

**NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION**

**2015 – 2016 FISCAL YEAR BUDGET
and FINANCIAL PLAN**

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INTRODUCTION

Mission and Purpose

The Environmental Facilities Corporation (EFC) mission is to provide low-cost capital and expert technical assistance for environmental projects in New York State. Our purpose is to help public and private entities comply with Federal and State environmental protection and quality requirements in a cost effective manner that advances sustainable growth. We promote innovative environmental technologies and practices in all our programs.

EFC's largest program is the Clean Water State Revolving Fund (CWSRF). This program, administered jointly with the New York State Department of Environmental Conservation (DEC), provides reduced interest rate financings and in certain cases grants to qualified municipalities for infrastructure projects that control water pollution. EFC, in conjunction with the New York State Department of Health (DOH), also administers the Drinking Water State Revolving Fund (DWSRF), which provides reduced interest rate financings and grants to community and private water systems for safe drinking water projects. A Federal capitalization grant and corresponding State match provide funding for these programs. The Clean Water/Clean Air Bond Act provided State match for the DWSRF. Administration of these programs is supported by a portion of the Federal capitalization grant as well as fees charged to recipients of financings.

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law. The primary purpose of the statute was to stimulate the economy and create or retain jobs through tax relief and infrastructure investment. Under ARRA the CWSRF and DWSRF received additional capitalization grants of \$432.6 million and \$86.8 million, respectively. As a result of these additional ARRA funds EFC instituted the Green Innovation Grant Program (GIGP) to focus on financing more green innovative projects. At this point in time all ARRA funds have been disbursed to recipients and EFC is working to convert previously issued short term financings to long term financings.

On January 29, 2013, the Disaster Relief Appropriations Act of 2013 (DRAA) was signed into law and funds were appropriated to reduce flood damage risk and vulnerability or to enhance resiliency to rapid hydrologic change or a natural disaster at treatment works as defined by section 212 of the Federal Water Pollution Control Act or any eligible facilities under section 1452 of the Safe Drinking Water Act, and for other eligible tasks at such treatment works or facilities necessary to further such purposes. Under DRAA the CWSRF and DWSRF received additional capitalization grants and state match of \$339.8 million and \$67.9 million, respectively. EFC is currently working to implement this program and to allocate these funds to eligible projects.

EFC also administers other funding programs including the Industrial Finance and the Clean Vessel Assistance Program. In addition, EFC provides technical assistance through its New York City Watershed Programs and Small Business Environmental Assistance Program.

Corporate Structure

EFC is a public benefit corporation formed pursuant to the New York State Environmental Facilities Corporation Act (Chapter 744 of the Laws of New York State of 1970, as amended). EFC is a component unit of New York State (State) and is included in the State's basic financial statements. A seven-member Board of Directors governs the Corporation. Ex-Officio board members include the Commissioner of the Department of Environmental Conservation, who serves as the Board Chair, the Commissioner of the Department of Health, and the Secretary of State. The four remaining board members serve six-year terms and require nomination by the Governor and confirmation by the State Senate. The Board of Directors appoints the Corporation President and Corporate Officers. As of the payroll period ending December 3, 2014, EFC has 112 filled positions. This includes two staff assigned from DEC to EFC originally in 1991 to help assist with the administration of the CWSRF.

Statutory Authority

The statutory basis for substantially all EFC activity stems from Title 12 of Article 5 of the NYS Public Authorities Law (also called the "EFC Act"). EFC is a separate entity apart from the State without any power of taxation. The statute permits EFC to, among other things:

- administer and finance the State Revolving Funds established by the State as set forth in the EFC Act pursuant to the Federal Water Quality Act of 1987 and the Federal Safe Drinking Water Act Amendments of 1996;
- finance, through the issuance of special obligation revenue bonds under the Industrial Finance Program, water management, solid waste disposal, brownfield clean up, sewage treatment and pollution control projects undertaken by or on behalf of private entities;
- render technical advice and assistance to private entities, State agencies and local government units on sewage treatment and collection, pollution control, recycling, hazardous waste abatement, solid waste disposal and other related subjects.

BUDGET PROCESS AND TIMELINE

Projected Calendar of Events

- July - November Development of revenue and expense projections.
- August - November Preparation of the EFC Budget and Financial Plan.
- November Posting on EFC's website of the proposed EFC Budget and Financial Plan for public inspection by 11/11/14. Forward proposed EFC Budget and Financial Plan to Board of Directors and notify the Office of the NYS Comptroller of inspection locations.
- December Refine EFC's proposed Budget and Financial Plan. Board approval of the proposed EFC Budget and Financial Plan and posting on EFC's website of the approved EFC Budget and Financial Plan for public inspection on 12/11/14. Notify the Office of the NYS Comptroller of inspection locations.
- Submission of the approved EFC Budget and Financial Plan to the Office of the NYS Comptroller and the NYS Authority Budget Office by 12/18/14.
- Submission of the approved EFC Budget and Financial Plan to other interested parties by 12/31/14.

BUDGETARY ASSUMPTIONS

For certain administrative expense items, the budget contains a 3% inflation factor. EFC is not subject to any collective bargaining agreements. However, it does provide salary increases and other benefits generally consistent with those that are provided to New York State Management/Confidential (M/C) employees and other unrepresented employees in the Executive Branch. Staffing is expected to remain stable throughout this budget and financial plan.

Personal service costs reflect a 2% cost of living adjustment as well as payment of performance advances and longevity payments to eligible staff effective April 1, 2015.

Fringe benefits reflect inflationary increases on medical costs for health insurance as well as estimates provided by the State Retirement System for pension contributions.

Investment interest is based on current market yields and on assumed balances available for investment.

There is no estimate of the change in market value of EFC's long term investment portfolio. This change could produce a significant unrealized gain or loss and will be reflected in EFC's final results of operation each year.

For Federal Fiscal Year 2015 capitalization grants under the CWSRF are estimated to be based on a Federal appropriation of \$1.018 billion nationwide. Based on the Federal allocation formula for the CWSRF program, this would provide the CWSRF with approximately \$100 million in Federal funds and \$20 million in State matching funds for a total of \$120 million. Of the \$120 million, EFC and DEC plan to use \$4 million for administration of the CWSRF.

For Federal Fiscal Year 2015 capitalization grants under the DWSRF are estimated to be based on a Federal appropriation of \$757 million nationwide. Based on the Federal allocation formula for the DWSRF program, this would provide the DWSRF with approximately \$36.3 million in Federal funds. Of the \$36.3million, EFC and DOH plan to use \$5.8 million for other authorized set-aside activities.

Projected annual new debt issuances (net of refundings) under the CWSRF and DWSRF are estimated to be approximately \$208.2 million and \$9 million, respectively.

State Assistance Payments Revenue and Expense are estimated to be \$1 million each year. These payments are pass through monies which are provided from the State or Federal government. These funds are used to provide eligible recipients with financial assistance under the Financial Assistance to Business, Clean Vessel Assistance Programs, and the DWSRF.

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45), which was implemented in the 2007-08 fiscal year. GASB 45 changed the reporting of the employer's share of health insurance benefits provided to retirees by recognizing these costs in the period when the related employment services are provided on an accrual basis, rather than the previous process which recognized these costs on a pay-as-you-go basis when the benefits were paid. GASB 45 requires an actuarial valuation to determine the actuarial present value of total projected benefits, and requires the unfunded actuarial liability to be recognized as an expense using a 30 year amortization period. As of January 1, 2013, EFC's most recent valuation date, EFC had an unfunded liability of approximately \$46.6 million for Other Post Employment Benefits which will require that EFC recognize a net annual required contribution of approximately \$3.6 million. These Other Post Employment Benefits costs are included in EFC's budget presentations that appear on pages 7, 10, 11, 12, and 13 on the Other Post Employment Benefits line.

BUDGETARY RISKS

EFC's budgeting process is subject to inherent risks regarding the ability to accurately forecast revenues and expenditures, as a significant portion of EFC's budget is contingent on Federal CWSRF and DWSRF capitalization grants. Federal funding for these programs is difficult to accurately estimate and has a great likelihood of decreasing in the coming years.

In the past, EFC has assumed responsibility for administering certain new programs. Additional program responsibilities may be added during this cycle that have not been included in this Budget and Financial Plan.

It is critical that EFC Divisions are accurate in their assessment of program fee revenue projections. From these projections, revenue and expense schedules are prepared and included with that fiscal year's budget submission. Division directors work closely with Human Resources to identify staffing needs while Contracts and Budget staff analyze budgetary impacts.

To minimize risk, expenditures are closely monitored on a monthly basis. Quarterly expenditure reports are distributed to Executive Staff by the Controller & Director of Corporate Operations. Quarterly financial statements are also forwarded to EFC's independent auditors for their review. In addition, quarterly financial statements are provided to EFC's Board of Directors and a mid-year update presentation is provided to the audit committee at its December meeting.

NYS Environmental Facilities Corporation
Revised Forecast of Fiscal Year 2014 - 15 Budget
 Projected Revenues and Expenses

<u>Revenues</u>	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Bond financing fees	-	-	-	-	-	400,000
Administrative fees	547,000	14,200,000	-	400,000	-	16,147,000
Less transferred to DEC	-	(3,500,000)	-	-	-	(3,500,000)
Advisory service fees	775,000	-	-	-	-	775,000
Administrative grant revenues	200,000	6,189,000	-	1,700,000	-	8,089,000
Less transferred to DEC	-	(875,000)	-	-	-	(875,000)
SRF indirect cost recoveries	1,250,000	(1,000,000)	-	-	-	-
Interest income on investments	5,000	15,000	76,000,000	(250,000)	-	84,025,000
Interest income on leveraged financings	-	-	253,000,000	5,000	8,000,000	303,000,000
Interest income on direct financings	-	-	18,000,000	-	50,000,000	20,000,000
State assistance payments revenue	1,000,000	-	-	-	2,000,000	1,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	3,795,000	15,029,000	347,000,000	3,255,000	60,000,000	429,079,000
<u>Expenses</u>						
Interest subsidy provided	-	-	126,000,000	-	18,000,000	144,000,000
Interest expense on bonds payable	-	-	236,000,000	-	46,000,000	282,000,000
State assistance payments expense	1,000,000	-	-	-	-	1,000,000
Grants disbursed/Principal forgiveness	-	2,000,000	40,000,000	-	15,000,000	57,000,000
Personal service costs	1,700,000	6,000,000	-	1,500,000	-	9,200,000
Fringe benefits	833,000	2,940,000	-	735,000	-	4,508,000
Other post employment benefits	535,000	2,455,000	-	610,000	-	3,600,000
Supplies and materials	26,000	84,000	-	42,000	-	152,000
Travel	8,000	42,000	-	19,000	-	69,000
Contractual services	500,000	640,000	-	247,000	-	1,387,000
Equipment	27,000	73,000	-	65,000	-	165,000
Admin expense account	-	335,000	-	-	-	335,000
Admin restricted account	-	575,000	-	375,000	-	950,000
NYS cost recovery fee	727,000	3,000,000	-	1,000,000	-	4,727,000
Total expenses	5,356,000	18,144,000	402,000,000	4,593,000	79,000,000	509,093,000
Increase (decrease)	(1,561,000)	(3,115,000)	(55,000,000)	(1,338,000)	(19,000,000)	(80,014,000)
Project grant revenues	-	-	179,000,000	-	43,000,000	222,000,000
Increase (decrease) in net position	(1,561,000)	(3,115,000)	124,000,000	(1,338,000)	24,000,000	141,986,000

NYS Environmental Facilities Corporation
Fiscal Year 2014 - 15 Budget Reconciliation

<u>Revenues</u>	<u>Original Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Bond financing fees	500,000	(100,000)	400,000
Administrative fees	17,200,000	(1,053,000)	16,147,000
Less transferred to DEC	(3,500,000)	-	(3,500,000)
Advisory service fees	1,000,000	(225,000)	775,000
Administrative grant revenues	6,200,000	1,889,000	8,089,000
Less transferred to DEC	(800,000)	(75,000)	(875,000)
Interest income on investments	112,535,000	(28,510,000)	84,025,000
Interest income on leveraged financings	310,000,000	(7,000,000)	303,000,000
Interest income on direct financings	20,000,000	-	20,000,000
State assistance payments revenue	1,000,000	-	1,000,000
Other revenues	30,000	(12,000)	18,000
Total revenues	<u>464,165,000</u>	<u>(35,086,000)</u>	<u>429,079,000</u>
 <u>Expenses</u>			
Interest subsidy provided	157,500,000	(13,500,000)	144,000,000
Interest expense on bonds payable	285,000,000	(3,000,000)	282,000,000
State assistance payments expense	1,000,000	-	1,000,000
Grants disbursed/Principal forgiveness	36,000,000	21,000,000	57,000,000
Personal service costs	10,091,000	(891,000)	9,200,000
Fringe benefits	4,542,000	(34,000)	4,508,000
Other post employment benefits	3,500,000	100,000	3,600,000
Supplies and materials	152,000	-	152,000
Travel	69,000	-	69,000
Contractual services	1,387,000	-	1,387,000
Equipment	165,000	-	165,000
Admin expense account	6,000,000	(5,665,000)	335,000
Admin restricted account	1,005,000	(55,000)	950,000
NYS cost recovery fee	-	4,727,000	4,727,000
Total expenses	<u>506,411,000</u>	<u>2,682,000</u>	<u>509,093,000</u>
Increase (decrease)	(42,246,000)	(37,768,000)	(80,014,000)
Project grant revenues	205,000,000	17,000,000	222,000,000
Increase (decrease) in net position	<u>162,754,000</u>	<u>(20,768,000)</u>	<u>141,986,000</u>

NYS Environmental Facilities Corporation
Fiscal Year 2013 - 14 Actual vs Budgeted
 Summary

<u>Revenues</u>	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
Program			
Interest income on investments	60,014,517	112,500,000	(52,485,483)
Interest income on leveraged financings	301,576,153	313,500,000	(11,923,847)
Interest income on direct financings	15,766,213	20,000,000	(4,233,787)
State assistance payments revenue	1,046,674	1,000,000	46,674
Sub total	<u>378,403,557</u>	<u>447,000,000</u>	<u>(68,596,443)</u>
Administrative			
Bond financing fees	414,022	500,000	(85,978)
Administrative fees	16,286,408	16,725,000	(438,592)
Less transferred to DEC	(3,500,000)	(3,500,000)	-
Advisory service fees	773,505	1,000,000	(226,495)
Administrative grant revenues	8,223,515	7,900,000	323,515
Less transferred to DEC	(863,807)	(800,000)	(63,807)
Interest income on investments	25,666	35,000	(9,334)
Other revenues	20,498	30,000	(9,502)
Sub total	<u>21,379,807</u>	<u>21,890,000</u>	<u>(510,193)</u>
Total revenues	<u>399,783,364</u>	<u>468,890,000</u>	<u>(69,106,636)</u>
Expenses			
Program			
Interest subsidy provided	130,743,654	152,000,000	(21,256,346)
Interest expense on bonds payable	282,424,612	294,000,000	(11,575,388)
State assistance payments expense	1,046,674	1,000,000	46,674
Grants disbursed	22,060,329	25,000,000	(2,939,671)
Principal forgiveness	35,201,397	41,000,000	(5,798,603)
Sub total	<u>471,476,666</u>	<u>513,000,000</u>	<u>(41,523,334)</u>
Administrative			
Personal service costs	8,051,831	9,797,000	(1,745,169)
Fringe benefits	4,093,020	4,410,000	(316,980)
Other post employment benefits	3,622,680	3,500,000	122,680
Other than personal services	1,388,733	1,773,000	(384,267)
Admin expense account	969,360	1,250,000	(280,640)
Admin restricted account	924,466	1,275,000	(350,534)
NYS cost recovery fee	4,727,000	4,727,000	-
Sub total	<u>23,777,090</u>	<u>26,732,000</u>	<u>(2,954,910)</u>
Total expenses	<u>495,253,756</u>	<u>539,732,000</u>	<u>(44,478,244)</u>
Increase (decrease)	(95,470,392)	(70,842,000)	(24,628,392)
Project grant revenues	368,181,841	290,000,000	78,181,841
Increase (decrease) in net position	<u>272,711,449</u>	<u>219,158,000</u>	<u>53,553,449</u>

NYS Environmental Facilities Corporation
Fiscal Year 2015 - 16 Budget
 Projected Revenues and Expenses

<u>Revenues</u>	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Bond financing fees	-	-	-	-	-	400,000
Administrative fees	538,000	14,500,000	-	400,000	-	16,338,000
Less transferred to DEC	-	(3,500,000)	-	1,300,000	-	(3,500,000)
Advisory service fees	800,000	-	-	-	-	800,000
Administrative grant revenues	200,000	8,000,000	-	1,700,000	-	9,900,000
Less transferred to DEC	-	(900,000)	-	-	-	(900,000)
SRF indirect cost recoveries	1,500,000	(1,250,000)	-	(250,000)	-	-
Interest income on investments	5,000	15,000	71,000,000	5,000	7,000,000	78,025,000
Interest income on leveraged financings	-	-	263,000,000	-	52,000,000	315,000,000
Interest income on direct financings	-	-	19,000,000	-	2,500,000	21,500,000
State assistance payments revenue	1,000,000	-	-	-	-	1,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	4,061,000	16,865,000	353,000,000	3,155,000	61,500,000	438,581,000
<u>Expenses</u>						
Interest subsidy provided	-	-	131,000,000	-	21,000,000	152,000,000
Interest expense on bonds payable	-	-	238,000,000	-	44,000,000	282,000,000
State assistance payments expense	1,000,000	-	-	-	-	1,000,000
Grants disbursed/Principal forgiveness	-	-	40,000,000	-	15,000,000	57,000,000
Personal service costs	1,751,000	2,000,000	-	1,545,000	-	9,476,000
Fringe benefits	858,000	6,180,000	-	757,000	-	4,643,000
Other post employment benefits	535,000	3,028,000	-	610,000	-	3,600,000
Supplies and materials	26,000	2,455,000	-	42,000	-	155,000
Travel	8,000	87,000	-	42,000	-	70,000
Contractual services	500,000	43,000	-	19,000	-	1,406,000
Equipment	27,000	659,000	-	247,000	-	167,000
Admin expense account	-	75,000	-	65,000	-	745,000
Admin restricted account	-	745,000	-	-	-	950,000
NYS cost recovery fee	-	575,000	-	375,000	-	-
Total expenses	4,705,000	15,847,000	409,000,000	3,660,000	80,000,000	513,212,000
Increase (decrease)	(644,000)	1,018,000	(56,000,000)	(505,000)	(18,500,000)	(74,631,000)
Project grant revenues	-	-	200,000,000	-	40,000,000	240,000,000
Increase (decrease) in net position	(644,000)	1,018,000	144,000,000	(505,000)	21,500,000	165,369,000

NYS Environmental Facilities Corporation
Fiscal Year 2016 - 17 Budget
 Projected Revenues and Expenses

<u>Revenues</u>	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Bond financing fees	-	-	-	-	-	400,000
Administrative fees	538,000	15,000,000	-	400,000	-	16,938,000
Less transferred to DEC	-	(3,500,000)	-	1,400,000	-	(3,500,000)
Advisory service fees	800,000	-	-	-	-	800,000
Administrative grant revenues	200,000	8,000,000	-	1,700,000	-	9,900,000
Less transferred to DEC	-	(900,000)	-	-	-	(900,000)
SRF indirect cost recoveries	1,500,000	(1,250,000)	-	(250,000)	-	-
Interest income on investments	5,000	15,000	66,000,000	5,000	6,000,000	72,025,000
Interest income on leveraged financings	-	-	273,000,000	-	54,000,000	327,000,000
Interest income on direct financings	-	-	20,000,000	-	3,000,000	23,000,000
State assistance payments revenue	1,000,000	-	-	-	-	1,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	4,061,000	17,365,000	359,000,000	3,255,000	63,000,000	446,681,000
<u>Expenses</u>						
Interest subsidy provided	-	-	136,000,000	-	24,000,000	160,000,000
Interest expense on bonds payable	-	-	237,000,000	-	41,000,000	278,000,000
State assistance payments expense	1,000,000	-	-	-	-	1,000,000
Grants disbursed/Principal forgiveness	-	-	40,000,000	-	15,000,000	57,000,000
Personal service costs	1,803,000	2,000,000	-	1,591,000	-	9,759,000
Fringe benefits	883,000	6,365,000	-	-	-	4,780,000
Other post employment benefits	535,000	3,118,000	-	779,000	-	3,600,000
Supplies and materials	26,000	2,455,000	-	610,000	-	157,000
Travel	8,000	89,000	-	42,000	-	71,000
Contractual services	500,000	44,000	-	19,000	-	1,425,000
Equipment	27,000	678,000	-	247,000	-	169,000
Admin expense account	-	77,000	-	65,000	-	505,000
Admin restricted account	-	505,000	-	-	-	950,000
Admin restricted account	-	575,000	-	375,000	-	-
NYS cost recovery fee	-	-	-	-	-	-
Total expenses	4,782,000	15,906,000	413,000,000	3,728,000	80,000,000	517,416,000
Increase (decrease)	(721,000)	1,459,000	(54,000,000)	(473,000)	(17,000,000)	(70,735,000)
Project grant revenues	-	-	200,000,000	-	45,000,000	245,000,000
Increase (decrease) in net position	(721,000)	1,459,000	146,000,000	(473,000)	28,000,000	174,265,000

NYS Environmental Facilities Corporation
Fiscal Year 2017 - 18 Budget
 Projected Revenues and Expenses

<u>Revenues</u>	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Bond financing fees	-	-	-	-	-	-
Administrative fees	451,000	15,500,000	-	400,000	-	400,000
Less transferred to DEC	-	(3,500,000)	-	1,400,000	-	17,351,000
Advisory service fees	900,000	-	-	-	-	(3,500,000)
Administrative grant revenues	200,000	8,000,000	-	-	-	900,000
Less transferred to DEC	-	(950,000)	-	1,700,000	-	9,900,000
SRF indirect cost recoveries	1,500,000	(1,250,000)	-	-	-	(950,000)
Interest income on investments	5,000	15,000	61,000,000	(250,000)	-	-
Interest income on leveraged financings	-	-	278,000,000	5,000	5,000,000	66,025,000
Interest income on direct financings	-	-	21,000,000	-	55,000,000	333,000,000
State assistance payments revenue	1,000,000	-	-	-	3,500,000	24,500,000
Other revenues	18,000	-	-	-	-	1,000,000
Total revenues	4,074,000	17,815,000	360,000,000	3,253,000	63,500,000	448,644,000
<u>Expenses</u>						
Interest subsidy provided	-	-	141,000,000	-	27,000,000	168,000,000
Interest expense on bonds payable	-	-	236,000,000	-	38,000,000	274,000,000
State assistance payments expense	1,000,000	-	-	-	-	1,000,000
Grants disbursed/Principal forgiveness	-	1,000,000	50,000,000	-	20,000,000	71,000,000
Personal service costs	1,857,000	6,555,000	-	1,638,000	-	10,050,000
Fringe benefits	909,000	3,211,000	-	802,000	-	4,922,000
Other post employment benefits	535,000	2,455,000	-	610,000	-	3,600,000
Supplies and materials	26,000	91,000	-	42,000	-	159,000
Travel	8,000	45,000	-	19,000	-	72,000
Contractual services	500,000	698,000	-	247,000	-	1,445,000
Equipment	27,000	79,000	-	65,000	-	171,000
Admin expense account	-	495,000	-	-	-	495,000
Admin restricted account	-	575,000	-	375,000	-	950,000
NYS cost recovery fee	-	-	-	-	-	-
Total expenses	4,862,000	15,204,000	427,000,000	3,798,000	85,000,000	535,864,000
Increase (decrease)	(788,000)	2,611,000	(67,000,000)	(543,000)	(21,500,000)	(87,220,000)
Project grant revenues	-	-	220,000,000	-	45,000,000	265,000,000
Increase (decrease) in net position	(788,000)	2,611,000	153,000,000	(543,000)	23,500,000	177,780,000

NYS Environmental Facilities Corporation
Fiscal Year 2018 - 19 Budget
 Projected Revenues and Expenses

<u>Revenues</u>	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	451,000	16,000,000	-	1,400,000	-	17,851,000
Less transferred to DEC	-	(3,500,000)	-	-	-	(3,500,000)
Advisory service fees	900,000	-	-	-	-	900,000
Administrative grant revenues	200,000	8,000,000	-	1,700,000	-	9,900,000
Less transferred to DEC	-	(950,000)	-	-	-	(950,000)
SRF indirect cost recoveries	1,500,000	(1,250,000)	-	(250,000)	-	-
Interest income on investments	5,000	15,000	56,000,000	5,000	4,000,000	60,025,000
Interest income on leveraged financings	-	-	283,000,000	-	56,000,000	339,000,000
Interest income on direct financings	-	-	22,000,000	-	4,000,000	26,000,000
State assistance payments revenue	1,000,000	-	-	-	-	1,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	4,074,000	18,315,000	361,000,000	3,255,000	64,000,000	450,644,000
<u>Expenses</u>						
Interest subsidy provided	-	-	146,000,000	-	30,000,000	176,000,000
Interest expense on bonds payable	-	-	233,000,000	-	36,000,000	269,000,000
State assistance payments expense	1,000,000	-	-	-	-	1,000,000
Grants disbursed/Principal forgiveness	-	1,000,000	60,000,000	-	25,000,000	86,000,000
Personal service costs	1,912,000	6,751,000	-	1,687,000	-	10,350,000
Fringe benefits	936,000	3,307,000	-	826,000	-	5,069,000
Other post employment benefits	535,000	2,455,000	-	610,000	-	3,600,000
Supplies and materials	26,000	93,000	-	42,000	-	161,000
Travel	8,000	46,000	-	19,000	-	73,000
Contractual services	500,000	718,000	-	247,000	-	1,465,000
Equipment	27,000	81,000	-	65,000	-	173,000
Admin expense account	-	165,000	-	-	-	165,000
Admin restricted account	-	575,000	-	375,000	-	950,000
NYS cost recovery fee	-	-	-	-	-	-
Total expenses	4,944,000	15,191,000	439,000,000	3,871,000	91,000,000	554,006,000
Increase (decrease)	(870,000)	3,124,000	(78,000,000)	(616,000)	(27,000,000)	(103,362,000)
Project grant revenues	-	-	220,000,000	-	45,000,000	265,000,000
Increase (decrease) in net position	(870,000)	3,124,000	142,000,000	(616,000)	18,000,000	161,638,000

NYS Environmental Facilities Corporation
Projected Number of Employees (filled positions)
 As of the payroll period ending Deceember 3, 2014

<u>Funding Source</u>	<u>2014 - 15</u>	<u>2015 - 16</u>	<u>2016 - 17</u>	<u>2017 - 18</u>	<u>2018 - 19</u>	<u>Status</u>
Corporate Administration	11	11	11	11	11	Full Time
Clean Water SRF	74	75	75	75	75	Full Time
Drinking Water SRF	19	19	19	19	19	Full Time
Other Programs	6	6	6	6	6	Full Time
	110	111	111	111	111	
DEC Assignees	2	2	2	2	2	Full Time
	112	113	113	113	113	

NYS Environmental Facilities Corporation
Projected SRF Debt Outstanding

<u>Clean Water SRF</u>	<u>FYE 2015</u>	<u>FYE 2016</u>	<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>
Beginning Debt Outstanding	4,980,060,000	4,939,920,000	4,894,265,000	4,851,480,000	4,800,100,000
New Issues	208,215,000	208,215,000	208,215,000	208,215,000	208,215,000
Principal Payments	248,355,000	253,870,000	251,000,000	259,595,000	263,635,000
Ending Debt Outstanding	<u>4,939,920,000</u>	<u>4,894,265,000</u>	<u>4,851,480,000</u>	<u>4,800,100,000</u>	<u>4,744,680,000</u>

Projected new debt is assumed to amortize over a period of 30 years with interest rate of 5.0%.

Drinking Water SRF

Beginning Debt Outstanding	974,380,000	920,940,000	864,510,000	806,835,000	746,830,000
New Issues	9,030,000	9,030,000	9,030,000	9,030,000	9,030,000
Principal Payments	62,470,000	65,460,000	66,705,000	69,035,000	71,520,000
Ending Debt Outstanding	<u>920,940,000</u>	<u>864,510,000</u>	<u>806,835,000</u>	<u>746,830,000</u>	<u>684,340,000</u>

Projected new debt is assumed to amortize over a period of 20 years with interest rate of 5.0%.

Totals

Beginning Debt Outstanding	5,954,440,000	5,860,860,000	5,758,775,000	5,658,315,000	5,546,930,000
New Issues	217,245,000	217,245,000	217,245,000	217,245,000	217,245,000
Principal Payments	310,825,000	319,330,000	317,705,000	328,630,000	335,155,000
Ending Debt Outstanding	<u>5,860,860,000</u>	<u>5,758,775,000</u>	<u>5,658,315,000</u>	<u>5,546,930,000</u>	<u>5,429,020,000</u>

NYS Environmental Facilities Corporation
Projected SRF Debt Service Payments

<u>Clean Water SRF</u>	<u>FYE 2015</u>	<u>FYE 2016</u>	<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>
Principal Payments on Debt Outstanding	248,355,000	250,735,000	244,575,000	249,715,000	250,125,000
Principal Payments on Projected Debt	-	3,135,000	6,425,000	9,880,000	13,510,000
Total Principal Payments	248,355,000	253,870,000	251,000,000	259,595,000	263,635,000
Interest Payments on Debt Outstanding	230,406,382	222,673,483	211,399,844	199,876,442	187,879,472
Interest Payments on Projected Debt	5,205,375	15,537,750	25,709,500	35,712,625	45,538,625
Total Interest Payments	235,611,757	238,211,233	237,109,344	235,589,067	233,418,097
Total Debt Service Payments	483,966,757	492,081,233	488,109,344	495,184,067	497,053,097
<u>Drinking Water SRF</u>					
Principal Payments on Debt Outstanding	62,470,000	65,185,000	66,145,000	68,175,000	70,345,000
Principal Payments on Projected Debt	-	275,000	560,000	860,000	1,175,000
Total Principal Payments	62,470,000	65,460,000	66,705,000	69,035,000	71,520,000
Interest Payments on Debt Outstanding	45,706,662	42,910,776	40,016,812	36,938,422	33,676,861
Interest Payments on Projected Debt	225,750	670,375	1,101,000	1,517,000	1,917,625
Total Interest Payments	45,932,412	43,581,151	41,117,812	38,455,422	35,594,486
Total Debt Service Payments	108,402,412	109,041,151	107,822,812	107,490,422	107,114,486
<u>Totals</u>					
Principal Payments on Debt Outstanding	310,825,000	315,920,000	310,720,000	317,890,000	320,470,000
Principal Payments on Projected Debt	-	3,410,000	6,985,000	10,740,000	14,685,000
Total Principal Payments	310,825,000	319,330,000	317,705,000	328,630,000	335,155,000
Interest Payments on Debt Outstanding	276,113,044	265,584,259	251,416,656	236,814,864	221,556,333
Interest Payments on Projected Debt	5,431,125	16,208,125	26,810,500	37,229,625	47,456,250
Total Interest Payments	281,544,169	281,792,384	278,227,156	274,044,489	269,012,583
Total Debt Service Payments	592,369,169	601,122,384	595,932,156	602,674,489	604,167,583

NOTES RELATING TO DEBT

EFC has entered into agreements with private sector companies to provide funds for certain environmental projects and with the State of New York to provide funding to the State for certain projects and programs. Industrial Financing Bonds are not included as obligations in EFC's financial statements and they are not included in the preceding charts of projected SRF debt outstanding or projected SRF debt service payments.

EFC issues special obligation bonds under the SRF programs to provide financial assistance to eligible recipients. CWSRF assistance is available for projects that reduce, eliminate or prevent water pollution and DWSRF assistance is available for water system projects that provide safe, affordable drinking water. The financial assistance is provided pursuant to a financing agreement between EFC and each recipient in which the Corporation agrees to purchase and the recipient agrees to sell its bonds in the principal amount of its financing to EFC. The recipient payments on these bonds serve as the primary security for EFC's bonds. Additionally, SRF program debt service reserve funds provide a reserve to secure certain outstanding bonds. The principal and interest payments on the recipient financings are structured to be sufficient to pay the full principal and interest payments on EFC's bonds. EFC's bonds are issued subject to the terms of a Master Trust Agreement, a Financing Indenture, and a Supplemental Financing Indenture that is executed for each bond issue. The bonds of each series are not general obligations of EFC. Bonds are payable solely from payments made by each recipient to the trustee and any other pledged funds held by the trustee. EFC bonds are not subject to legal debt limits.

OTHER ITEMS

Revised estimates to EFC's current Fiscal Year 2014 – 2015 Budget as presented in the Budget Reconciliation on page 8 indicate that EFC expects to decrease the amount of its revenues, increase the amount of its expenses, and increase the amount of its capital contributions that it will recognize in its current fiscal year. These revisions are expected to decrease EFC's net position by \$20,768,000. There have been no other significant changes or modifications to the current year's budget.

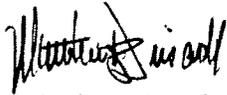
There are no material non-recurring resources that are planned for use in any given fiscal year.

There are no transactions that shift material resources from one year to another.

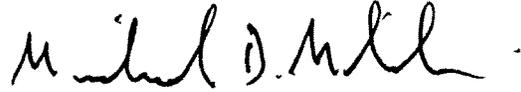
EFC has no planned capital or capital project expenditures.

CERTIFICATION

I hereby certify that, to the best of my knowledge and belief after reasonable inquiry, the budget and financial plan information contained herein has been developed based on reasonable assumptions and methods of estimation.



Matthew J. Driscoll
President and CEO



Michael D. Malinoski
Controller and Director
of Corporate Operations