OFFICE OF THE STATE COMPTROLLER

ANNUAL PUBLIC AUTHORITY
BUDGET AND FINANCIAL PLAN REQUEST
2016

Legal Authority: "Budget and Financial Plan Format, Supporting Documentation and Monitoring – Public Authorities" (2 NYCRR, Part 203)

PUBLIC AUTORITY NAME & ADDRESS: Municipal Assistance Corporation for the City of Troy
123 William Street – 23rd Floor
New York, New York 10038

BOARD APPROVAL DATE: March 16, 2015

FISCAL YEAR START DATE: January 1

PREPARED BY: Jeffrey Sommer

TITLE: Executive Director

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SIGNATURE:

DATE: December 16, 2015

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF TROY

ANNUAL PUBLIC AUTHORITY

BUDGET AND FINANCIAL PLAN

2016 – 2019

A) Relationship with unit of government on whose behalf the Authority was established.

The Municipal Assistance Corporation for the City of Troy is a corporate governmental agency and instrumentality of the State of New York, constituting a public benefit corporation. The Corporation was created by State legislation on June 19, 1995, under Titles I, II, IV of Article 10 of The Public Authorities Law of the State (Act). Titles may be amended from time to time for purposes of providing financing assistance and fiscal oversight of The City of Troy, New York (City).

The Act provides that the Corporation shall continue for a term of one year after all its liabilities have been paid and fully discharged.

The act authorized the Corporation to provide financing assistance by issuing bonds and notes for specified purposes in an aggregate principal amount up to $71 million. The Act further authorizes the Corporation to issue up to $2 million of notes to fund City operating expenses. The principal amount of bonds and notes issued to pay costs of issuance, to fund reserve funds, and to refund outstanding bonds do not count against the Act's dollar limits. Through December 31, 2015, the Corporation issued approximately $68 million of bonds and notes that count toward the $71 million limit.

B) Description of budget process.

The Corporation's budget is approved by the Board of Directors for each fiscal year. Management controls are in place to ensure that authorizations to expend monies are consistent with the approved budget. The Corporation monitors its expenses periodically and reviews actual expenses versus projections for the period. The Corporation's quarterly certification process requires a review of anticipated expenses and revenue requirements. The review ensures that the Corporation will meet both operating and debt service expenses for the year.

C) Description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining costs, and programmatic goals.

The Corporation will incur Operating Fund expenses and Debt Service Fund expenses and will meet those expenses through Certifications to the State. It funds its debt service requirements and operating fund expenses primarily from the City's share of certain sales taxes imposed by Rensselaer County (the "County") and from State aid payments designated for the City. During

the fiscal year ending December 31, 2016, the Corporation will certify for sales tax in an amount of approximately $6.05 million. Other sources of revenue will consist of investment income.

The New York State Financial Control Board personnel along with an accounting consultant provide all administrative services including procurement and the preparation of the financial statements on behalf of the Municipal Assistance Corporation for the City of Troy. The Financial Control Board staff that is responsible for administrative services to the Corporation consists of management confidential employees.

The Corporation is required to reimburse the City of New York for services provided to the Municipal Assistance Corporation for the City of Troy.

An Annual budget for the fiscal year(s) 2015– 2016 was approved by the Board of Director's on March 16, 2015.

D) Provide a self-assessment of budgetary risks.

Sales tax certification and investment income are the primary source of revenues to the Corporation.

The Corporation periodically certifies to the State the amount of sales tax it requires, and the State Comptroller disburses to the Corporation the amounts it has certified. Collections of sales taxes in excess of the Corporation's needs are paid to the City.

Operating expenses are expected to remain consistent with prior-year expenses and debt service will be paid in accordance with the schedule provided. Debt service expenses and operating expenses will be met through certifications to the state and earnings on investments.

E) Revised forecast of current year's budget.

See accompanying Budget and Financial Plan for Fiscal Years 2015 – 2019 as Attachment #1.

F) Reconciliation that identifies all change estimates from the projections in previously approved budget plan.

See accompanying statement (Attachment #1).

G) Statement of last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan.

See accompanying statement (Attachment #1).

H) Projection of the number of employees, including sources of funding, the number of full-time and full-time equivalents and functional classifications.

N/A

I) Statement of each revenue enhancement and cost reduction initiative that represents a component of any gap-closing program and the annual impact on revenues and staffing.

NONE

J) Statement of sources and amount of any material non-recurring resource that is planned for use in any given fiscal year.

NONE

K) Statement of any transactions that shift material resources from one year to another and the amount of any reserves.

NONE

L) Statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan use for purpose of debt issuance; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues; listed by type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met.

See accompanying Attachment #2.

M) Statement of annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects that, when placed into service are expected to have a material impact on the operating budget.

N/A

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF TROY Attachment #1

FINANCIAL PLAN FOR FYs 2015-19

And Actual Revenues and Expenditures for FY 2014

adopted 3/16/2015

	FY 2014 Actual	FY 2015 Plan	FY 2016 Plan	FY 2017 Plan	FY 2018 Plan	FY 2019 Plan
Revenues						
Investment earnings	$ 181,815	$ 180,000	$ 180,000	$ 180,000	$ 180,000	$ 180,000
Sales tax revenues (1)	5,837,890	5,986,262	6,052,840	6,320,388	6,444,689	6,543,588
Total Revenues	$ 6,019,705	$ 6,166,262	$ 6,232,840	$ 6,500,388	$ 6,624,689	$ 6,723,588
Use of prior-year surplus	$ 8,000	$ -	$ -	$ -	$ -	$ -
Revenues and Other Sources	**$ 6,027,705**	**$ 6,166,262**	**$ 6,232,840**	**$ 6,500,388**	**$ 6,624,689**	**$ 6,723,588**
Expenditures						
Debt Administration						
Trustee services	$ 5,045	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000
Bond counsel	3,491	3,000	3,000	3,000	3,000	3,000
Arbitrage rebate services	-	4,500	3,750	-	-	-
Total Debt Administration	$ 8,536	$ 13,500	$ 12,750	$ 9,000	$ 9,000	$ 9,000
General Administration						
Accounting services	$ 15,801	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000
Reimbursement Financial Control Board	10,813	12,000	12,000	12,000	12,000	12,000
Professional consulting services	8,350	8,500	8,500	8,500	8,500	8,500
Software licensing fees	353	500	500	500	500	500
Computer services	-	-	-	-	-	-
Total General Administration	$ 35,317	$ 37,000	$ 37,000	$ 37,000	$ 37,000	$ 37,000
Total Operating Expenses	$ 43,853	$ 50,500	$ 49,750	$ 46,000	$ 46,000	$ 46,000
Debt Service						
Principal payment on bonds	$ 5,150,000	$ 5,485,000	$ 5,565,000	$ 6,010,000	$ 6,070,000	$ 6,860,000
Interest payment on bonds	535,397	458,660	368,633	279,320	191,363	105,207
Arbitrage Rebate Liability (2)	-	-	18,000	-	-	-
Debt service fund retention (release) (3)	298,808	172,102	231,457	165,068	317,326	(287,619)
Total Debt service	$ 5,984,205	$ 6,115,762	$ 6,183,090	$ 6,454,388	$ 6,578,689	$ 6,677,588
Total Expenditures	**$ 6,028,058**	**$ 6,166,262**	**$ 6,232,840**	**$ 6,500,388**	**$ 6,624,689**	**$ 6,723,588**
Excess (deficiency) of revenues over expenditures	$ (353)	$ -	$ -	$ -	$ -	$ -

NOTES

(1) Includes certification amounts to pay operating expenses and debt service costs, less applied prior-year surplus funds. Beginning in 2012, the timing for receipt of certification was deferred from December to January to reduce the number of days before the funds are applied to pay debt service.

(2) Arbitrage rebate liability accrues and is paid every five years from the debt service reserve fund.

(3) Certification residuals are retained to pay debt service in subsequent years.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF TROY
BUDGET AND FINANCIAL PLAN
FY 2016 - FY 2019

	2016	2017	2018	2019
Debt outstanding at end of FY (with CABs at maturity value)	$ 32,735,000	$26,725,000	$ 20,655,000	$ 13,795,000
Debt service payments	$ 5,933,633	$6,289,320	$ 6,261,363	$ 6,965,207
1996 B & C debt service as a % of pledged revenues*	11.9%	13.1%	14.3%	16.8%
EFC debt service as a % of pledged revenues*	1.2%	1.2%	1.2%	1.2%
2010 Series A debt service as a % of pledged revenues*	8.2%	8.3%	7.0%	7.0%
Debt service as a percentage of of pledged revenues*	21.3%	22.6%	22.5%	25.0%

***Pledged revenues**	2016	2017	2018	2019
Sales tax and state aid allocable to the City	$27,862,629	$27,862,629	$27,862,629	$27,862,629