surplus of $44 thousand in the Corporation's General Fund and an annual surplus of $6.2 million in the Corporation's Debt Service Fund. The primary reason for the Debt Service Fund's annual surplus is that funds drawn from State appropriations were greater than the debt service paid. Funds drawn from appropriations change annually based on interest rates and cash flow assumptions.

Corporation Revenues and Expenditures

During the year, the Corporation received approximately $3.5 million in its General Fund from State appropriations and earned $4 thousand in investment income on funds in the Operating Account within the General Fund. These revenues were used to pay $3.4 million in general and administrative expenditures. This resulted in an increase of $44 thousand in the General Fund balance. The Corporation also received $389.5 million in its Debt Service Fund from State appropriations for payment of debt service on its outstanding bonds and earned $1.2 million in investment income on funds in its Capital Reserve Accounts and other Debt Service Accounts within the Debt Service Fund. The Corporation also paid and received $19.6 million and $899 thousand respectively, on its interest rate exchange agreements.

Debt

The Corporation is 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. Any future debt issuance is limited to refunding or portfolio management purposes. At year end, the Corporation had $2.2 billion in bonds outstanding, net of unamortized deferred amounts. This represents a $302.4 million decrease from the prior year.

The long-term ratings assigned to the Corporation's bonds as of March 31, 2016 were Aa1 by Moody's, AAA by S&P, and AA+ by Fitch. The Corporation's Series 2003A-9V Variable Interest Rate Subordinate Lien Refunding Bonds, Series 2003A-10V Variable Interest Rate Subordinate Lien Refunding Bonds, Series 2003A-11V Variable Interest Rate Subordinate Lien Refunding Bonds and Series 2003A-12V Variable Interest Rate Subordinate Lien Refunding Bonds, each in auction rate mode, were originally issued as Financial Security Assurance Inc. ("FSA")-insured bonds. FSA was acquired by Assured Guaranty in 2009. The long-term ratings on these bonds issued in auction rate mode as of March 31, 2016, were Aa1 by Moody's, AAA by S&P, and AA+ by Fitch.

The short-term ratings on the Corporation's Variable Rate Demand Bonds supported by Standby Bond Purchase Agreements issued by certain banks reflect the short-term ratings of the banks providing them. The short-term ratings of each of these bonds as of March 31, 2016, were as follows: Series 2008B-AV Variable Interest Rate Senior Lien Refunding Bonds, Series 2008B-BV Variable Interest Rate Senior Lien Refunding Bonds, Series 2008B-3V Variable Interest Rate Subordinate Lien Refunding Bonds and Series 2008B-7V Variable Interest Rate Subordinate Lien Refunding Bonds were each rated VMIG1 by Moody's and A-1 by S&P; the Series 2003A-4V Variable Interest Rate Subordinate Lien Refunding Bonds were rated A-1 by S& and F1 by Fitch; and the Series 2003A-8V Variable Interest Rate Subordinate Lien Refunding Bonds were rated A-1 by S& and F1+ by Fitch.

DEBT SERVICE COVERAGE RATIO

The Corporation is dependent upon receipt of appropriations from the State for payment of debt service on its bonds and for its operating costs. The State makes its payments from the Local Government Assistance Tax Fund ("LGATF"), which is under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance. The LGATF receives a portion of the receipts collected within the State from the imposition of sales and use taxes, including interest and penalties (sales tax), equivalent to a one percent rate of taxation. Sales tax receipts received by the LGATF during the State's 2015-16 fiscal year were approximately 8.2 times the maximum annual debt service at rates in effect at March 31, 2016. The calculation of maximum annual debt service assumes all variable rate bonds are unhedged, includes support costs and uses rates in effect on March 31, 2016.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives and spends. If you have any questions about this report or need additional financial information, contact the Corporation at 110 State Street, 15th Floor, Albany, New York 12236, by phone at (518) 474-4015 or by email at debtmanagement@osc.state.ny.us.

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION
(A COMPONENT UNIT OF THE STATE OF NEW YORK)
Governmental Funds Balance Sheet/Statement of Net Position

March 31, 2016
(Amounts in thousands)

	General Fund	Debt Service Fund	Total	Adjustments (Note 6)	Statement of Net Position
Assets:					
Cash and investments	$ 3,046	$ 495,072	$ 498,118	$ —	$ 498,118
Interest receivable	—	265	265	—	265
Total assets	**3,046**	**495,337**	**498,383**	**—**	**498,383**
Deferred Outflows of Resources:					
Derivative activities	—	—	—	21,376	21,376
Deferred loss on refunding	—	—	—	45,729	45,729
Total deferred outflows of resources	**—**	**—**	**—**	**67,105**	**67,105**
Total assets and deferred outflows of resources	**$ 3,046**	**$ 495,337**	**$ 498,383**	**67,105**	**565,488**
Liabilities:					
Accounts payable	$ 616	$ —	$ 616	—	616
Accrued interest payable	—	—	—	45,879	45,879
Long-term liabilities:					
Due within one year	—	—	—	300,225	300,225
Due after one year:					
Bonds payable, net of amortized premiums and discounts	—	—	—	1,860,798	1,860,798
Derivative instruments-interest rate swaps	—	—	—	64,320	64,320
Total liabilities	**616**	**—**	**616**	**2,271,222**	**2,271,838**
Fund Balances:					
Restricted	—	495,072	495,072	(495,072)	—
Assigned	2,430	265	2,695	(2,695)	—
Total fund balances	**2,430**	**495,337**	**497,767**	**(497,767)**	**—**
Total liabilities and fund balances	**$ 3,046**	**$ 495,337**	**$ 498,383**		
Net position (deficit):					
Restricted for debt service				495,072	495,072
Unrestricted (deficit)				(2,201,422)	(2,201,422)
Total net position (deficit)				**$ (1,706,350)**	**$ (1,706,350)**

See accompanying notes to the basic financial statements

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, 2016
(Amounts in thousands)

	General Fund	Debt Service Fund	Total	Adjustments (Note 7)	Statement of Activities
General Revenues:					
Appropriations from New York State	$ 3,453	$ 389,549	$ 393,002	$ —	$ 393,002
Investment income	4	1,206	1,210	—	1,210
Total revenues	**3,457**	**390,755**	**394,212**	**—**	**394,212**
Expenditures/Expenses:					
General and administrative	3,413	—	3,413	—	3,413
Debt service					
Principal	—	286,640	286,640	(286,640)	—
Interest	—	97,955	97,955	(19,217)	78,738
Total expenditures/expenses	**3,413**	**384,595**	**388,008**	**(305,857)**	**82,151**
Excess of revenues over expenditures	**44**	**6,160**	**6,204**	**305,857**	**—**
Net change in fund balance	**44**	**6,160**	**6,204**	**(6,204)**	**—**
Change in net position	**—**	**—**	**—**	**312,061**	**312,061**
Fund balances/net position (deficit):					
Beginning of year	2,386	489,177	491,563	(2,509,974)	(2,018,411)
End of year	**$ 2,430**	**$ 495,337**	**$ 497,767**	**$ (2,204,117)**	**$ (1,706,350)**

See accompanying notes to the basic financial statements

(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. Issuance of these bonds eliminated the need for the State's annual "Spring Borrowing." 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 2016 fiscal years. The fiscal year ended March 31, 2016 was the twenty-fifth 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.

Payments of debt service on the Corporation's bonds will be made from appropriations received from the State. Pursuant to the Act establishing the Corporation, the State deposits one cent of the State's four cent sales and use tax into the LGATF, which is used by the State 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 and other requirements have been met as provided by statute. 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.

(b) Basis of Presentation

The accompanying basic financial statements of the Corporation have been prepared in conformance with generally accepted accounting principles ("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 Corporation-wide financial statements titled "Statement of Net Position" and "Statement of Activities" as well as the required supplementary information titled "Management's Discussion and Analysis" which precedes the financial statements. The Corporation also prepares fund financial statements, which are the "Governmental Funds Balance Sheet," and "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 pages.

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 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 or soon enough thereafter 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, letter of credit/liquidity fees, remarketing agent fees, broker-dealer 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 statements. Under the full accrual basis of accounting, changes in long-term assets and deferred outflows of resources and liabilities 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 statements, an Adjustments column is presented to convert the fund basis financial statements into the Corporation-wide financial statements.

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

(d) Municipal Assistance Corporation Refinancing Act

Chapters 62 and Chapter 63 of the Laws of 2003 enacted, among other provisions, the Municipal Assistance Refinancing Act ("Act"), effective July 1, 2003 and 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 totaling $5.27 billion.

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). Subsequent to the Act, the City created the Sales Tax Asset Receivable Corporation ("STARC") to securitize the annual payments and refinance the existing MAC bonds with the proceeds. 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 - approximately $3.1 billion during State Fiscal Year 2015-16). 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. Based on current law, until the Legislature enacts an appropriation of $170 million, the Corporation certifies the release of the funds, the $170 million State payment is made, the Legislature enacts 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 receives the amount it has certified for its needs, no excess sales tax receipts can be transferred from the LGATF to the State's General Fund. During 2016, the Corporation certified the release of the twelfth State payment of $170 million to the City.

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, 2016, the Corporation adopted the following new accounting standards issued by the GASB:

GASB Standard No. 68, *Accounting and Financial Reporting for Pensions,* (GASBS 68), replaces the requirements of Statements No. 27, *Accounting for Pensions by State and Local Governmental Employers,* as well as the requirements for No. 50, *Pension Disclosures,* as the requirements relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The Corporation does not incur costs related to pension, therefore, implementation of GASBS 68 did not require modification to the financial statements.

GASB Standard No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date,* (GASBS 71), amends GASBS 68 to require that at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The Corporation does not incur costs related to pension, therefore, implementation of GASBS 71 did not require modification to the financial statements.

GASB Standard No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, (GASBS 73), and Amendments to Certain Provisions of GASB Statements 67 and* 68, establishes requirements for defined benefit pensions that are not within the scope of GASBS 68. The Corporation does not incur costs related to pension, therefore, implementation of GASBS 73 did not require modification to the financial statements.

(2) Cash and Investments

The following are authorized investments for the Corporation's Debt Service and Capital Reserve Funds, which are included in the Debt Service Fund as presented in the financial statements:

To the extent permitted by law, the following are the Authorized Investments for the Capital Reserve Fund:

1. Any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America including inflation index securities and Treasury STRIPS issued by the Federal Reserve Bank;

2. Direct and general obligations of New York State, provided that the rating thereon shall not be less than the rating on the Corporation's Bonds, each as established by Fitch, Moody's and S&P, if and to the extent that such firms continue to maintain a rating on the Corporation's Bonds and on such obligations of the State;

3. Certificates of deposit, whether negotiable or non-negotiable, issued by any bank or trust company having a combined capital and surplus of at least $50 million organized under the laws of any state of the United States of America or any national banking association (including the Corporation's Trustee), which certificates of deposit are fully insured by the Federal Deposit Insurance Corporation or fully secured by such securities as are described in paragraph (1) above, but in any event collateralized to the level required by each of the rating agencies referred to in paragraph (2) if and to the extent such firms maintain a rating on the Corporation’s Bonds;

4. Any purchase and sale of securities (simultaneous purchase of a permitted investment with an agreement to sell it back to the seller) with any bank or trust company organized under the laws of any state of the United States of America and authorized to do business in the State of New York or any national banking association (including the Corporation’s Trustee) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York with respect to any one or more of the securities described in paragraph (1) above;

5. General obligation bonds and notes of any state other than New York State and, to the extent permitted by law, general obligation bonds and notes of any political subdivision of the State or any state, provided that such bonds and notes receive the highest rating from each of Fitch, Moody's and S&P, if and to the extent that such firms continue to maintain a rating on the Corporation's Bonds and on such bonds and notes.

The following are Authorized Investments for the Debt Service Fund:

- To the extent permitted by law, and to the extent the securities are legal investments for the Corporation, the Authorized Investments for monies in the Debt Service Fund are as described in (1), (3), and (4) under Authorized Investments for the Capital Reserve Fund presented above.

Monies on deposit in any other fund or account not listed above may be invested pursuant to Section 98-a of the State Finance Law. All investments are insured, registered, or held by the Corporation's Trustee in the Corporation's name. The following table represents investments of the Corporation by investment type with related reported amounts which are equal to fair values (excluding accrued interest) at March 31, 2016 (amounts in thousands):

		Investment Maturities	
Investment Type	**Reported Amount**	**Less than 1 Year**	**1-5 Years**
Repurchase Agreements....	$ 19,069	$ 19,069	$ -
U.S Treasury Notes.....	141,963	36,574	105,389
Totals.....	**$ 161,032**	**$ 55,643**	**$ 105,389**

Reflecting market conditions, the Corporation experienced a net decrease in the fair value of its investments during the year of $221 thousand which is a component of the amount of investment income reported by the Corporation. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year.

The Corporation's repurchase agreements are collateralized by U.S. Treasury Notes with market values which are equal to or greater than the reported amount. Collateral in support of the investments is held by the Trustee in the name of the Corporation.

Included in the $495.1 million of total cash and investments in the Debt Service Fund at March 31, 2016 is $337.1 million in cash and $158 million in investments. All of the cash in the Fund was transferred by the Corporation’s Trustee to a separate account on March 31, 2016 in order to meet the Corporation’s April 1, 2016 debt service payment of $337.1 million. Pursuant to the Corporation's General Bond Resolution and General Subordinate Lien Bond Resolution, the Corporation's Trustee must transfer required debt service funds to a separate account on the business day preceding a debt service payment date.

(3) Bonds Payable

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 issuance of bonds by the Corporation in the future is limited to refunding or portfolio management purposes only.

As of March 31, 2016, the Corporation had $573.9 million of variable interest rate debt in ten series of bonds outstanding as follows (rates include remarketing agent, broker-dealer and liquidity facility fees):

Series	Outstanding (thousands)	Bond Insurer	Interest Rate at March 31, 2016	Liquidity Support: Current Interest Rate Mode	Liquidity Support: Type of Liquidity Support [1]	Liquidity Support: Expiration Date
2003A-4V	137,500	None [2]	0.990%	Weekly	SBPA	11/16/2018
2003A-8V	40,885	None [3]	1.150%	Weekly	SBPA	7/16/2019
2003A-9V	26,075	FSA [4]	0.605%	Auction	N/A	N/A
2003A-10V	26,050	FSA [4]	0.620%	Auction	N/A	N/A
2003A-11V	26,050	FSA [4]	0.805%	Auction	N/A	N/A
2003A-12V	26,050	FSA [4]	0.820%	Auction	N/A	N/A
2008B-AV.....	51,305	None	1.000%	Weekly	SBPA	6/24/2019
2008B-BV.....	51,305	None	1.000%	Weekly	SBPA	6/24/2019
2008B-3V	137,765	None	1.165%	Weekly	SBPA	6/24/2019
2008B-7V	50,885	None	1.165%	Weekly	SBPA	6/24/2019
Total	**$ 573,870**					

N/A - Not Applicable

1. SBPA - Standby Bond Purchase Agreement.
2. These bonds were originally issued as Financial Security Assurance Inc. ("FSA")-insured bonds. On December 1, 2010, the bonds were remarketed as uninsured VRDBs after cancellation of the FSA municipal bond insurance policy.
3. These bonds were originally issued as FSA-insured bonds. On August 3, 2009, the bonds were remarketed as uninsured VRDBs after cancellation of the FSA municipal bond insurance policy.
4. Acquired by Assured Guaranty in 2009.

The interest rates on variable interest rate bonds in the weekly interest rate mode are reset at rates determined by the Corporation's remarketing agents. The interest rates on variable interest rate bonds in the auction rate mode are determined by the Corporation's auction agent in accordance with the auction rate procedures established by Corporate resolution. Pursuant to each bond series' documents, the mode of interest of each of the variable rate bonds may be changed by the Corporation. The Trustee is authorized to draw on each of the Standby Bond Purchase Agreements (SBPA) for the entire principal amount of variable interest rate bonds outstanding of each series, plus up to 34 days interest at an annual rate of 12 percent. The Series 2003A-9V through Series 2003A-12V bonds are currently in the auction rate mode and do not require liquidity support because investors do not have the right to "demand or put" the bonds back to the Corporation as is the case with all the variable rate bonds in the weekly interest rate mode.

Certain of the Corporation's variable rate bonds are insured with a policy of municipal bond insurance. As of March 31, 2016, the only insured Series of variable rate bonds are the four Series of bonds in Auction Rate Mode, Series 2003A-9V through Series 2003A-12V.

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 will make these payments to the Corporation five days prior to the debt service due date. The $384.6 million representing fiscal year 2015-16 debt service payments is comprised of $286.6 million in principal and $98 million in interest.

The Corporation's general bond resolution requires that one or more capital reserve accounts be established and funded based on an amount equal, on an amortized cost basis, to the maximum annual amount on Senior Lien Bonds and half the maximum annual amount on Subordinate Lien Bonds of principal, sinking fund installments or redemption price of, and interest on, all bonds outstanding or on any related reimbursement obligations, coming due during the then current or any succeeding fiscal year. The Corporation may also fund a capital reserve account with a surety bond or other similar instrument. The Corporation has established two separate capital reserve accounts to support bonds based upon the priority of their lien against funds of the Corporation - bonds holding a first lien ("Senior Lien") and bonds holding a subordinate lien ("Subordinate Lien"). At March 31, 2016, the Senior Lien Capital Reserve Account requirement was met by a surety bond of $170 million, expiring on April 1, 2021, and investments with an amortized cost of $55.2 million and a fair market value of $55.4 million. At March 31, 2016, the Subordinate Lien Capital Reserve Account requirement was met with investments with an amortized cost of $91.9 million and a fair market value of $92.2 million. The investments of both the Senior Lien and Subordinate Lien Capital Reserve Accounts are reported as a part of cash and investments in the Debt Service Fund with a corresponding reservation of fund balance.

The Corporation has entered into interest rate exchange agreements ("Swap Agreements"), as disclosed under Note 4 "Interest Rate Exchange Agreements". The effect of these Swap Agreements is to provide for a synthetic fixed rate of interest on $573.2 million of the Corporation's $573.9 million in bonds that were issued as variable rate bonds in 2003 and 2008.

Estimated annual debt service and net swap payments to maturity for all of the Corporation's bonds are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Net Swap Amount	Total
2017	$ 300,225	$ 72,717	$ 15,625	$ 388,567
2018	292,495	60,692	13,854	367,041
2019	224,395	48,807	13,086	286,288
2020	341,080	35,991	11,988	389,059
2021	356,935	21,914	9,363	388,212
2022-2026	543,270	24,133	11,709	579,112
Totals	**$ 2,058,400**	**$ 264,254**	**$ 75,625**	**$ 2,398,279**

Future interest in the table above is calculated using rates in effect at March 31, 2016 (rates include remarketing agent, broker-dealer and liquidity facility fees) on variable rate bonds. The Net Swap Amount were calculated by subtracting the future floating rate payments subject to Swap Agreements using rates in effect on March 31, 2016 from the synthetic fixed rate amount intended to be achieved by the Swap Agreements.

The actual amount of net swap payments is affected by changes in a published index, the London Interbank Offered Rate ("LIBOR"). To the extent variable interest rates on the Corporation's bonds that are notionally related to the swaps fluctuate above or below 65 percent of the One-Month LIBOR rate, which is a rate that varies from time to time, the Corporation's net debt service will be more or less, respectively, than amounts shown above. Information regarding the terms of the swap agreements is outlined below in Note 4.

The Corporation believes it is in compliance with all significant limitations and restrictions related to bonds outstanding.

(4) Interest Rate Exchange Agreements (Swap Agreements)

Objective of the Swap Agreements

As a means to lower its borrowing costs, when compared against fixed rate bonds at the time of issuance in February 2003, the Corporation entered into four pay-fixed Swap Agreements in connection with its issuance of $1 billion of variable rate revenue bonds (Series 2003A-BV and Series 2003A-3V through Series 2003A-12V). In February 2004, the Corporation entered into two additional Swap Agreements in connection with its issuance of $210 million of variable rate revenue bonds (Series 2004A-AV through Series 2004A-DV).

The intention of the Swap Agreements was to effectively hedge cash flows by changing the Corporation's interest rate on these bonds to a synthetic fixed rate of approximately 3.57 percent for the 2003 bond issue and 3.46 percent for the 2004 bond issue, including support costs and bond insurance fees.

In June 2008, without a change in the Swap Agreement rates, the Series 2003A-BV, Series 2003A-3V and Series 2003A-7V bonds were refunded with Series 2008B-BV2, Series 2008B-3V and Series 2008B-7V bonds to which the 2003 swaps now correspond. In addition, the Series 2004A-AV, Series 2004A-BV, Series 2004A-CV and Series 2004A-DV bonds were refunded with the Series 2008B-AV, Series 2008B-BV, Series 2008B-CV and Series 2008B-DV bonds.

In June 2009, the Corporation refunded the Series 2003A-5V, Series 2003A-6V, Series 2008B-CV, and Series 2008B-DV variable rate demand bonds ("VRDBs") and remarketed these bonds as fixed rate. As part of the refunding, the Corporation terminated the swaps to which the refunded bonds corresponded.

In September 2011, the Corporation refunded the Series 2008B-BV2 VRDBs with Series 2011A fixed rate bonds. As part of the refunding, the Corporation terminated the swaps to which the refunded bonds corresponded.

Terms of the Swap Agreements

The following table includes the terms for each of the Corporation's individual swap transactions:

Terms	2003 Swap	2004 Swap
Corresponding bond series	2003A-4V, 2003A-8V to 2003A-12V, 2008B-3V and 2008B-7V	2008B-AV and 2008B-BV
Final maturity of bonds	April 1, 2024	April 1, 2021
Inception of Swap Agreement	February 20, 2003	February 26, 2004
Final maturity of related Swap Agreements	April 1, 2024	April 1, 2021
Swaps' notional amount	$470.9 million	$102.4 million
Variable rate bonds	$471.3 million	$102.6 million
Fixed payment rates paid to counterparties	3.15% to 3.26%	3.19%
Variable payments received, computed as	65% of One-Month LIBOR (Weighted Average)	65% of One-Month LIBOR (As of a Specific Date)

The variable rates on the bonds are determined by remarketing agents for bonds in the weekly interest rate mode and by auction results for bonds in the auction rate mode, in accordance with auction rate procedures.

As of March 31, 2016, average rates were as follows:

	Terms	Synthetic Rates 2003 Swap	Synthetic Rates 2004 Swap
Swap Agreement:			
Weighted average fixed payment to counterparty	Fixed	3.20%	3.19%
Less variable payment from counterparty	65% of One-Month LIBOR	(.28%)	(.29%)
Net interest rate swap payments		**2.92%**	**2.90%**
Weighted average variable rate bond coupon payments (includes support costs)		1.01%	1.00%
Approximate synthetic interest rate on Bonds		**3.93%**	**3.90%**

The fair value balances and notional amounts of derivative instruments outstanding at March 31 2016, classified by type and the changes in fair value of such derivative instruments for the year then ended as reported in the financial statements are as follows (amounts in millions):

	Change in Fair Value		Fair Value at March 31, 2016		
	Classification	Amount	Classification	Amount	Notional
Cash Flow Hedge:					
Pay Fixed Interest Rate Swap.....	Deferred outflow	$7.2	Derivative Instrument	($64.3)	$573.2

The interest rate swaps were evaluated to be effective hedges for accounting and financial reporting purposes at March 31, 2016. Accordingly, the fair value of the swaps at March 31, 2015 ($71.5 million) and the increase in fair value of the swaps at March 31, 2016 of $7.2 million are combined with unamortized deferred outflow of $42.9 million and reported as a deferred outflow of $21.4 million at March 31, 2016.

Fair Value of the Swap Agreements

Due to the fact that interest rates have changed since execution of the swaps, the swaps had an estimated fair value at March 31, 2016 equal to their termination cost which would have required the Corporation to pay $64.3 million to its swap counterparties at March 31, 2016 had it terminated the swaps at that date. The fair value of the swaps fluctuates with the change in the term structure of the LIBOR swap market. Because the interest the Corporation pays on variable rate bonds adjusts with changing market based interest rates, the bonds do not have a corresponding change in their fair value. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Counterparty and Credit Risk of the Swap Agreements

In concert with the Corporation's statute and guidelines, the Swap Agreements require that each counterparty has credit ratings from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories. Ratings which are obtained from any other nationally recognized statistical rating agencies for such counterparty shall be within the three highest investment grade categories, or the payment obligations of the counterparty must be unconditionally guaranteed by an entity with such credit ratings. The Swap Agreements also require that, should the credit rating of a counterparty fall below the rating required, the obligations of such counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, with a net market value of at least 102 percent of the net market value of the contract to the Corporation, and such collateral shall be deposited with the Corporation or its agent.

At March 31, 2016, the credit ratings of the five counterparties with which the Corporation has entered into Swap Agreements are as follows by Moody's, S&P, and Fitch, respectively: Morgan Stanley, A3/BBB+/A; JP Morgan Chase Bank N.A., Aa3/A+/AA-; UBS AG, A1/A/A; Societe Generale, A2/A/A; and Goldman Sachs Mitsui Marine, Aa2/AA+/-.

At March 31, 2016, three of the five counterparties that the Corporation has entered into interest rate swap agreements with, Morgan Stanley (since October 13, 2008), Societe Generale (since December 9, 2011) and UBS AG (since June 21, 2012), had ratings (shown in preceding paragraph) that do not meet the requirement of a rating from at least one agency within the two highest investment grade categories. Furthermore, Morgan Stanley (since June 21, 2012) had a rating that is not in one of the three highest investment grade categories. Therefore, if the swap valuation was such that a termination payment was due to the Corporation from Morgan Stanley, Societe Generale or UBS AG, the relevant counterparty would have to post collateral. The Corporation monitors the credit position of its counterparties daily in order to be prepared to take appropriate action.

Basis Risk of the Swap Agreements

The Swap Agreements expose the Corporation to basis risk should the relationship between the LIBOR and actual variable rate payments converge, changing the effective synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate (approximately 3.57 percent for the 2003 notional amount and 3.46 percent for the 2004 notional amount) and the actual synthetic rate. The approximate synthetic interest rate at March 31, 2016 is reflected in the table on page 21.

Termination Risk of the Swap Agreements

The swap contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes “additional termination events,” providing that the swaps may be terminated if either the Corporation's or a counterparty's credit quality rating falls below certain levels. Either the Corporation or the counterparties may terminate the Swap Agreements if the other party fails to perform under the terms of the contract. If one or more of the Swap Agreements is terminated, the related variable rate bonds would no longer be hedged and the Corporation would no longer effectively be paying a synthetic fixed rate with respect to those bonds. Also, if at the time of termination the swap has a negative fair value, the Corporation would be liable to the counterparty for a payment equal to the Swap Agreement’s fair value.

(5) Changes in Long-Term Liabilities

Long-term liability activity for the year ended March 31, 2016 was as follows (amounts in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds payable	$ 2,345,040	$ -	$ 286,640	$ 2,058,400	$ 300,225
Unamortized premium	118,344	-	15,721	102,623	-
Net bonds payable	**2,463,384**	**-**	**302,361**	**2,161,023**	**300,225**
Other Liability:					
Derivative instruments – interest rate swaps……..	71,461	-	7,141	64,320	-
Total long-term liabilities……	**$ 2,534,845**	**$ -**	**$ 309,502**	**$ 2,225,343**	**$ 300,225**

(6) Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Statement of Net Position

Long-term liabilities of the Corporation's activities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Fair value of swap derivatives and the related deferral are not recognized in the current period and, therefore, are not reported in the funds. The fair values of the swap derivatives and the related deferral are reported in the Statement of Net Position. The deferred loss on refunding bonds is not due and payable in the current period but is reported in the Statement of Net Position. Balances at March 31, 2016 were (amounts in thousands):

Bonds payable, net	$ 2,161,023
Accrued interest on bonds payable	45,879
Fair value of swap derivatives	64,320
Deferred outflows of resources related to derivative instruments	(21,376)
Deferred outflows of resources related to deferred loss on refunding.....	(45,729)
Net adjustment	**$ 2,204,117**

(7) 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, 2016 are as follows (amounts in thousands):

Adjustments to expenditures:		
Repayment of bond principal:		
To bondholders for repayment of debt	$	(286,640)
Amortization of loss on refunding of bonds		7,938
Amortization of premium on refunding of bonds		(15,721)
Net adjustment to arrive at interest expense		(11,434)
Net adjustment to expenditures	**$**	**(305,857)**

Appendix G

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

Annual Budget for Fiscal Year 2016-17 and
Multi-Year Financial Plan for Fiscal Years 2017-18 through 2019-20

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2016-17

AND

MULTI-YEAR FINANCIAL PLAN FOR

FISCAL YEARS 2017-18 THROUGH 2019-20

December 30, 2015

Revised March 3, 2016

(Revision limited to change in Board Chair and Non-Voting Representative)

Approved on March 11, 2016 by the Board of Directors as presented in Resolution 2016-02.

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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 2016-17 and Multi-Year Financial Plan for Fiscal Years 2017-18 through 2019-20 (the "Proposed Plan" or the "Plan") for review and approval by the Corporation's Board of Directors.

Organization

The Corporation was established by Chapter 220, of the Laws of 1990 (the Act, as amended) to issue up to $4.7 billion in long-term debt in order to finance certain local assistance payments made by the State, in addition to bonds necessary to fund a capital reserve account, costs of issuance and a limited amount of capitalized interest. The fiscal year ended March 31, 2015 was the twenty-fourth 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 City of New York or the Mayor's assignee. Subsequent to the Act, the Sales Tax Asset Receivable Corporation, the assignee ("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 the 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 and other requirements have been met as provided by statute.

The Corporation's Enabling Act requires the State to enter into an agreement with the State Comptroller whereby the Comptroller is made the exclusive agent for issuance of the Corporation's bonds and notes. Exclusive Agent agreements to date have also delegated the administration of a number of on-going responsibilities including the investment of the Corporation's funds. The Corporation utilizes the staff of the Office of the State Comptroller, the Division of the Budget and the Attorney General in order to provide for on-going operational activities at no cost to the Corporation. The Corporation is governed by a seven-member Board of Directors, comprised of the State Comptroller and the Director of the Budget of the State of New York, both of whom serve ex officio,[1] and five other Directors appointed by the Governor. Three seats on the Board are currently vacant. 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.

[1] 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 Board's Ex Officio Board members 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. Since the amendment was enacted both the Comptroller and the Budget Director have designated representatives.

The Corporation does not compensate its Directors. The Corporation's Directors appoint its key officers. The Board of Directors has provided the Treasurer and Secretary with the authorization to appoint assistants. The Board of Directors, non-voting representatives and officers of the Corporation as of March 3, 2016 are presented on pages four and five of this document, respectively.

New York Local Government Assistance Corporation

Board of Directors

Board Chair
Robert F. Mujica Jr

Vice Chair and Director
Vacant

Directors
Honorable Thomas P. DiNapoli
Marc Shaw
Kevin Murray
Vacant
Vacant

Non-Voting Representatives

Michael Paoli
Secretary to the Senate Finance Committee

Blake Washington
Secretary to the Assembly Ways and Means Committee

New York Local Government Assistance Corporation

Officers

Co-Executive Director
Robert B. Ward
Office of the New York State Comptroller

Co-Executive Director
Dominic Colafati
New York State Division of the Budget

General Counsel
Honorable Eric T. Schneiderman
Attorney General of the State of New York

Secretary
Pat Reale
New York State Division of the Budget

Treasurer
Patricia Warrington
Office of the New York State Comptroller

Assistant Secretary
Kelsey Cheng
New York State Division of the Budget

Assistant Treasurer
Chuck Trimbach
Office of the New York State Comptroller

Internal Control Officer
Kristee Iacobucci
Office of the New York State Comptroller

Budget Process

The Proposed Plan

The Proposed 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, 2015 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.

The Proposed Plan is required to be submitted to the Corporation's Board for review no later than 90 days before 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, Chapter V, Title Two of the *Official Compilation of Codes, Rules and Regulation of the State of New York.*

The Proposed Plan and certification are also required to be submitted to the Governor, Chairman and Ranking Minority Member of the Senate Finance Committee, Chairman and Ranking Minority Member of the Assembly Ways and Means Committee and the New York State Authorities Budget Office not less than 90 days before commencement of the Corporation's fiscal year. In addition, the Proposed 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 before 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 Proposed Plan will be available for public review at the regional offices of the Office of the State Comptroller and the Office of the State Deputy Comptroller for the City of New York. See Appendix A for a listing of locations where the Proposed Plan can be viewed.

Approved Plan

The approved 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 approved Plan and, not later than 90 days after the close of the Corporation's fiscal year, on the actual versus budgeted results from the prior fiscal year.

Principal Budgetary Assumptions and Assessment of Budgetary Risks

Annually, the Corporation certifies to the Governor and the State Comptroller its cash requirements necessary to pay all obligations of the Corporation including debt service and related expenses pursuant to Section 3240(1) of Public Authorities Law. State appropriation revenue estimates, which constitute the majority of the Corporation's projected revenue, are included in the Corporation's financial plan for fiscal years 2016-17 through 2019-20. Such estimates are based on projected debt service and other operational costs of the Corporation. Additionally, LGAC will facilitate, as in past years, the annual payment of $170 million to the City of New York or its assignee, STARC, which is paid directly by the State to the City or STARC.

The largest share of expenses in the Proposed Plan are for Repayment of principal and Payment of interest on the Corporation's bonds ("Debt Service"). During the fiscal years 2016-17 through 2019-20, estimated Debt Service payments are approximately $384 million, $363 million, $283 million and $385 million, respectively. Fluctuations in Debt Service payments are, in part, due to the amortization schedules that were developed at the time each bond series was issued. The decline in Debt Service in fiscal year 2018-19 is attributable to the final Debt Service payment on the Corporation's Series 1993C Bonds. The increase in debt service in fiscal year 2019-20 is primarily attributable to increases in debt service payments on a number of other series of LGAC bonds as shown in the table of LGAC Projected Debt Service by Issuance on pages fourteen and fifteen.

Debt Service payments are routinely paid by the Corporation from appropriations it receives from the State, monthly swap receipts and earnings on investments. Debt Service projections were constructed assuming that: 1) all bonds currently in fixed or variable interest rate modes continue as such and 2) the variable rate bonds' interest payments are based on the fixed interest rate leg of the relevant interest rate exchange agreement, as all but approximately $630,000 of LGAC's variable rate bonds are hedged. The Corporation's fixed interest rate bonds have interest rates that range from 3.0 percent to 5.5 percent. The Corporation's interest rate exchange agreements' fixed interest rate legs range from 3.151 percent to 3.261 percent. The actual payments on variable rate and synthetic fixed rate bonds may vary based on a variety of factors including changes in interest rates and other market fluctuations.

Investment receipts projected by the Corporation are largely based upon the level of investment receipts anticipated from existing investments of funds in the Corporation's Capital Reserve Fund. Projections for Investment receipts in the General Fund assume no change in Investment receipts throughout the years contained within the Plan. Projections for Investment receipts in the Debt Service Fund assume a slight decrease in Investment receipts from the 2015-16 fiscal year level. There is no projected change in Investment receipts for the outyears of the Plan.

The anticipated Liquidity support costs and Variable rate bond remarketing fees in the General Fund assume all bonds currently in a variable rate mode continue as such and that the auction rate bonds' auctions continue to fail, as has generally been the case since February 2008.

Each year's Arbitrage rebate projection is based on current arbitrage rebate calculations. The Corporation expects these estimates to change over time as the actual liability for any

series of bonds will vary as interest rates and the amount of funds subject to rebate calculation change.

There are no Costs of issuance expenses included in the Plan. These expenses will be incorporated into the Plan if and when the Corporation conducts a bond sale or other transaction requiring Costs of issuance. Corporation staff will continue to monitor market conditions and other factors that could lead to a refunding bond sale or other transaction.

When applicable, the Plan is based upon the Corporation's restated 2015-16 Annual Budget and future anticipated changes in expenses.

The Plan's work papers include the assumptions used when determining certain estimates. All estimates are subject to risk of change due to assumptions made about future costs. Significant future cost risks include, among others: 1) if actual interest rates on the Corporation's variable rate bonds are significantly higher than those assumed in the Plan; and 2) if liquidity support costs increase at a rate higher than assumed in the Plan.

New York Local Government Assistance Corporation
Annual Budget for Fiscal Year 2016-17
Including multi-year financial plan with actual results for fiscal year 2014-15 and a revised forecast for fiscal year 2015-16
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, 2015 (Actual) (1)	March 31, 2016 (Approved Budget)	March 31, 2016 (Revised Forecast)	March 31, 2017 (Proposed Budget)	March 31, 2018 (Forecast)	March 31, 2019 (Forecast)	March 31, 2020 (Forecast)
Beginning of Period Cash and Investments	$ 2,988	$ 3,169	$ 3,028	$ 3,007	$ 2,973	$ 2,947	$ 2,929
Receipts/Revenues:							
State appropriations receipts	3,849	3,453	3,453	3,045	2,910	2,880	2,470
Investment receipts (2)	-	1	1	1	1	1	1
Total receipts	3,849	3,454	3,454	3,046	2,911	2,881	2,471
Adjustment for accrual of investment earnings	-	-	-	-	-	-	-
Total revenues	3,849	3,454	3,454	3,046	2,911	2,881	2,471
Disbursements/Expenditures:							
Liquidity support costs (3)	2,936	2,797	2,692	2,473	2,410	2,346	2,044
Variable rate bond remarketing fees	559	316	448	331	267	251	224
Other costs	314	340	335	276	260	302	299
Total disbursements	3,809	3,453	3,475	3,080	2,937	2,899	2,567
Adjustment for accounts payable	(112)	-	-	-	-	-	-
Total expenditures	3,697	3,453	3,475	3,080	2,937	2,899	2,567
Excess (deficiency) of revenues over General Fund expenditures	152	1	(21)	(34)	(26)	(18)	(96)
End of Period Cash and Investments	$ 3,028	$ 3,170	$ 3,007	$ 2,973	$ 2,947	$ 2,929	$ 2,833

Notes:
1. Amounts reported for the fiscal year ended March 31, 2015 reflect audited amounts.
2. Fiscal year 2015-16 investment receipts are based on the rate of interest experienced in the first six months of fiscal year 2015-16. Investment receipts for fiscal years after 2015-16 are anticipated to approximate actual investment receipts from fiscal year 2015-16.
3. Expenditures for Liquidity support costs in fiscal years 2015-16 through 2019-20 reflect current rates and anticipated changes.

New York Local Government Assistance Corporation
Annual Budget for Fiscal Year 2016-17
Including multi-year financial plan with actual results for fiscal year 2014-15 and a revised forecast for fiscal year 2015-16
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, 2015 (Actual) (1)	March 31, 2016 (Approved Budget)	March 31, 2016 (Revised Forecast)	March 31, 2017 (Proposed Budget)	March 31, 2018 (Forecast)	March 31, 2019 (Forecast)	March 31, 2020 (Forecast)
Beginning of Period Cash and Investments:							
Amounts required for current debt maturities	$ 327,226	$ 353,296	$ 341,758	$ 349,109	$ 335,784	$ 261,131	$ 372,471
Restricted bond reserves	147,147	147,181	147,236	147,185	145,965	145,910	145,910
Total beginning of period cash and investments	474,373	500,477	488,994	496,294	481,749	407,041	518,381
Receipts/Revenues:							
State appropriations receipts (2)	390,937	391,900	390,970	368,120	286,910	392,690	387,680
Investment receipts (3)	632	385	1,312	1,253	1,253	1,253	1,253
Total receipts	391,569	392,285	392,282	369,373	288,163	393,943	388,933
Adjustment for accrual of investment earnings	32	-	-	-	-	-	-
Total revenues	391,601	392,285	392,282	369,373	288,163	393,943	388,933
Disbursements/Expenditures:							
Repayment of principal	267,120	286,640	286,640	300,225	292,495	224,395	341,080
Payment of interest (4)	110,324	97,378	98,322	83,693	70,376	58,208	44,124
Arbitrage rebate (5)	-	20	20	-	-	-	-
Total disbursements	377,444	384,038	384,982	383,918	362,871	282,603	385,204
Adjustment for accounts payable	-	-	-	-	-	-	-
Total expenditures	377,444	384,038	384,982	383,918	362,871	282,603	385,204
Excess (deficiency) of revenues over Debt Service Fund expenditures	14,157	8,247	7,300	(14,545)	(74,708)	111,340	3,729
Net Change in Fund Balance	14,157	8,247	7,300	(14,545)	(74,708)	111,340	3,729
Change in accruals for investments	496	-	-	-	-	-	-
End of Period Cash and Investments:							
Amounts required for current debt maturities	341,758	361,543	349,109	335,784	261,131	372,471	381,239
Restricted bond reserves	147,236	147,181	147,185	145,965	145,910	145,910	140,871
Total end of period cash and investments	$ 488,994	$ 508,724	$ 496,294	$ 481,749	$ 407,041	$ 518,381	$ 522,110

Notes:
1. Amounts reported for the fiscal year ended March 31, 2015 reflect audited amounts.
2. State appropriations receipts for debt service in fiscal years 2015-16 through 2019-20 are based on projected debt service and arbitrage rebate liability.
3. Fiscal year 2015-16 investment receipts are based largely on the level of investment receipts anticipated from existing investments of funds in the Corporation's Capital Reserve Fund.
4. The revised forecasted debt service for fiscal year 2015-16 reflects the actual amounts paid through September 30, 2015 and the projected debt service for the period October 1, 2015 through March 31, 2016. Projected debt service payments on variable rate bonds were calculated using the following assumed rates: 3.151 percent, 3.261 percent and 3.194 percent in each fiscal year. These rates are based on the fixed interest rate leg of the relevant interest rate exchange agreement associated with the variable rate bonds.
5. Arbitrage rebate expenditures represent actual expenditures through September 30, 2015 and estimated liability based on the most current calculations for the remainder of the Plan period.

Reconciliation of Changes from Previous Budget for Fiscal Year 2015-16

As reflected in the March 31, 2016, Revised Forecast column in the Plan and previously detailed to the Board within the mid-year report, the Corporation has revised the previous forecast of the current year's budget. A summary of key changes follows:

General Fund

Liquidity support costs – This estimate was revised from $2.8 million to $2.7 million reflecting the lower actual Standby Bond Purchase Agreement ("SBPA") commitment fees than projected at the time the fiscal year 2015-16 Budget was developed.

Variable rate bond remarketing fees – This estimate was revised from $316 thousand to $448 thousand. This increase reflects an anticipated cost reduction in the Variable rate bond remarketing fees at the time the fiscal year 2015-16 budget was developed that did not materialize.

Other costs – This estimate was revised from $340 thousand to $335 thousand. This decrease is the net result of a decrease in estimated expenses for arbitrage rebate and rating surveillance services and an increase in the estimated expense for financial advisory services.

Debt Service Fund

State appropriation receipts – This estimate was revised downward from $391.9 million to $391 million primarily due to higher than anticipated investment earnings from several long-term capital reserve investments.

Investment receipts – This estimate was revised upward from $385 thousand to $1.3 million reflecting higher than anticipated earnings on several long-term capital reserve investments.

Payment of interest – The amount anticipated for the Payment of interest during the 2015-16 fiscal year was revised upward by $944 thousand, reflecting higher actual interest paid by the Corporation on its variable rate bonds than projected at the time the fiscal year 2015-16 budget was developed.

Statement of Borrowed Debt

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

The State has dedicated a portion of its sales and use tax revenues to make payments to the Corporation pursuant to a payment agreement between the State, acting by and through the Director of the Budget, and the Corporation for the purpose, in part, of funding the Corporation's debt service. Subject to annual appropriation, the State has agreed to make these payments to the Corporation at least five days before each 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 projected revenues.

Statement of Borrowed Debt

Submitted with Proposed Annual Budget for Fiscal Year 2016-17 and Multi-Year Financial Plan
(Amounts in Thousands)

Fiscal Year Ending March 31	Bonds Outstanding April 1	Principal	Interest (1)	Total Debt Service	Bonds Outstanding March 31	Total Revenues (2)	Debt Service as % of Revenues
2016	$2,345,040	$286,640	$98,322	$384,962	$2,058,400	$395,736	97.3%
2017	$2,058,400	$300,225	$83,693	$383,918	$1,758,175	$372,419	103.1% (3)
2018	$1,758,175	$292,495	$70,376	$362,871	$1,465,680	$291,074	124.7% (3)
2019	$1,465,680	$224,395	$58,208	$282,603	$1,241,285	$396,824	71.2%
2020	$1,241,285	$341,080	$44,124	$385,204	$900,205	$391,404	98.4%

Purpose of the Debt: **LGAC was established in 1990 to issue up to $4.7 billion in long-term debt in order to finance certain local assistance payments in addition to bonds necessary to fund a capital reserve account, costs of issuance, and up to six months of capitalized interest. Issuance of the bonds eliminated the need for the State's annual short-term borrowing.**

Notes:

1. Projected variable rate debt service payments were calculated using the following assumed rates: 3.151 percent, 3.261 percent, and 3.194 percent in each fiscal year. These rates are based on the fixed interest rate leg of the relevant interest rate exchange agreement associated with the variable rate bonds.
2. Total revenues equal those shown in the General Fund and Debt Service Fund budgets on pages 9 and 10 of the Annual Budget and Multi-Year Financial Plan.
3. The anticipated use of cash on hand at the end of the previous fiscal year results in anticipated debt service amounts exceeding anticipated revenues during the fiscal year.

LGAC Projected Debt Service by Debt Issuance
(Amounts in Thousands)

Fiscal Year Ending March 31	Total Revenues	Debt Service for Issuance 2012A	% of Total Revenue	Debt Service for Issuance 2011A	% of Total Revenue	Debt Service for Issuance 2010B	% of Total Revenue	Debt Service for Issuance 2010A	% of Total Revenue	Debt Service for Issuance 2008C	% of Total Revenue	Debt Service for Issuance 2008B	% of Total Revenue
2016	$395,736	$8,858	2.2%	$24,034	6.1%	$23,832	6.0%	$23,323	5.9%	$21,185	5.4%	$19,766	5.0%
2017	$372,419	$8,848	2.4%	$24,009	6.4%	$23,810	6.4%	$23,307	6.3%	$21,158	5.7%	$20,190	5.4%
2018	$291,074	$8,844	3.0%	$23,989	8.2%	$23,792	8.2%	$23,281	8.0%	$21,140	7.3%	$37,576	12.9%
2019	$396,824	$8,835	2.2%	$23,962	6.0%	$23,766	6.0%	$23,261	5.9%	$21,110	5.3%	$37,523	9.5%
2020	$391,404	$8,826	2.3%	$23,935	6.1%	$23,744	6.1%	$23,323	6.0%	$ -	0.0%	$63,295	16.2%

Projected variable rate debt service payments were calculated using the following assumed rates: 3.151 percent, 3.261 percent, and 3.194 percent in each fiscal year. These rates are based on the fixed interest rate leg of the relevant interest rate exchange agreement associated with the variable rate bonds.

LGAC Projected Debt Service by Debt Issuance
(Amounts in Thousands)

Fiscal Year Ending March 31	Total Revenues	Debt Service for Issuance 2008A	% of Total Revenue	Debt Service for Issuance 2007A	% of Total Revenue	Debt Service for Issuance 2003A	% of Total Revenue	Debt Service for Issuance 1993E	% of Total Revenue	Debt Service for Issuance 1993C	% of Total Revenue
2016	$395,736	$29,079	7.3%	$43,134	10.9%	$95,010	24.1%	$60,316	15.2%	$36,425	9.2%
2017	$372,419	$29,060	7.8%	$20,197	5.4%	$93,778	25.2%	$60,245	16.2%	$59,316	15.9%
2018	$291,074	$29,041	10.0%	$20,177	6.9%	$91,672	31.6%	$5,269	1.8%	$78,090	26.8%
2019	$396,824	$29,019	7.3%	$20,149	5.1%	$89,710	22.6%	$5,268	1.3%	$ -	0.0%
2020	$391,404	$97,929	25.0%	$20,126	5.1%	$89,962	22.9%	$34,064	8.7%	$ -	0.0%

Projected variable rate debt service payments were calculated using the following assumed rates: 3.151 percent, 3.261 percent, and 3.194 percent in each fiscal year. These rates are based on the fixed interest rate leg of the relevant interest rate exchange agreement associated with the variable rate bonds.

Certification

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

Robert B. Ward,
Co-Executive Director
New York Local Government
Assistance Corporation

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

The Proposed and Enacted Budget and Multi-Year Financial Plan for Fiscal Years 2016-17 through 2019-20 is available for public inspection at the following locations:

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

BUFFALO REGIONAL OFFICE
Office of the State Comptroller
295 Main Street, Room 1032
Buffalo, New York 14203-2510

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

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

NEWBURGH REGIONAL OFFICE
Office of the State Comptroller
33 Airport Center Drive, Suite 103
New Windsor, New York 12553-4725

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

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

The Proposed and Enacted Budget and Multi-Year Financial Plan for Fiscal Years 2016-17 through 2019-20 may also be viewed electronically on the Corporation's website at: http://www.osc.state.ny.us/pension/debtlgac.htm

Appendix H

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

Fourth Quarter Update to the Annual Budget for Fiscal Year 2015-16
(as of March 31, 2016)

New York Local Government Assistance Corporation
Fourth Quarter Update to Annual Budget for Fiscal Year 2015-16
Statement of Revenues, Expenditures and Changes in Fund Balances
With Actual Results Through March 31, 2016
Modified Accrual Basis of Accounting w/Adjustment for Cash
Amounts in Thousands

GENERAL FUND

FISCAL PERIOD END	Actual Year Ended March 31, 2015 (1)	Approved Budget Fiscal Year March 31, 2016	Revised Forecast March 31, 2016	Actual Year Ended March 31, 2016 (2)	Variance Year Ended March 31, 2016
Beginning of Period Cash and Investments	$ 2,988	$ 3,169	$ 3,028	$ 3,028	$ -
Receipts/Revenues:					
State appropriations receipts	3,849	3,453	3,453	3,453	-
Investment receipts	-	1	1	4	3
Receipts Subtotal	3,849	3,454	3,454	3,457	3
Adjustment for accrual of investment earnings	-	-	-	-	-
Total revenues	3,849	3,454	3,454	3,457	3
Disbursements/Expenditures:					
Liquidity support costs	2,936	2,797	2,692	2,715	23
Variable rate bond remarketing fees	559	316	448	428	(20)
Other costs	314	340	335	296	(39)
Total disbursements	3,809	3,453	3,475	3,439	(36)
Adjustment for accounts payable	(112)	-	-	(26)	(26)
Total expenditures	3,697	3,453	3,475	3,413	(62)
Excess (deficiency) of revenues over General Fund expenditures	152	1	(21)	44	65
End of Period Cash and Investments	$ 3,028	$ 3,170	$ 3,007	$ 3,046	$ 39

Notes:
1. Amounts reported for the fiscal year ended March 31, 2015 reflect audited amounts.
2. Amounts reported for the fiscal year ended March 31, 2016 reflect audited amounts.

New York Local Government Assistance Corporation
Fourth Quarter Update to Annual Budget for Fiscal Year 2015-16
Statement of Revenues, Expenditures and Changes in Fund Balances
With Actual Results Through March 31, 2016
Modified Accrual Basis of Accounting w/Adjustment for Cash
Amounts in Thousands

DEBT SERVICE FUND

FISCAL PERIOD END	Actual Year Ended March 31, 2015 (1)	Approved Budget Fiscal Year March 31, 2016	Revised Forecast March 31, 2016	Actual Year Ended March 31, 2016 (2)	Variance Year Ended March 31, 2016
Beginning of Period Cash and Investments:					
Amounts required for current debt maturities	$ 327,226	$ 353,296	$ 341,758	$ 341,758	$ -
Restricted bond reserves	147,147	147,181	147,236	147,236	-
Total beginning of period cash and investments	474,373	500,477	488,994	488,994	-
Receipts/Revenues:					
State appropriations	390,937	391,900	390,970	389,549	(1,421)
Investment receipts	632	385	1,312	1,345	33
Receipts subtotal	391,569	392,285	392,282	390,894	(1,388)
Adjustment for accrual of investment earnings	32	-	-	82	82
Total revenues	391,601	392,285	392,282	390,976	(1,306)
Disbursements/Expenditures:					
Repayment of principal	267,120	286,640	286,640	286,640	-
Payment of interest	110,324	97,378	98,322	97,955	(367)
Arbitrage rebate	-	20	20	-	(20)
Total Disbursements	377,444	384,038	384,982	384,595	(387)
Adjustment for accounts payable	-	-	-	-	-
Total expenditures	377,444	384,038	384,982	384,595	(387)
Excess (deficiency) of revenues over Debt Service Fund expenditures	14,157	8,247	7,300	6,381	(919)
Net Change In Fund Balance	14,157	8,247	7,300	6,381	(919)
Change in accruals for investment income	496	-	-	(221)	(221)
End of Period Cash and Investments:					
Amounts required for current debt maturities	341,758	361,543	349,109	347,941	(1,168)
Restricted bond reserves	147,236	147,181	147,185	147,131	(54)
Total end of period cash and investments	$ 488,994	$ 508,724	$ 496,294	$ 495,072	$ (1,222)

Notes:
1. Amounts reported for the fiscal year ended March 31, 2015 reflect audited amounts.
2. Amounts reported for the fiscal year ended March 31, 2016 reflect audited amounts.

Appendix I

NEW YORK LOCAL GOVERNMENT ASSISTANCE CORPORATION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

SAXBST
ACCOUNTING / TAX / ADVISORY

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 statements 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, 2016, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, 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 statements 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are 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 determination of financial statement amounts. 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 Corporation'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.

SaxBST LLP

Albany, New York
June 17, 2016