



**Environmental
Facilities Corporation**

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**NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION**

**2016 – 2017 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. Administration of these programs is supported by a small 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 fully disbursed to recipients and EFC is working to convert the last of these 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 commit these funds to eligible projects.

The New York State 2015-2016 budget created the Water Infrastructure Improvement Act of 2015 (NYS Water Grants). NYS Water Grants provide \$200 million over three years to fund wastewater and drinking water infrastructure projects. The grants will be available for projects that improve water quality and protect public health. EFC is

currently working to implement this program and to commit 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 2, 2015, EFC has 106 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.
- October - November Preparation of the proposed EFC Draft Budget and Financial Plan.
- November Posting on EFC's website of the proposed EFC Draft Budget and Financial Plan for public inspection by 11/10/15. Forward the proposed EFC Draft Budget and Financial Plan to the Board of Directors and notify the Office of the NYS Comptroller of inspection locations.
- December Refine the proposed EFC Draft Budget and Financial Plan. Present and discuss with the Audit Committee the proposed EFC Draft Budget and Financial Plan. Request Board of Directors approval of the proposed EFC Draft Budget and Financial Plan and posting on EFC's website of the approved EFC Budget and Financial Plan for public inspection on 12/10/15. 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 Authorities Budget Office by 12/17/15.
- Submission of the approved EFC Budget and Financial Plan to other interested parties by 12/31/15.

BUDGETARY ASSUMPTIONS

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% parity adjustment as well as payment of performance advances and longevity payments to eligible staff effective April 1, 2016.

Fringe benefits reflect inflationary increases on medical costs for health insurance as well as estimates provided by the New York 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 2016 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 the administration of the CWSRF.

For Federal Fiscal Year 2016 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 \$36.3 million, EFC and DOH plan to use \$5.8 million for the administration of the DWSRF and other authorized set-aside activities.

Projected annual new debt issuances (net of refundings) under the CWSRF and DWSRF are estimated to be approximately \$249 million and \$117 million, respectively.

State Assistance Payments Revenue and Expense 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 CWSRF, DWSRF and the Clean Vessel Assistance Programs.

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 \$3.8 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. A new actuarial valuation is scheduled to be performed as of January 1, 2016.

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 financial statements are distributed to Executive Staff and the Board of Directors. In addition a mid-year update presentation is provided to the audit committee at its December meeting.

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

	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Revenues						
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	538,000	14,500,000	-	1,300,000	-	16,338,000
Less transferred to DEC	-	(3,500,000)	-	-	-	(3,500,000)
Administrative grant revenues	150,000	7,000,000	-	1,700,000	-	8,850,000
Less transferred to DEC	-	(900,000)	-	-	-	(900,000)
Advisory service fees	700,000	-	-	-	-	700,000
Interest income on investments	5,000	15,000	71,000,000	5,000	7,000,000	78,025,000
Interest income on bonds	-	-	263,000,000	-	52,000,000	315,000,000
Interest income on direct financings	-	-	19,000,000	-	2,500,000	21,500,000
SRF indirect cost recoveries	1,500,000	(1,250,000)	-	(250,000)	-	-
State assistance payments revenue	1,000,000	-	-	-	-	1,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	3,911,000	15,865,000	353,000,000	3,155,000	61,500,000	437,431,000
Expenses						
Interest subsidy provided	-	-	131,000,000	-	21,000,000	152,000,000
Interest expense on bonds payable	-	-	231,200,000	-	45,600,000	276,800,000
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	1,751,000	6,180,000	-	1,545,000	-	9,476,000
Fringe benefits	858,000	3,028,000	-	757,000	-	4,643,000
Other post employment benefits	570,000	2,620,000	-	610,000	-	3,800,000
Supplies and materials	4,800	24,300	-	6,200	-	35,300
Travel	600	25,000	-	3,000	-	28,600
Equipment purchases and maintenance	36,800	143,700	-	32,900	-	213,400
Rent	100,500	427,000	-	100,500	-	628,000
Consultants	18,500	525,000	-	208,000	-	751,500
Postage	900	8,800	-	3,300	-	13,000
Printing	200	4,800	-	300	-	5,300
Board expenses	5,000	-	-	-	-	5,000
Training and conferences	1,000	17,100	-	2,900	-	21,000
Telephone	14,400	67,500	-	14,900	-	96,800
Miscellaneous contractual	14,400	26,900	-	9,900	-	51,200
Insurance	4,500	13,900	-	3,300	-	21,700
Books and journals	3,300	12,500	-	3,000	-	18,800
Trustee	34,600	140,000	-	160,000	-	334,600
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	530,000	-	-	-	530,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	4,518,500	19,521,500	402,200,000	4,460,200	81,600,000	512,300,200
Increase (decrease)	(607,500)	(3,656,500)	(49,200,000)	(1,305,200)	(20,100,000)	(74,869,200)
Project grant revenues	-	-	200,000,000	-	40,000,000	240,000,000
Increase (decrease) in net position	(607,500)	(3,656,500)	150,800,000	(1,305,200)	19,900,000	165,130,800

NYS Environmental Facilities Corporation
Fiscal Year 2015 - 16 Budget Reconciliation

<u>Revenues</u>	<u>Original Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Bond financing fees	400,000	-	400,000
Administrative fees	16,338,000	-	16,338,000
Less transferred to DEC	(3,500,000)	-	(3,500,000)
Administrative grant revenues	9,900,000	(1,050,000)	8,850,000
Less transferred to DEC	(900,000)	-	(900,000)
Advisory service fees	800,000	(100,000)	700,000
Interest income on investments	78,025,000	-	78,025,000
Interest income on bonds	315,000,000	-	315,000,000
Interest income on direct financings	21,500,000	-	21,500,000
State assistance payments revenue	1,000,000	-	1,000,000
Other revenues	18,000	-	18,000
Total revenues	438,581,000	(1,150,000)	437,431,000
 <u>Expenses</u>			
Interest subsidy provided	152,000,000	-	152,000,000
Interest expense on bonds payable	282,000,000	(5,200,000)	276,800,000
State assistance payments expense	1,000,000	-	1,000,000
Grants disbursed/Principal forgiveness	57,000,000	-	57,000,000
Personal service costs	9,476,000	-	9,476,000
Fringe benefits	4,643,000	-	4,643,000
Other post employment benefits	3,600,000	200,000	3,800,000
Supplies and materials	155,000	(82,600)	72,400
Travel	70,000	(15,400)	54,600
Contractual services	1,406,000	577,800	1,983,800
Equipment purchases and maintenance	167,000	46,400	213,400
Admin expense account	745,000	(215,000)	530,000
Admin restricted account	950,000	(950,000)	-
NYS cost recovery fee	-	4,727,000	4,727,000
Total expenses	513,212,000	(911,800)	512,300,200
Increase (decrease)	(74,631,000)	(238,200)	(74,869,200)
Project grant revenues	240,000,000	-	240,000,000
Increase (decrease) in net position	165,369,000	(238,200)	165,130,800

NYS Environmental Facilities Corporation
Fiscal Year 2014 - 15 Actual vs Budgeted
 Summary

<u>Revenues</u>	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
Bond financing fees	420,144	400,000	20,144
Administrative fees	15,464,185	16,147,000	(682,815)
Less transferred to DEC	(3,500,000)	(3,500,000)	-
Administrative grant revenues	8,051,358	8,089,000	(37,642)
Less transferred to DEC	(861,874)	(875,000)	13,126
Advisory service fees	831,636	775,000	56,636
Interest income on investments	121,764,334	84,025,000	37,739,334
Interest income on bonds	303,125,649	303,000,000	125,649
Interest income on direct financings	20,693,675	20,000,000	693,675
State assistance payments revenue	783,617	1,000,000	(216,383)
Other revenues	23,361	18,000	5,361
Total revenues	<u>466,796,085</u>	<u>429,079,000</u>	<u>37,717,085</u>
 <u>Expenses</u>			
Interest subsidy provided	131,810,355	144,000,000	(12,189,645)
Interest expense on bonds payable	273,677,628	282,000,000	(8,322,372)
State assistance payments expense	783,617	1,000,000	(216,383)
Grants disbursed/Principal forgiveness	52,580,767	57,000,000	(4,419,233)
Personal service costs	8,322,345	9,200,000	(877,655)
Fringe benefits	4,145,875	4,508,000	(362,125)
Other post employment benefits	3,803,767	3,600,000	203,767
Other than personal services	1,062,034	1,773,000	(710,966)
Admin expense account	310,740	335,000	(24,260)
Admin restricted account	670,922	950,000	(279,078)
NYS cost recovery fee	4,727,000	4,727,000	-
Total expenses	<u>481,895,050</u>	<u>509,093,000</u>	<u>(27,197,950)</u>
Increase (decrease)	(15,098,965)	(80,014,000)	64,915,035
Project grant revenues	238,407,345	222,000,000	16,407,345
Increase (decrease) in net position	<u>223,308,380</u>	<u>141,986,000</u>	<u>81,322,380</u>

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

	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Revenues						
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	492,000	15,000,000	-	1,250,000	-	16,742,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	150,000	9,500,000	-	1,700,000	-	11,350,000
Less transferred to DEC	-	(900,000)	-	-	-	(900,000)
Advisory service fees	400,000	-	-	-	-	400,000
Interest income on investments	2,000	8,000	70,000,000	2,000	7,000,000	77,012,000
Interest income on bonds	-	-	263,000,000	-	52,000,000	315,000,000
Interest income on direct financings	-	-	19,000,000	-	2,500,000	21,500,000
SRF indirect cost recoveries	1,500,000	(1,250,000)	-	(250,000)	-	-
State assistance payments revenue	1,000,000	15,000,000	-	10,000,000	-	26,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	3,562,000	33,058,000	352,000,000	13,102,000	61,500,000	463,222,000
Expenses						
Interest subsidy provided	-	-	131,000,000	-	21,000,000	152,000,000
Interest expense on bonds payable	-	-	232,500,000	-	48,500,000	281,000,000
State assistance payments expense	1,000,000	15,000,000	-	10,000,000	-	26,000,000
Grants disbursed/Principal forgiveness	-	2,000,000	40,000,000	-	15,000,000	57,000,000
Personal service costs	1,512,000	6,380,000	-	1,560,000	-	9,452,000
Fringe benefits	741,000	3,126,000	-	764,000	-	4,631,000
Other post employment benefits	570,000	2,620,000	-	610,000	-	3,800,000
Supplies and materials	5,000	25,500	-	6,500	-	37,000
Travel	600	26,200	-	3,200	-	30,000
Equipment purchases and maintenance	38,600	150,900	-	34,500	-	224,000
Rent	104,000	440,000	-	103,000	-	647,000
Consultants	17,600	427,300	-	205,100	-	650,000
Postage	1,000	9,200	-	3,500	-	13,700
Printing	300	5,000	-	300	-	5,600
Board expenses	5,000	-	-	-	-	5,000
Training and conferences	1,100	18,000	-	3,000	-	22,100
Telephone	15,100	70,900	-	15,600	-	101,600
Miscellaneous contractual	15,100	28,200	-	10,400	-	53,700
Insurance	4,700	14,600	-	3,500	-	22,800
Books and journals	3,500	13,100	-	3,200	-	19,800
Trustee	30,000	150,000	-	175,000	-	355,000
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	590,000	-	-	-	590,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	4,164,600	34,821,900	403,500,000	14,500,800	84,500,000	541,487,300
Increase (decrease)	(602,600)	(1,763,900)	(51,500,000)	(1,398,800)	(23,000,000)	(78,265,300)
Project grant revenues	-	-	220,000,000	-	50,000,000	270,000,000
Increase (decrease) in net position	(602,600)	(1,763,900)	168,500,000	(1,398,800)	27,000,000	191,734,700

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

	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Revenues						
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	416,000	15,500,000	-	1,500,000	-	17,416,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	150,000	9,000,000	-	1,700,000	-	10,850,000
Less transferred to DEC	-	(900,000)	-	-	-	(900,000)
Advisory service fees	400,000	-	-	-	-	400,000
Interest income on investments	2,000	8,000	70,000,000	2,000	7,000,000	77,012,000
Interest income on bonds	-	-	263,000,000	-	55,000,000	318,000,000
Interest income on direct financings	-	-	19,000,000	-	2,500,000	21,500,000
SRF indirect cost recoveries	1,500,000	(1,250,000)	-	(250,000)	-	-
State assistance payments revenue	1,000,000	30,000,000	-	20,000,000	-	51,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	3,486,000	48,058,000	352,000,000	23,352,000	64,500,000	491,396,000
Expenses						
Interest subsidy provided	-	-	131,000,000	-	21,000,000	152,000,000
Interest expense on bonds payable	-	-	233,200,000	-	54,300,000	287,500,000
State assistance payments expense	1,000,000	30,000,000	-	20,000,000	-	51,000,000
Grants disbursed/Principal forgiveness	-	2,000,000	40,000,000	-	15,000,000	57,000,000
Personal service costs	1,557,000	6,571,000	-	1,607,000	-	9,735,000
Fringe benefits	763,000	3,220,000	-	787,000	-	4,770,000
Other post employment benefits	570,000	2,620,000	-	610,000	-	3,800,000
Supplies and materials	5,300	26,800	-	6,800	-	38,900
Travel	600	27,500	-	3,400	-	31,500
Equipment purchases and maintenance	40,500	158,400	-	36,200	-	235,100
Rent	106,700	453,600	-	106,700	-	667,000
Consultants	18,500	448,700	-	215,400	-	682,600
Postage	1,100	9,700	-	3,700	-	14,500
Printing	400	5,300	-	400	-	6,100
Board expenses	5,000	-	-	-	-	5,000
Training and conferences	1,200	18,900	-	3,200	-	23,300
Telephone	15,900	74,400	-	16,400	-	106,700
Miscellaneous contractual	15,900	29,600	-	10,900	-	56,400
Insurance	4,900	15,300	-	3,700	-	23,900
Books and journals	3,700	13,800	-	3,400	-	20,900
Trustee	25,000	160,000	-	190,000	-	375,000
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	350,000	-	-	-	350,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	4,234,700	49,930,000	404,200,000	24,604,200	90,300,000	573,268,900
Increase (decrease)	(748,700)	(1,872,000)	(52,200,000)	(1,252,200)	(25,800,000)	(81,872,900)
Project grant revenues	-	-	220,000,000	-	50,000,000	270,000,000
Increase (decrease) in net position	(748,700)	(1,872,000)	167,800,000	(1,252,200)	24,200,000	188,127,100

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

	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Revenues						
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	338,000	16,000,000	-	1,500,000	-	17,838,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	150,000	9,000,000	-	1,700,000	-	10,850,000
Less transferred to DEC	-	(900,000)	-	-	-	(900,000)
Advisory service fees	400,000	-	-	-	-	400,000
Interest income on investments	2,000	8,000	70,000,000	2,000	7,000,000	77,012,000
Interest income on bonds	-	-	263,000,000	-	55,000,000	318,000,000
Interest income on direct financings	-	-	19,000,000	-	2,500,000	21,500,000
SRF indirect cost recoveries	1,750,000	(1,500,000)	-	(250,000)	-	-
State assistance payments revenue	1,000,000	30,000,000	-	20,000,000	-	51,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	3,658,000	48,308,000	352,000,000	23,352,000	64,500,000	491,818,000
Expenses						
Interest subsidy provided	-	-	131,000,000	-	21,000,000	152,000,000
Interest expense on bonds payable	-	-	233,400,000	-	53,700,000	287,100,000
State assistance payments expense	1,000,000	30,000,000	-	20,000,000	-	51,000,000
Grants disbursed/Principal forgiveness	-	2,000,000	40,000,000	-	15,000,000	57,000,000
Personal service costs	1,604,000	6,768,000	-	1,655,000	-	10,027,000
Fringe benefits	786,000	3,316,000	-	811,000	-	4,913,000
Other post employment benefits	570,000	2,620,000	-	610,000	-	3,800,000
Supplies and materials	5,600	28,100	-	7,100	-	40,800
Travel	600	28,900	-	3,600	-	33,100
Equipment purchases and maintenance	42,500	166,300	-	38,000	-	246,800
Rent	110,100	467,800	-	110,100	-	688,000
Consultants	19,400	471,100	-	226,200	-	716,700
Postage	1,200	10,200	-	3,900	-	15,300
Printing	400	5,600	-	400	-	6,400
Board expenses	5,000	-	-	-	-	5,000
Training and conferences	1,300	19,800	-	3,400	-	24,500
Telephone	16,700	78,100	-	17,200	-	112,000
Miscellaneous contractual	16,700	31,100	-	11,400	-	59,200
Insurance	5,100	16,100	-	3,900	-	25,100
Books and journals	3,900	14,500	-	3,600	-	22,000
Trustee	20,000	170,000	-	205,000	-	395,000
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	350,000	-	-	-	350,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	4,308,500	50,288,600	404,400,000	24,709,800	89,700,000	573,406,900
Increase (decrease)	(650,500)	(1,980,600)	(52,400,000)	(1,357,800)	(25,200,000)	(81,588,900)
Project grant revenues	-	-	220,000,000	-	50,000,000	270,000,000
Increase (decrease) in net position	(650,500)	(1,980,600)	167,600,000	(1,357,800)	24,800,000	188,411,100

NYS Environmental Facilities Corporation
Fiscal Year 2019 - 20 Budget
 Projected Revenues and Expenses

	<u>Corporate Activities</u>	<u>CWSRF Administration</u>	<u>CWSRF Program</u>	<u>DWSRF Administration</u>	<u>DWSRF Program</u>	<u>Total</u>
Revenues						
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	325,000	16,000,000	-	1,500,000	-	17,825,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	150,000	9,000,000	-	1,700,000	-	10,850,000
Less transferred to DEC	-	(900,000)	-	-	-	(900,000)
Advisory service fees	400,000	-	-	-	-	400,000
Interest income on investments	2,000	8,000	70,000,000	2,000	7,000,000	77,012,000
Interest income on bonds	-	-	263,000,000	-	57,000,000	320,000,000
Interest income on direct financings	-	-	19,000,000	-	2,500,000	21,500,000
SRF indirect cost recoveries	1,750,000	(1,500,000)	-	(250,000)	-	-
State assistance payments revenue	1,000,000	30,000,000	-	20,000,000	-	51,000,000
Other revenues	18,000	-	-	-	-	18,000
Total revenues	3,645,000	48,308,000	352,000,000	23,352,000	66,500,000	493,805,000
Expenses						
Interest subsidy provided	-	-	131,000,000	-	22,000,000	153,000,000
Interest expense on bonds payable	-	-	233,200,000	-	56,000,000	289,200,000
State assistance payments expense	1,000,000	30,000,000	-	20,000,000	-	51,000,000
Grants disbursed/Principal forgiveness	-	2,000,000	40,000,000	-	15,000,000	57,000,000
Personal service costs	1,652,000	6,971,000	-	1,705,000	-	10,328,000
Fringe benefits	809,000	3,416,000	-	835,000	-	5,060,000
Other post employment benefits	570,000	2,620,000	-	610,000	-	3,800,000
Supplies and materials	5,900	29,500	-	7,500	-	42,900
Travel	600	30,300	-	3,800	-	34,700
Equipment purchases and maintenance	44,600	174,600	-	39,900	-	259,100
Rent	113,600	482,800	-	113,600	-	710,000
Consultants	20,400	494,700	-	237,500	-	752,600
Postage	1,300	10,700	-	4,100	-	16,100
Printing	400	5,900	-	400	-	6,700
Board expenses	5,000	-	-	-	-	5,000
Training and conferences	1,400	20,800	-	3,600	-	25,800
Telephone	17,500	82,000	-	18,100	-	117,600
Miscellaneous contractual	17,500	32,700	-	12,000	-	62,200
Insurance	5,400	16,900	-	4,100	-	26,400
Books and journals	4,100	15,200	-	3,800	-	23,100
Trustee	15,000	180,000	-	220,000	-	415,000
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	350,000	-	-	-	350,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	4,383,700	50,660,100	404,200,000	24,818,400	93,000,000	577,062,200
Increase (decrease)	(738,700)	(2,352,100)	(52,200,000)	(1,466,400)	(26,500,000)	(83,257,200)
Project grant revenues	-	-	245,000,000	-	50,000,000	295,000,000
Increase (decrease) in net position	(738,700)	(2,352,100)	192,800,000	(1,466,400)	23,500,000	211,742,800

NYS Environmental Facilities Corporation
Projected Number of Employees (filled positions)
 As of the payroll period ending December 2, 2015

<u>Funding Source</u>	<u>2015 - 16</u>	<u>2016 - 17</u>	<u>2017 - 18</u>	<u>2018 - 19</u>	<u>2019 - 20</u>	<u>Status</u>
Corporate Administration	12	11	11	11	11	Full Time
Clean Water SRF	70	76	76	76	76	Full Time
Drinking Water SRF	18	19	19	19	19	Full Time
Other Programs	4	5	5	5	5	Full Time
	104	111	111	111	111	
DEC Assignees	2	2	2	2	2	Full Time
	106	113	113	113	113	

NYS Environmental Facilities Corporation
Projected SRF Debt Outstanding

<u>Clean Water SRF</u>	<u>FYE 2016</u>	<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>	<u>FYE 2020</u>
Beginning Debt Outstanding	4,786,915,000	4,785,440,000	4,787,275,000	4,781,845,000	4,771,655,000
New Issues	249,000,000	249,000,000	249,000,000	249,000,000	249,000,000
Principal Payments	250,475,000	247,165,000	254,430,000	259,190,000	265,635,000
Ending Debt Outstanding	4,785,440,000	4,787,275,000	4,781,845,000	4,771,655,000	4,755,020,000

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	909,645,000	961,995,000	1,012,465,000	1,059,030,000	1,105,455,000
New Issues	117,000,000	117,000,000	117,000,000	117,000,000	117,000,000
Principal Payments	64,650,000	66,530,000	70,435,000	70,575,000	73,345,000
Ending Debt Outstanding	961,995,000	1,012,465,000	1,059,030,000	1,105,455,000	1,149,110,000

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

Totals

Beginning Debt Outstanding	5,696,560,000	5,747,435,000	5,799,740,000	5,840,875,000	5,877,110,000
New Issues	366,000,000	366,000,000	366,000,000	366,000,000	366,000,000
Principal Payments	315,125,000	313,695,000	324,865,000	329,765,000	338,980,000
Ending Debt Outstanding	5,747,435,000	5,799,740,000	5,840,875,000	5,877,110,000	5,904,130,000

NYS Environmental Facilities Corporation
Projected SRF Debt Service Payments

	<u>FYE 2016</u>	<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>	<u>FYE 2020</u>
<u>Clean Water SRF</u>					
Principal Payments on Debt Outstanding	250,475,000	244,165,000	247,430,000	248,190,000	250,635,000
Principal Payments on Projected Debt	-	3,000,000	7,000,000	11,000,000	15,000,000
Total Principal Payments	250,475,000	247,165,000	254,430,000	259,190,000	265,635,000
Interest Payments on Debt Outstanding	224,925,931	213,812,964	202,420,520	190,564,762	178,552,690
Interest Payments on Projected Debt	6,225,000	18,600,000	30,800,000	42,800,000	54,600,000
Total Interest Payments	231,150,931	232,412,964	233,220,520	233,364,762	233,152,690
Total Debt Service Payments	481,625,931	479,577,964	487,650,520	492,554,762	498,787,690
<u>Drinking Water SRF</u>					
Principal Payments on Debt Outstanding	64,650,000	65,530,000	67,435,000	65,575,000	66,345,000
Principal Payments on Projected Debt	-	1,000,000	3,000,000	5,000,000	7,000,000
Total Principal Payments	64,650,000	66,530,000	70,435,000	70,575,000	73,345,000
Interest Payments on Debt Outstanding	42,630,408	39,798,145	39,775,595	33,555,406	30,342,334
Interest Payments on Projected Debt	2,925,000	8,750,000	14,500,000	20,150,000	25,700,000
Total Interest Payments	45,555,408	48,548,145	54,275,595	53,705,406	56,042,334
Total Debt Service Payments	110,205,408	115,078,145	124,710,595	124,280,406	129,387,334
<u>Totals</u>					
Principal Payments on Debt Outstanding	315,125,000	309,695,000	314,865,000	313,765,000	316,980,000
Principal Payments on Projected Debt	-	4,000,000	10,000,000	16,000,000	22,000,000
Total Principal Payments	315,125,000	313,695,000	324,865,000	329,765,000	338,980,000
Interest Payments on Debt Outstanding	267,556,339	253,611,109	242,196,115	224,120,168	208,895,024
Interest Payments on Projected Debt	9,150,000	27,350,000	45,300,000	62,950,000	80,300,000
Total Interest Payments	276,706,339	280,961,109	287,496,115	287,070,168	289,195,024
Total Debt Service Payments	591,831,339	594,656,109	612,361,115	616,835,168	628,175,024

NOTES RELATING TO DEBT

EFC has entered into agreements with private sector companies to provide funds under the Industrial Financing Program 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, if available 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 2015 – 2016 Budget as presented in the Budget Reconciliation on page 8 indicate that EFC expects to decrease the amount of its revenues and its expenses that it will recognize in its current fiscal year. These revisions are expected to decrease EFC's net position by \$238,200. 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.



Sabrina M. Ty
President and CEO



Michael D. Malinoski
Controller and Director
of Corporate Operations