



**Environmental
Facilities Corporation**

ANDREW M. CUOMO
Governor

SABRINA M. TY
President and CEO

**NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION**

**2017 – 2018 FISCAL YEAR BUDGET
and FINANCIAL PLAN**

Table of Contents

	Page
Introduction	1 - 2
Budget Process and Timeline	3
Budgetary Assumptions	4 - 5
Budgetary Risks	6
Revised Forecast of Fiscal Year 2016 - 17 Budget	7
Fiscal Year 2016 - 17 Budget Reconciliation	8
Fiscal Year 2015 - 16 Actual vs Budgeted	9
Fiscal Year 2017 - 18 Budget	10
Fiscal Year 2018 - 19 Budget	11
Fiscal Year 2019 - 20 Budget	12
Fiscal Year 2020 - 21 Budget	13
Projected Number of Employees	14
Projected SRF Debt Outstanding	15
Projected SRF Debt Service Payments	16
Notes Relating to Debt	17
Other Items	18
Certification	19

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 portion of the Federal capitalization grant as well as fees charged to recipients of 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 has committed all of these funds to eligible projects and is currently working with communities to disburse these funds.

The New York State 2015-2016 budget created the Water Infrastructure Improvement Act of 2015 (NYS Water Grants). Amended in 2016, the budget provides \$400 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 has awarded the first two rounds of funding to eligible communities for this program.

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 November 16, 2016, EFC has 106 filled positions. This includes one staff person 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 - September Development of revenue and expense projections.
- October Preparation of the proposed EFC Draft Budget and Financial Plan.
- Posting on EFC's website of the proposed EFC Draft Budget and Financial Plan for public inspection by 10/18/16. 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.
- November 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 11/17/16. 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 11/24/16.
- December Submission of the approved EFC Budget and Financial Plan to other interested parties by 12/31/16.

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, 2017.

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 an unrealized gain or loss which will be reflected in EFC's final results of operation each year.

For Federal Fiscal Year 2017, capitalization grants to New York State (NYS) under the CWSRF are estimated to be 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 \$9.8 million for the administration of the CWSRF.

For Federal Fiscal Year 2017, capitalization grants to NYS under the DWSRF are estimated to be approximately \$45 million in Federal funds. Of the \$45 million, EFC and DOH plan to use \$7.2 million for the administration of the DWSRF and for 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 Federal and State government. These funds are used to provide eligible recipients with financial assistance (grants) under the Clean Vessel Assistance and NYS Water Grants 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, 2016, EFC's most recent valuation date, EFC had an unfunded liability of approximately \$56.1 million for Other Post Employment Benefits which will require that EFC recognize a net annual required contribution of approximately \$3.7 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.

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 November meeting.

NYS Environmental Facilities Corporation
Revised Forecast of 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	-	400,000
Administrative fees	486,000	15,000,000	-	1,250,000	-	16,736,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	120,000	9,500,000	-	1,596,000	-	11,216,000
Less transferred to DEC	-	(900,000)	-	-	-	(900,000)
Advisory service fees	250,000	-	-	-	-	250,000
Interest income on investments	2,000	100,000	72,500,000	25,000	8,200,000	80,827,000
Interest income on bonds	-	-	268,000,000	-	48,600,000	316,600,000
Interest income on direct financings	-	-	20,100,000	-	2,300,000	22,400,000
SRF indirect cost recoveries	1,500,000	(1,250,000)	-	(250,000)	-	-
State assistance payments revenue	500,000	15,000,000	-	10,000,000	-	25,500,000
Other revenues	802,000	-	-	-	-	802,000
Total revenues	3,660,000	33,150,000	360,600,000	13,021,000	59,100,000	469,531,000
 <u>Expenses</u>						
Interest subsidy provided	-	-	131,000,000	-	21,000,000	152,000,000
Interest expense on bonds payable	-	-	229,152,000	-	42,514,000	271,666,000
State assistance payments expense	500,000	15,000,000	-	10,000,000	-	25,500,000
Grants disbursed/Principal forgiveness	-	2,000,000	30,000,000	-	15,000,000	47,000,000
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	600,000	2,500,000	-	600,000	-	3,700,000
Supplies and materials	5,000	25,500	-	6,500	-	37,000
Travel	1,000	20,000	-	4,000	-	25,000
Equipment purchases and maintenance	38,600	150,900	-	34,500	-	224,000
Rent	63,900	460,100	-	115,000	-	639,000
Consultants	15,000	275,000	-	160,000	-	450,000
Postage	1,000	9,200	-	3,500	-	13,700
Printing	300	5,000	-	300	-	5,600
Board expenses	10,000	-	-	-	-	10,000
Training and conferences	1,000	6,000	-	3,000	-	10,000
Telephone	15,000	70,000	-	15,000	-	100,000
Miscellaneous contractual	15,100	28,200	320,000	10,400	-	373,700
Insurance	4,700	14,600	-	3,500	-	22,800
Books and journals	5,000	20,000	-	5,000	-	30,000
Trustee	25,000	125,000	-	150,000	-	300,000
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	3,546,000	-	-	-	3,546,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	3,653,600	37,488,500	390,472,000	14,434,700	78,514,000	524,562,800
 Increase (decrease)	 6,400	 (4,338,500)	 (29,872,000)	 (1,413,700)	 (19,414,000)	 (55,031,800)
Project grant revenues	-	-	180,000,000	-	45,000,000	225,000,000
 Increase (decrease) in net position	 6,400	 (4,338,500)	 150,128,000	 (1,413,700)	 25,586,000	 169,968,200

NYS Environmental Facilities Corporation
Fiscal Year 2016 - 17 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	16,742,000	(6,000)	16,736,000
Less transferred to DEC	(4,300,000)	-	(4,300,000)
Administrative grant revenues	11,350,000	(134,000)	11,216,000
Less transferred to DEC	(900,000)	-	(900,000)
Advisory service fees	400,000	(150,000)	250,000
Interest income on investments	77,012,000	3,815,000	80,827,000
Interest income on bonds	315,000,000	1,600,000	316,600,000
Interest income on direct financings	21,500,000	900,000	22,400,000
State assistance payments revenue	26,000,000	(500,000)	25,500,000
Other revenues	18,000	784,000	802,000
Total revenues	<u>463,222,000</u>	<u>6,309,000</u>	<u>469,531,000</u>
 <u>Expenses</u>			
Interest subsidy provided	152,000,000	-	152,000,000
Interest expense on bonds payable	281,000,000	(9,334,000)	271,666,000
State assistance payments expense	26,000,000	(500,000)	25,500,000
Grants disbursed/Principal forgiveness	57,000,000	(10,000,000)	47,000,000
Personal service costs	9,452,000	-	9,452,000
Fringe benefits	4,631,000	-	4,631,000
Other post employment benefits	3,800,000	(100,000)	3,700,000
Supplies and materials	37,000	-	37,000
Travel	30,000	(5,000)	25,000
Equipment purchases and maintenance	224,000	-	224,000
Rent	647,000	(8,000)	639,000
Consultants	650,000	(200,000)	450,000
Postage	13,700	-	13,700
Printing	5,600	-	5,600
Board expenses	5,000	5,000	10,000
Training and conferences	22,100	(12,100)	10,000
Telephone	101,600	(1,600)	100,000
Miscellaneous contractual	53,700	320,000	373,700
Insurance	22,800	-	22,800
Books and journals	19,800	10,200	30,000
Trustee	355,000	(55,000)	300,000
Reimbursable contractual	100,000	-	100,000
CWSRF admin expense account	590,000	2,956,000	3,546,000
NYS cost recovery fee	4,727,000	-	4,727,000
Total expenses	<u>541,487,300</u>	<u>(16,924,500)</u>	<u>524,562,800</u>
Increase (decrease)	(78,265,300)	23,233,500	(55,031,800)
Project grant revenues	270,000,000	(45,000,000)	225,000,000
Increase (decrease) in net position	<u>191,734,700</u>	<u>(21,766,500)</u>	<u>169,968,200</u>

NYS Environmental Facilities Corporation
Fiscal Year 2015 - 16 Actual vs Budgeted
 Summary

<u>Revenues</u>	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
Bond financing fees	424,707	400,000	24,707
Administrative fees	16,210,486	16,338,000	(127,514)
Less transferred to DEC	(3,500,000)	(3,500,000)	-
Administrative grant revenues	7,985,208	8,850,000	(864,792)
Less transferred to DEC	(883,997)	(900,000)	16,003
Advisory service fees	526,394	700,000	(173,606)
Interest income on investments	74,634,968	78,025,000	(3,390,032)
Interest income on bonds	297,289,784	315,000,000	(17,710,216)
Interest income on direct financings	20,234,628	21,500,000	(1,265,372)
State assistance payments revenue	392,177	1,000,000	(607,823)
Other revenues	28,316	18,000	10,316
Total revenues	<u>413,342,671</u>	<u>437,431,000</u>	<u>(24,088,329)</u>
 <u>Expenses</u>			
Interest subsidy provided	130,319,713	152,000,000	(21,680,287)
Interest expense on bonds payable	262,486,445	276,800,000	(14,313,555)
State assistance payments expense	392,177	1,000,000	(607,823)
Grants disbursed/Principal forgiveness	44,671,882	57,000,000	(12,328,118)
Personal service costs	8,378,527	9,476,000	(1,097,473)
Fringe benefits	3,646,691	4,643,000	(996,309)
Other post employment benefits	3,657,711	3,800,000	(142,289)
Supplies and materials	53,241	35,300	17,941
Travel	20,610	28,600	(7,990)
Equipment purchases and maintenance	197,112	213,400	(16,288)
Rent	627,880	628,000	(120)
Consultants	371,045	751,500	(380,455)
Postage	10,399	13,000	(2,601)
Printing	4,667	5,300	(633)
Board expenses	4,023	5,000	(977)
Training and conferences	5,498	21,000	(15,502)
Telephone	86,383	96,800	(10,417)
Miscellaneous contractual	74,401	51,200	23,201
Insurance	20,899	21,700	(801)
Books and journals	18,103	18,800	(697)
Trustee	196,005	334,600	(138,595)
Reimbursable contractual	82,450	100,000	(17,550)
CWSRF admin expense account	-	530,000	(530,000)
NYS cost recovery fee	4,727,000	4,727,000	-
Total expenses	<u>460,052,862</u>	<u>512,300,200</u>	<u>(52,247,338)</u>
Increase (decrease)	(46,710,191)	(74,869,200)	28,159,009
Project grant revenues	221,566,744	240,000,000	(18,433,256)
Increase (decrease) in net position	<u>174,856,553</u>	<u>165,130,800</u>	<u>9,725,753</u>

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>
<u>Revenues</u>						
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	410,000	15,250,000	-	1,250,000	-	16,910,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	120,000	9,700,000	-	1,600,000	-	11,420,000
Less transferred to DEC	-	(800,000)	-	-	-	(800,000)
Advisory service fees	250,000	-	-	-	-	250,000
Interest income on investments	2,000	100,000	72,600,000	25,000	8,300,000	81,027,000
Interest income on bonds	-	-	269,000,000	-	51,500,000	320,500,000
Interest income on direct financings	-	-	20,200,000	-	2,300,000	22,500,000
SRF indirect cost recoveries	2,000,000	(1,650,000)	-	(350,000)	-	-
State assistance payments revenue	500,000	30,000,000	-	30,000,000	-	60,500,000
Other revenues	19,000	-	-	-	-	19,000
Total revenues	3,301,000	48,300,000	361,800,000	32,925,000	62,100,000	508,426,000
<u>Expenses</u>						
Interest subsidy provided	-	-	132,000,000	-	21,000,000	153,000,000
Interest expense on bonds payable	-	-	230,201,000	-	45,384,000	275,585,000
State assistance payments expense	500,000	30,000,000	-	30,000,000	-	60,500,000
Grants disbursed/Principal forgiveness	-	2,000,000	30,000,000	-	15,000,000	47,000,000
Personal service costs	1,557,000	6,572,000	-	1,607,000	-	9,736,000
Fringe benefits	763,000	3,220,000	-	787,000	-	4,770,000
Other post employment benefits	600,000	2,500,000	-	600,000	-	3,700,000
Supplies and materials	5,100	26,300	-	6,700	-	38,100
Travel	1,000	20,600	-	4,100	-	25,700
Equipment purchases and maintenance	39,800	155,400	-	35,500	-	230,700
Rent	65,100	468,700	-	117,200	-	651,000
Consultants	15,000	275,000	-	160,000	-	450,000
Postage	1,000	9,500	-	3,600	-	14,100
Printing	300	5,200	-	300	-	5,800
Board expenses	10,300	-	-	-	-	10,300
Training and conferences	1,000	6,200	-	3,100	-	10,300
Telephone	15,400	72,100	-	15,500	-	103,000
Miscellaneous contractual	15,600	29,000	-	10,700	-	55,300
Insurance	4,800	15,100	-	3,600	-	23,500
Books and journals	5,100	20,600	-	5,200	-	30,900
Trustee	25,700	128,800	-	154,500	-	309,000
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	6,450,000	-	-	-	6,450,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	3,725,200	55,701,500	392,201,000	34,514,000	81,384,000	567,525,700
Increase (decrease)	(424,200)	(7,401,500)	(30,401,000)	(1,589,000)	(19,284,000)	(59,099,700)
Project grant revenues	-	-	215,000,000	-	52,000,000	267,000,000
Increase (decrease) in net position	(424,200)	(7,401,500)	184,599,000	(1,589,000)	32,716,000	207,900,300

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	327,000	15,500,000	-	1,300,000	-	17,127,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	120,000	9,800,000	-	1,600,000	-	11,520,000
Less transferred to DEC	-	(800,000)	-	-	-	(800,000)
Advisory service fees	250,000	-	-	-	-	250,000
Interest income on investments	2,000	100,000	72,700,000	25,000	8,400,000	81,227,000
Interest income on bonds	-	-	269,300,000	-	54,100,000	323,400,000
Interest income on direct financings	-	-	20,300,000	-	2,400,000	22,700,000
SRF indirect cost recoveries	2,000,000	(1,650,000)	-	(350,000)	-	-
State assistance payments revenue	500,000	50,000,000	-	50,000,000	-	100,500,000
Other revenues	19,000	-	-	-	-	19,000
Total revenues	3,218,000	68,650,000	362,300,000	52,975,000	64,900,000	552,043,000
Expenses						
Interest subsidy provided	-	-	133,000,000	-	21,000,000	154,000,000
Interest expense on bonds payable	-	-	230,486,000	-	47,962,000	278,448,000
State assistance payments expense	500,000	50,000,000	-	50,000,000	-	100,500,000
Grants disbursed/Principal forgiveness	-	2,000,000	15,000,000	-	15,000,000	32,000,000
Personal service costs	1,604,000	6,769,000	-	1,655,000	-	10,028,000
Fringe benefits	786,000	3,317,000	-	811,000	-	4,914,000
Other post employment benefits	600,000	2,500,000	-	600,000	-	3,700,000
Supplies and materials	5,300	27,100	-	6,900	-	39,300
Travel	1,000	21,200	-	4,200	-	26,400
Equipment purchases and maintenance	41,000	160,100	-	36,600	-	237,700
Rent	66,300	477,400	-	119,300	-	663,000
Consultants	15,000	275,000	-	160,000	-	450,000
Postage	1,000	9,800	-	3,700	-	14,500
Printing	300	5,400	-	400	-	6,100
Board expenses	10,600	-	-	-	-	10,600
Training and conferences	1,000	6,400	-	3,200	-	10,600
Telephone	15,900	74,300	-	16,000	-	106,200
Miscellaneous contractual	16,100	29,900	-	11,000	-	57,000
Insurance	4,900	15,600	-	3,700	-	24,200
Books and journals	5,300	21,200	-	5,400	-	31,900
Trustee	20,000	132,700	-	159,100	-	311,800
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	540,000	-	-	-	540,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	3,793,700	70,109,100	378,486,000	54,595,500	83,962,000	590,946,300
Increase (decrease)	(575,700)	(1,459,100)	(16,186,000)	(1,620,500)	(19,062,000)	(38,903,300)
Project grant revenues	-	-	240,000,000	-	52,000,000	292,000,000
Increase (decrease) in net position	(575,700)	(1,459,100)	223,814,000	(1,620,500)	32,938,000	253,096,700

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>
<u>Revenues</u>						
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	175,000	15,750,000	-	1,350,000	-	17,275,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	120,000	9,900,000	-	1,600,000	-	11,620,000
Less transferred to DEC	-	(800,000)	-	-	-	(800,000)
Advisory service fees	250,000	-	-	-	-	250,000
Interest income on investments	2,000	100,000	72,800,000	25,000	8,500,000	81,427,000
Interest income on bonds	-	-	269,100,000	-	56,500,000	325,600,000
Interest income on direct financings	-	-	20,400,000	-	2,500,000	22,900,000
SRF indirect cost recoveries	2,000,000	(1,650,000)	-	(350,000)	-	-
State assistance payments revenue	500,000	60,000,000	-	60,000,000	-	120,500,000
Other revenues	19,000	-	-	-	-	19,000
Total revenues	3,066,000	79,000,000	362,300,000	63,025,000	67,500,000	574,891,000
<u>Expenses</u>						
Interest subsidy provided	-	-	134,000,000	-	21,000,000	155,000,000
Interest expense on bonds payable	-	-	230,342,000	-	50,441,000	280,783,000
State assistance payments expense	500,000	60,000,000	-	60,000,000	-	120,500,000
Grants disbursed/Principal forgiveness	-	2,000,000	15,000,000	-	15,000,000	32,000,000
Personal service costs	1,652,000	6,972,000	-	1,705,000	-	10,329,000
Fringe benefits	809,000	3,416,000	-	835,000	-	5,060,000
Other post employment benefits	600,000	2,500,000	-	600,000	-	3,700,000
Supplies and materials	5,500	27,900	-	7,100	-	40,500
Travel	1,000	21,800	-	4,300	-	27,100
Equipment purchases and maintenance	42,200	164,900	-	37,700	-	244,800
Rent	67,500	486,000	-	121,500	-	675,000
Consultants	15,000	275,000	-	160,000	-	450,000
Postage	1,000	10,100	-	3,800	-	14,900
Printing	300	5,600	-	400	-	6,300
Board expenses	10,900	-	-	-	-	10,900
Training and conferences	1,000	6,600	-	3,300	-	10,900
Telephone	16,400	76,500	-	16,500	-	109,400
Miscellaneous contractual	16,600	30,800	-	11,300	-	58,700
Insurance	5,000	16,100	-	3,800	-	24,900
Books and journals	5,500	21,800	-	5,600	-	32,900
Trustee	20,000	136,700	-	163,900	-	320,600
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	330,000	-	-	-	330,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	3,868,900	80,224,800	379,342,000	64,679,200	86,441,000	614,555,900
Increase (decrease)	(802,900)	(1,224,800)	(17,042,000)	(1,654,200)	(18,941,000)	(39,664,900)
Project grant revenues	-	-	240,000,000	-	52,000,000	292,000,000
Increase (decrease) in net position	(802,900)	(1,224,800)	222,958,000	(1,654,200)	33,059,000	252,335,100

NYS Environmental Facilities Corporation
Fiscal Year 2020 - 21 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>
<u>Revenues</u>						
Bond financing fees	-	-	-	400,000	-	400,000
Administrative fees	175,000	16,000,000	-	1,400,000	-	17,575,000
Less transferred to DEC	-	(4,300,000)	-	-	-	(4,300,000)
Administrative grant revenues	120,000	9,900,000	-	1,600,000	-	11,620,000
Less transferred to DEC	-	(800,000)	-	-	-	(800,000)
Advisory service fees	250,000	-	-	-	-	250,000
Interest income on investments	2,000	100,000	72,900,000	25,000	8,600,000	81,627,000
Interest income on bonds	-	-	268,700,000	-	58,900,000	327,600,000
Interest income on direct financings	-	-	20,500,000	-	2,600,000	23,100,000
SRF indirect cost recoveries	2,000,000	(1,650,000)	-	(350,000)	-	-
State assistance payments revenue	500,000	51,000,000	-	44,000,000	-	95,500,000
Other revenues	19,000	-	-	-	-	19,000
Total revenues	3,066,000	70,250,000	362,100,000	47,075,000	70,100,000	552,591,000
<u>Expenses</u>						
Interest subsidy provided	-	-	135,000,000	-	21,000,000	156,000,000
Interest expense on bonds payable	-	-	229,870,000	-	52,797,000	282,667,000
State assistance payments expense	500,000	51,000,000	-	44,000,000	-	95,500,000
Grants disbursed/Principal forgiveness	-	2,000,000	15,000,000	-	15,000,000	32,000,000
Personal service costs	1,702,000	7,181,000	-	1,756,000	-	10,639,000
Fringe benefits	834,000	3,519,000	-	860,000	-	5,213,000
Other post employment benefits	600,000	2,500,000	-	600,000	-	3,700,000
Supplies and materials	5,700	28,700	-	7,300	-	41,700
Travel	1,000	22,500	-	4,400	-	27,900
Equipment purchases and maintenance	43,500	169,800	-	38,800	-	252,100
Rent	68,800	495,400	-	123,800	-	688,000
Consultants	15,000	275,000	-	160,000	-	450,000
Postage	1,000	10,400	-	3,900	-	15,300
Printing	300	5,800	-	400	-	6,500
Board expenses	11,200	-	-	-	-	11,200
Training and conferences	1,000	6,800	-	3,400	-	11,200
Telephone	16,900	78,800	-	17,000	-	112,700
Miscellaneous contractual	17,100	31,700	-	11,600	-	60,400
Insurance	5,100	16,600	-	3,900	-	25,600
Books and journals	5,700	22,500	-	5,800	-	34,000
Trustee	15,000	140,800	-	168,800	-	324,600
Reimbursable contractual	100,000	-	-	-	-	100,000
CWSRF admin expense account	-	330,000	-	-	-	330,000
NYS cost recovery fee	-	3,727,000	-	1,000,000	-	4,727,000
Total expenses	3,943,300	71,561,800	379,870,000	48,765,100	88,797,000	592,937,200
Increase (decrease)	(877,300)	(1,311,800)	(17,770,000)	(1,690,100)	(18,697,000)	(40,346,200)
Project grant revenues	-	-	240,000,000	-	52,000,000	292,000,000
Increase (decrease) in net position	(877,300)	(1,311,800)	222,230,000	(1,690,100)	33,303,000	251,653,800

NYS Environmental Facilities Corporation
Projected Number of Employees (filled positions)
 As of the payroll period ending November 16, 2016

<u>Funding Source</u>	<u>2016 - 17</u>	<u>2017 - 18</u>	<u>2018 - 19</u>	<u>2019 - 20</u>	<u>2020 - 21</u>	<u>Status</u>
Corporate Administration	10	12	12	12	12	Full Time
Clean Water SRF	74	78	78	78	78	Full Time
Drinking Water SRF	17	17	17	17	17	Full Time
Other Programs	4	4	4	4	4	Full Time
	105	111	111	111	111	
DEC Assignees	1	1	1	1	1	Full Time
	106	112	112	112	112	

NYS Environmental Facilities Corporation
Projected SRF Debt Outstanding

<u>Clean Water SRF</u>	<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>
Beginning Debt Outstanding	4,754,695,000	4,752,710,000	4,744,975,000	4,732,480,000	4,713,565,000
New Issues	249,000,000	249,000,000	249,000,000	249,000,000	249,000,000
Principal Payments	250,985,000	256,735,000	261,495,000	267,915,000	270,195,000
Ending Debt Outstanding	4,752,710,000	4,744,975,000	4,732,480,000	4,713,565,000	4,692,370,000

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	845,160,000	896,710,000	945,470,000	990,130,000	1,036,060,000
New Issues	117,000,000	117,000,000	117,000,000	117,000,000	117,000,000
Principal Payments	65,450,000	68,240,000	72,340,000	71,070,000	71,635,000
Ending Debt Outstanding	896,710,000	945,470,000	990,130,000	1,036,060,000	1,081,425,000

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

Totals

Beginning Debt Outstanding	5,599,855,000	5,649,420,000	5,690,445,000	5,722,610,000	5,749,625,000
New Issues	366,000,000	366,000,000	366,000,000	366,000,000	366,000,000
Principal Payments	316,435,000	324,975,000	333,835,000	338,985,000	341,830,000
Ending Debt Outstanding	5,649,420,000	5,690,445,000	5,722,610,000	5,749,625,000	5,773,795,000

NYS Environmental Facilities Corporation
Projected SRF Debt Service Payments

<u>Clean Water SRF</u>	<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>
Principal Payments on Debt Outstanding	250,985,000	253,735,000	254,495,000	256,915,000	255,195,000
Principal Payments on Projected Debt	-	3,000,000	7,000,000	11,000,000	15,000,000
Total Principal Payments	250,985,000	256,735,000	261,495,000	267,915,000	270,195,000
Interest Payments on Debt Outstanding	222,927,224	211,601,174	199,685,819	187,541,955	175,270,194
Interest Payments on Projected Debt	6,225,000	18,600,000	30,800,000	42,800,000	54,600,000
Total Interest Payments	229,152,224	230,201,174	230,485,819	230,341,955	229,870,194
Total Debt Service Payments	480,137,224	486,936,174	491,980,819	498,256,955	500,065,194
<u>Drinking Water SRF</u>					
Principal Payments on Debt Outstanding	65,450,000	67,240,000	69,340,000	66,070,000	64,635,000
Principal Payments on Projected Debt	-	1,000,000	3,000,000	5,000,000	7,000,000
Total Principal Payments	65,450,000	68,240,000	72,340,000	71,070,000	71,635,000
Interest Payments on Debt Outstanding	39,589,351	36,634,076	33,461,599	30,291,190	27,097,291
Interest Payments on Projected Debt	2,925,000	8,750,000	14,500,000	20,150,000	25,700,000
Total Interest Payments	42,514,351	45,384,076	47,961,599	50,441,190	52,797,291
Total Debt Service Payments	107,964,351	113,624,076	120,301,599	121,511,190	124,432,291
<u>Totals</u>					
Principal Payments on Debt Outstanding	316,435,000	320,975,000	323,835,000	322,985,000	319,830,000
Principal Payments on Projected Debt	-	4,000,000	10,000,000	16,000,000	22,000,000
Total Principal Payments	316,435,000	324,975,000	333,835,000	338,985,000	341,830,000
Interest Payments on Debt Outstanding	262,516,575	248,235,250	233,147,418	217,833,145	202,367,485
Interest Payments on Projected Debt	9,150,000	27,350,000	45,300,000	62,950,000	80,300,000
Total Interest Payments	271,666,575	275,585,250	278,447,418	280,783,145	282,667,485
Total Debt Service Payments	588,101,575	600,560,250	612,282,418	619,768,145	624,497,485

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 2016 – 2017 Budget as presented in the Budget Reconciliation on page 8 indicate that EFC expects to increase the amount of its revenues, decrease the amount of its expenses, and decrease the amount of its project grant revenues that it will recognize in its current fiscal year. These revisions are expected to decrease EFC's overall net position. There have been no other significant changes or modifications to the current year's budget.

During the Fiscal Year 2016 – 2017 EFC received \$783,640 as its share from being a participant in a Municipal Derivatives Anti-Trust Litigation Matter against certain major US banks. This amount is included in the \$802,000 in the line item Other revenues which appears on page 7. This amount is not expected to reoccur in future years.

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