

**Report of Actual Revenues and Expenditures Compared to Budget
Pursuant to Section 203.8(b) of Regulation 2 NYCRR Part 203
For the Fiscal Year Ended March 31, 2018**

The following table summarizes actual revenues and expenses, as reported in the Statement of Activities, for the fiscal year ended March 31, 2018, in comparison to amounts included in the final budget approved by NYSERDA's Board:

(Amounts in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Revenues:				
State appropriations	\$24,640	29,769	(5,129)	-17.2%
Utility surcharge assessments	77,939	351,192	(273,253)	-77.8%
Zero-emission credit assessments	469,963	483,451	(13,488)	-2.8%
Allowance proceeds	79,224	90,424	(11,200)	-12.4%
Third-party reimbursements	14,844	20,607	(5,763)	-28.0%
Federal grants	18,154	21,597	(3,443)	-15.9%
Interest subsidy	465	465	-	0.0%
Project repayments	281	384	(103)	-26.8%
Rentals from leases	1,203	1,131	72	6.4%
Fees and other income	3,355	3,770	(415)	-11.0%
Loans and financing receivables interest	22,823	21,619	1,204	5.6%
Investment income	7,276	4,093	3,183	77.8%
Total revenues	720,167	1,028,502	(308,335)	-30.0%
Expenses:				
Salaries and benefits	52,565	52,170	395	0.8%
Program expenditures	1,005,083	1,217,112	(212,029)	-17.4%
Investment related expenses	435	910	(475)	-52.2%
Program operating costs	3,502	6,187	(2,685)	-43.4%
General & administrative expenses	9,384	12,770	(3,386)	-26.5%
Depreciation	2,456	2,786	(330)	-11.8%
NY State assessments	12,554	12,554	-	0.0%
Interest	3,758	3,808	(50)	-1.3%
Total expenses	1,089,737	1,308,297	(218,560)	-16.7%
Excess revenues/(expenses)	(369,570)	(279,795)	(89,775)	32.1%
Transfers	-	-	-	-
Net position, beginning of year	1,237,656	1,237,656	-	0.0%
Net position, end of year				
Net investments in capital assets	17,394	19,357	(1,963)	-10.1%
Restricted for specific programs	847,219	935,490	(88,271)	-9.4%
Unrestricted	3,473	3,014	459	15.2%
Total net position, end of year	\$868,086	957,861	(89,775)	-9.4%

Total revenues were approximately \$308.3 million (30.0%) below Budget. With regard to significant revenue fluctuations, State appropriation revenues were less than budgeted principally due to the level of reimbursable expenditures for certain programs funded through State re-appropriations. Utility surcharge assessments were less than budgeted principally due to lower than expected program expenditures in the CEF, NY-Sun, RPS and EEPS programs, as well as a lower amount of new commitments made by NY Green Bank than anticipated. Zero-emission credit (ZEC) assessments were less than budget principally due to revision of ZEC payments due from one Load Serving Entity. Allowance auction proceeds were less

than budget due to lower clearing prices for allowances sold than had been estimated in the budget. Third-party reimbursements were less than budget primarily due to the level of reimbursable expenditures for the Con Edison Indian Point Energy Center Reliability Contingency program being less than anticipated in the budget, coupled with the advance payment mechanism under which this program is funded. Interest on loans was over budget principally due to outstanding deployed capital of NY Green Bank exceeding expectations, and from higher than projected interest rates on the deployed capital, and to a lesser extent due to additional loans outstanding in the Green Jobs-Green New York program. Investment income was higher than budget due to both higher than anticipated yields and larger than expected balances of investments held, the latter primarily due to program expenditures being less than budgeted.

Total expenses were approximately \$218.6 million (16.7%) below budget. With regard to significant expense fluctuations, Salaries and benefits were slightly higher than anticipated principally due to budgetary assumptions of filled/vacant positions. Program expenditures were less than budgeted primarily due to the level of expenditures for CEF, NY-Sun, Renewable Portfolio Standard, and Energy Efficiency Portfolio Standard programs being lower than anticipated in the budget. Investment related expenses reflect the majority of these costs being paid directly by counterparties while the budget assumed the majority would be borne by NY Green Bank. Program operating costs were less than anticipated primarily due to certain software license costs being charged to Program Expenditures rather than Program Operating Costs as initially budgeted. General & administrative (G&A) costs were less than budgeted as a result of certain Information Technology costs being charged to program expenditures rather than G&A as initially budgeted.