Fiscal Year 2007
Annual Report of the Comptroller on Capital Debt and Obligations

The City of New York
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William C. Thompson, Jr., Comptroller

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Executive Summary

Debt is issued by the City of New York (the "City"), or on behalf of the City, through a number of different mechanisms. This report assesses the debt condition of the City of New York in accordance with Section 232 of the City Charter. The Charter requires the Comptroller to report the amount of debt the City may incur for capital projects during the current fiscal year and each of the three succeeding fiscal years.

New York City's general debt limit, as provided in the New York State Constitution, is 10 percent of the five-year rolling average of the full value of taxable City real property. The City's FY 2007 general debt-incurring power of $53.34 billion is projected to rise to $59.8 billion in FY 2008, $63.43 billion in FY 2009, and $65.15 billion in FY 2010.

The City's General Obligation (GO) debt was $35.07 billion at the beginning of FY 2007. After including contract and other liability and adjusting for appropriations, the City's indebtedness that is counted toward the debt limit totaled $39.71 billion at the beginning of FY 2007, as shown in the Debt-Incurring Power table (on page iv). The City's indebtedness is expected to grow to $55.04 billion by the beginning of FY 2010.

New York City has the largest population of any city in the U.S., and it is obligated to maintain a complex and aging infrastructure. The City bears responsibilities for more school buildings, firehouses, health facilities, community colleges, roads, bridges, libraries, and police precincts than any other municipality in the country. Capital bond proceeds are used for the construction and rehabilitation of these facilities. Bond proceeds are also used for financing shorter-lived capital items such as comprehensive computer systems.

In addition to GO bonds, the City maintains several additional credits, including bonds issued by the New York City Transitional Finance Authority (NYCTFA) and TSASC, Inc. The debt-incurring capacities of NYCTFA and TSASC total $17.3 billion of which $12.8 billion has been utilized to finance the City's capital program. Also included in the $17.3 billion capacity is $2.0 billion of recovery bonds issued for general fund expenses in the aftermath of the World Trade Center disaster. After adjusting for the benefit of the remaining NYCTFA debt-incurring power, the City was below its general debt limit by $13.62 billion on July 1, 2006 and is projected to have remaining debt-incurring capacity of $15.79 billion on July 1, 2007, $14.17 billion on July 1, 2008, and $12.11 billion on July 1, 2009.

Debt per capita, which amounted to $2,490 in FY 1990 and grew to $6,801 by FY 2006, an increase of 173 percent. Over the same period, the cumulative growth rate in debt per capita exceeded the rate of inflation by 112 percentage points and the growth rate of City tax revenues by 45 percentage points. Based on an analysis of financial statements released by other jurisdictions, New York City leads a sample of large U.S. cities in debt burden per capita by a margin of 2.5 to one.

The City continues to have good access to the public credit markets. The City's credit ratings are A1 by Moody's Investor Service, AA- by Standard & Poor's, and A+ by Fitch Ratings.

NYC Debt-Incurring Power

($ in millions)

	July 1, 2006	July 1, 2007 [a]	July 1, 2008	July 1, 2009
Gross Statutory Debt-Incurring Power	**$53,336**	**$59,803**	**$63,430**	**$65,154**
Actual Bonds Outstanding as of June 30 (net) [b]	35,073	33,480	31,744	29,954
Plus New Capital Commitments				
FY 2007 [c]		8,041	8,041	8,041
FY 2008			7,036	7,036
FY 2009				5,560
Less: Appropriation	(1,597)	(1,746)	(1,801)	(1,788)
Subtotal: Net Funded Debt Against the Limit	**33,476**	**39,775**	**45,020**	**48,803**
Plus: Contract and Other Liability	6,239	6,239	6,239	6,239
Subtotal: Total Indebtedness Against the Limit	**39,715**	**46,014**	**51,259**	**55,042**
Remaining Debt-Incurring Power within the General Debt Limit	**13,621**	**13,789**	**12,171**	**10,112**
Total Authorized TFA Debt-Incurring Power	11,500	13,500	13,500	13,500
Less: TFA Bonds Issued to Date for Contract Liability	11,500	11,500	11,500	11,500
Remaining Authorized TFA Debt Incurring Power[d]	**0**	**2,000**	**2,000**	**2,000**
Remaining TSASC Debt-Incurring Power[f]	**0**	**0**	**0**	**0**
Remaining Debt-Incurring Power within General Limit, TFA Capacity, and TSASC Capacity[e]	**$13,621**	**$15,789**	**$14,171**	**$12,112**

[a] FY 2008 debt limit figure is based on the use of the State Office of Real Property Services' estimated special equalization ratio. FYs 2009 and 2010 are based on the NYC Comptroller's Office forecast of full market value by property class.
[b] Net adjusted for Original Issue Discount, Capital Appreciation Bonds, GO bonds issued for the water and sewer system, and Business Improvement District debt. $35.844 billion from Table 1 minus $771 million of the aforementioned adjustments equals $35.073 billion.
[c] Reflects Capital Commitments as of the FY 2007 Adopted Budget Commitment Plan (issued in September 2006) and includes cost of issuance and certain Inter-Fund Agreements.
[d] Reflects NYCTFA's general debt-incurring capacity, does not include $9.4 billion of education Building Aid Revenue Bonds authorization in April 2006.
[e] The Debt Affordability Statement released by the City in May, 2006 presents data for the last day of each fiscal year, June 30, instead of the first day of each fiscal year, July 1, as reflected in this table. The City's Debt Affordability Statement forecasts that indebtedness will be below the General debt limit by $4.48 billion *at the end of* FY 2006.
[f] TSASC debt is not limited by statute. However, at this time, TSASC does not intend to issue any additional debt.
SOURCE: NYC Comptroller's Office and the NYC Office of Management & Budget.

I. Profile of New York City Debt

Debt is issued by New York City, or on behalf of New York City, through a number of different mechanisms. This debt (Gross NYC Debt) is used to finance the City's capital projects. Gross NYC Debt rose by 8.2 percent between FY 2005 and FY 2006.[1] In the 1980s, Gross NYC Debt grew at an average annual rate of 4.5 percent. During the 1990s, Gross NYC Debt increased by 6.4 percent annually. The substantial increase during the 1990s resulted mainly from the rehabilitation of facilities that were neglected during the 1970s fiscal crisis. The FY 2007 Adopted Budget and Financial Plan projects that over the next four years, Gross NYC Debt will increase by 6.8 percent annually, reflecting the growth in the education capital program.[2]

A. COMPOSITION OF DEBT

Debt used by the City to finance its capital program can be divided into five categories with General Obligation (GO) bonds accounting for 65 percent of the total as shown in Table 1. The City's debt is comprised of both tax-exempt and taxable bonds. Tax-exempt debt is issued to finance projects that have a public purpose, while taxable debt is issued for projects that have a public purpose but are ineligible for Federal, State or City tax exemptions such as housing loan programs that benefit from Federal tax credits.

Table 1. Gross NYC Debt Outstanding as of June 30, 2006

($ in millions)

	GO Bonds	NYCTFA	TSASC	STAR Corporation	Capital Lease Obligation[a]	Gross Debt Outstanding
Tax-Exempt						
Fixed Rate	$27,883	$9,210	$1,334	$1,869	$1,455	$41,751
Variable Rate[b]	6,144	2,645[c]	0	0	576	9,365
Subtotal	$34,027	$11,855	$1,334	1,869	$2,031	$51,116
Taxable						
Fixed Rate	$1,173	$201	$0	$601	$1,343	$3,318
Variable Rate[b]	644	177	0	0	0	821
Subtotal	$1,817	$378	$0	$601	$1,343	$4,139
Total	**$35,844**	**$12,233**	**$1,334**	**$2,470**	**$3,374**	**$55,255**
Percent of Total	**64.9%**	**22.1%**	**2.4%**	**4.5%**	**6.1%**	**100.0%**

[a] This figure includes $743 million in Jay Street Development Corporation debt.
[b] Variable rate debt varies in term from two to 30 years with interest-payment terms that are reset on a daily, weekly, or other periodic basis.
[c] The New York City Transitional Finance Authority (NYCTFA) figure includes $1.84 billion of Recovery Bonds.
SOURCE: Comprehensive Annual Financial Report of the Comptroller, FY 2006, p.294.

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[1] This information is presented on p. 294 of the Office of the NYC Comptroller's *Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2006* that was released on October 31, 2006.
[2] GO, TSASC, and NYCTFA debt are used as a proxy for estimated growth rate, due to the unavailability of data about future lease-purchase debt issuance.

Tax-exempt debt accounted for 92.5 percent of the total value of debt outstanding at the end of FY 2006. Fixed-rate tax-exempt debt accounted for 81.7 percent of tax-exempt debt and 75.6 percent of total debt. Tax-exempt and taxable variable rate debt comprised 18.4 percent of gross debt outstanding.

Elements of Outstanding Gross NYC Debt

1. *General Obligation (GO)* debt, which is backed by the full faith and credit of the City, totaled $35.844 billion as of June 30, 2006 and accounted for 64.9 percent of total debt outstanding. Compared with FY 2005, GO debt increased $1.94 billion, or 5.7 percent.[3] Debt service for GO bonds is paid from the proceeds of real property taxes which are deposited with and retained by the State Comptroller under a statutory formula for the payment of debt service. This "lock-box" mechanism assures that debt-service obligations are satisfied before property taxes are released to the City's general fund. This feature is viewed positively by the investor community.

2. *New York City Transitional Finance Authority (NYCTFA)* debt totaled $12.23 billion at the end of FY 2006. This is a 5.7 percent decrease, or $744 million decrease from FY 2005. The NYCTFA's share of Gross NYC Debt outstanding decreased to 22.1 percent in FY 2006 from 23.9 percent in FY 2005.

   The NYCTFA was created as a State authority. Therefore, its debt is not included in debt outstanding charged against the City's general debt limit.[4] In July 2006, the State Legislature increased NYCTFA debt capacity by $2 billion from $11.5 billion to $13.5 billion for general capital purposes. In October 2006, $800 million of general purpose NYCTFA bonds were issued. In November 2006, $650 million of Bond Anticipation Notes (BANs) were issued under this authorization.

   Building Aid Revenue Bonds (BARBs) In April 2006, the State legislature authorized the NYCTFA to issue up to $9.4 billion of debt to fund the City's education capital program. This debt is supported by State Education aid for building aid purposes and is outside the $13.5 billion regular NYCTFA limit. Approximately $4.8 billion of bonds will be supported by State building aid payments, with the remainder of the authorization available for refunding of existing NYCTFA or GO bonds formerly issued for education purposes. In addition to this NYCTA authorized portion, $1.8 billion of bonds for education purposes were authorized to be issued by the Dormitory Authority of the State of New York (DASNY) backed by State personal income tax revenues.

3. *TSASC, Inc. (TSASC)* debt totaled $1.33 billion as of June 30, 2006. This represents a modest increase of $51 million from FY 2005 levels due to debt restructuring.[5] TSASC is a local development corporation organized under New York State's Not-for-Profit Corporation Law. TSASC bonds are secured by tobacco settlement revenues as described in the Master

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[3] FY 2005 figure is from the *FY 2005 Annual Report of the Comptroller on Capital Debt and Obligations*, December 2005.
[4] The debt limit is discussed in further detail in Section II.
[5] Increase represents the issuance of TSASC refunding bonds.

Settlement Agreement among 46 states, six jurisdictions, and the major tobacco companies. In February 2006, TSASC refinanced all bonds issued under its original indenture.[6] The new refunding bond structure allows the tobacco settlement revenues (TSR) to flow to both TSASC and the City. Approximately 40 percent of the TSRs are pledged to TSASC bondholders and the remainder goes to the City's general fund. This new indenture provides TSR revenues directly to the general fund after the satisfaction of debt service requirements.

4. *STAR Corporation (Sales Tax Asset Receivable Corporation)* debt totaled $2.47 billion at the end of FY 2006. The proceeds of its bonds are earmarked to pay off the remaining debt of the Municipal Assistance Corporation. There are no plans to issue any additional debt for this credit. The STAR Corporation is a local development corporation organized under the Not-for-Profit Corporation Law of the State of New York. It is separate and apart from the City of New York but is an instrumentality of the City.

5. *Hudson Yards Infrastructure Corporation (HYIC)* is a not-for-profit local development corporation formed in July 2004 to issue debt to finance development in the Hudson Yards district of Manhattan. This entity will issue $3 billion in debt over the next few years to finance the extension of the #7 line and various site and structural improvements. The first bond sale of $1.5 billion will take place in December 2006.

6. *Capital Lease Obligations* totaled $3.37 billion as of June 30, 2006, a decrease of $109 million, or 3.1 percent, from FY 2005. The City plans to make annual appropriations from its general fund for agreements with other entities that issue debt to build or maintain facilities on behalf of the City. These agreements are known as "leaseback" transactions. These leaseback obligations are included in the gross debt outstanding, but are excluded in the calculation of the City's indebtedness under the general debt limit. Capital lease obligations include debt issued by the Dormitory Authority of the State of New York for the New York City Courts Capital Program ($615 million), the City University Construction Fund ($261 million), the Educational Construction Fund ($84 million), the Primary Care Development Corporation ($48 million), the Health and Hospitals Corporation ($798 million), the Housing Finance Agency ($80 million), the Urban Development Corporation ($39 million), the Industrial Development Agency ($105 million), the Jay Street Development corporation ($743 million), as well as general lease obligations ($600 million).[7]

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[6] The former TSASC indenture called for all tobacco revenues to flow first to TSASC and then to the City's general fund.

[7] Although for reporting purposes $798 million of Health and Hospitals Corporation (HHC) debt is included in the category of *Capital Lease Obligations*, the debt of HHC is not guaranteed by New York City. Jay Street Development Corporation's figure reflects the present value of its future debt-service flows and does not equal its principal outstanding. General lease obligations refer to the GASB-13 calculation of the present value of certain long-term leases which are considered capital leases.

Other Issuing Authorities

In addition to the financing mechanisms cited above, a number of independent authorities in the City issue bonds to finance projects in the NYC metropolitan area. Among the most prominent are the New York City Municipal Water Finance Authority (NYW) and the Metropolitan Transportation Authority (MTA) as shown in Table 2.

Table 2. NYW and MTA Debt Outstanding as of June 30, 2006

($ in millions)

	Water Finance Authority	Metropolitan Transportation Authority
Tax Exempt		
Fixed Rate	$14,051	$15,931
Variable Rate	2,234[a]	7,196
Total	**$16,285**	**$23,127**

[a] Includes $351 million of commercial paper.
SOURCES: The NYC Municipal Water Finance Authority and the Metropolitan Transportation Authority.

NYW and MTA bonds are secured by dedicated revenues. As such, they are not considered debt of the City. Nevertheless, proceeds of these bonds are used to support services provided to City residents. In turn, City residents pay user fees and fares that secure, in large part, the $39.4 billion of debt of these two authorities.

As of June 30, 2006, the NYW had $16.285 billion in debt outstanding, an increase of $1.4 billion, or 9.4 percent from FY 2005. Debt issued by the NYW is supported by user fees and certain other revenues. Created by State law in 1984, the NYW is responsible for funding capital projects administered by the City's Department of Environmental Protection (DEP) such as sewers, water mains, and water pollution control plants. Filtration avoidance of upstate watersheds continues to be a high priority for the DEP capital program. Land acquisition strategies and measured local development help the goals of continued water quality.

The MTA, composed of six major agencies providing commuter transportation throughout the metropolitan area, had $23.127 billion of debt outstanding as of June 30, 2006. This is an increase of $2.09 billion, or 9.9 percent, from June 30, 2005. This continuously increasing debt burden is straining the MTA's operating budget and driving a large portion of the agency's projected future deficits.

The New York City Transit Authority maintains 656 miles of mainline subway track and a fleet of more than 4,000 buses for its services within the five boroughs of New York City. The Long Island Railroad provides commuter train service to destinations in Queens, Nassau, and Suffolk counties from Midtown Manhattan and Downtown Brooklyn. The Metro-North Railroad serves commuters in the Bronx, Westchester, Putnam and Dutchess counties and portions of southern Connecticut. The Bridges and Tunnels Authority operates all intra-State toll tunnels and bridges throughout the five boroughs of New York City.

B. ANALYSIS OF PRINCIPAL AND INTEREST AMONG THE MAJOR NYC ISSUERS

The three major issuers that either have financed and/or continue to finance capital projects are: 1) NYC General Obligation, 2) NYCTFA, and 3) TSASC. There is no additional planned debt issuance for TSASC. All new debt issuances will likely come from GO debt, NYCTFA for general purposes and NYCTFA education bonds. As such, the average annual growth rate in debt outstanding is expected to slow to 3.5 percent from FY 2006 to FY 2016 relative to the average annual growth rate of 6.3 percent from FY 1999 to FY 2006.[8] Estimated debt growth from FYs 2006 to 2010 is high, however, averaging 6.8 percent per year.

Table 3. NYC Bonds Outstanding, Three Major Issuers, FYs 2006-2016

($ in millions)

End of Fiscal Year	Debt Outstanding for GO, NYCTFA, & TSASC	Percent Change
2006	$51,881	0.0%
2007	54,836	5.7%
2008	59,620	8.7%
2009	64,269	7.8%
2010	67,607	5.2%
2011	69,752	3.2%
2012	71,101	1.9%
2013	72,115	1.4%
2014	72,837	1.0%
2015	73,230	0.5%
2016	73,347	0.2%

SOURCE: City of New York, Office of the Comptroller, Comprehensive Annual Financial Report, October 31, 2006, and the Office of Management and Budget, June 2006 Financial Plan.

The principal and interest composition for the three major issuers combined is reflected in Table 4. Principal repayments are estimated to be $2.02 billion in FY 2007, $1.92 billion in FY 2008, $2.40 billion in FY 2009, and $2.59 billion in FY 2010. Thus, principal is estimated to comprise 46.8 percent of debt service in FY 2007, 42 percent in FY 2008, 45.2 percent in FY 2009, and 45.4 percent in FY 2010.[9]

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[8] *FY 2006 Comprehensive Annual Financial Report*, page 294, used as source for FY 1999 to FY 2006 rate of growth.

[9] Debt service excludes lease-purchase debt, interest on short-term notes, MAC and STAR as of the FY 2006 Adopted Budget and Financial Plan, June 2006. MAC is excluded from the principal and interest analysis because its debt service is being paid by the STAR Corporation whose debt service is being paid by State revenues.

Table 4. Principal and Interest Estimated Payments, GO, NYCTFA, TSASC

($ in millions)

Fiscal Year	Estimated Principal Amount	Estimated Interest	Estimated Total Debt Service	Principal as Percent of Total
2007	$2,020	$2,294	$4,314	46.8%
2008	$1,924	$2,652	$4,576	42.0%
2009	$2,403	$2,912	$5,315	45.2%
2010	$2,595	$3,115	$5,710	45.4%

SOURCE: City of New York, Office of the Comptroller, *Comprehensive Annual Financial Report*, October 31, 2006 and the Office of Management and Budget, June 2006 Financial Plan.
NOTE: Adjusted for prepayments and includes debt service for GO, NYCTFA, and TSASC only.

During FY 2006, the City issued $4.83 billion of GO debt of which approximately $1.42 billion was used to refund certain outstanding bonds and the remainder was new debt for capital purposes. The refundings produced $1.6 million in debt-service savings in FY 2006, $92.2 million in FY 2007, and $1.1 million in FY 2008. At the end of FY 2006, GO debt totaled $35.84 billion of which $17.56 billion, or 49 percent, will come due in the next ten years, as shown in Table 5 below.

Table 5. Amortization of Principal of the Three Major Issuers

($ in millions)

Fiscal Years	GO	NYCTFA[a]	TSASC	Total	Percent of Total
2007-2016	$17,558	$4,699	$298	$22,555	45.6%
2017-2026	$13,802	$5,649	$756	$20,207	40.9%
2026 and After	$ 4,484	$1,885	$280	$ 6,649	13.5%
Total	**$35,844**	**$12,233**	**$1,334**	**$49,411**	**100.0%**

[a] Includes $1.84 billion of Recovery Bonds.

In FY 2006, the NYCTFA issued $597.2 million of refunding bonds. The refinancings produced savings of $31.5 million over the life of the debt and $20.6 million in net present value savings. NYCTFA debt totaled $12.23 billion at the end of FY 2006. Of the $12.23 billion of NYCTFA bonds outstanding, $4.7 billion, or 38.1 percent, will come due over the next ten years as shown in Table 5 above.

C. INSTITUTIONAL USE OF GO DEBT

The City uses capital bond proceeds for numerous long-term projects, including the construction and rehabilitation of schools, roads and bridges, correctional and court facilities, sanitation garages, parks and cultural facilities, public buildings, and housing and urban development initiatives. Over the past several years, capital expenditures for schools have significantly outpaced capital spending for other purposes due primarily to deteriorating facilities and pressures to reduce class size. The amount of total bonds outstanding used for education capital projects has risen over the last number of years from $2.4 billion, or a 13.4 percent share in FY 1992 to $16.1 billion, or 33.9 percent, as of June 30, 2006. GO debt outstanding grew from $17.8 billion to $35.8 billion over the same period.

Spending on housing and economic development has increased by $1.4 billion in absolute terms, but has declined in relative terms to 8.2 percent in FY 2006 from 14 percent of debt outstanding in FY 1992. Other categories that have posted absolute growth but relative decline include public safety, mass transit, sanitation, social services, off-street parking, airports, and ferries.

Since FY 1986, the NYW has financed virtually all capital expenditures of the DEP, thereby decreasing the outstanding portion of GO bonds used for the rehabilitation and maintenance of the water and sewer system. Water and sewer debt has declined to $700 million, or 1.5 percent of the total as of June 30, 2006, as shown in Table 6 from a level of $1.5 billion in FY 1992, or 8.4 percent of GO debt outstanding.

Table 6. Use of GO, NYCTFA, and TSASC Debt, FY 2006 and FY 1992

($ in millions)

Categories	**Debt Outstanding as of June 30, 2006**	**Percent of Total**	**Debt Outstanding as of June 30, 1992**	**Percent of Total**
Education (DOE & CUNY)	$16,104	33.9%	$2,382	13.4%
Housing and Urban Development	3,920	8.2	2,502	14.0
Mass Transit	3,775	7.9	2,365	13.3
Bridges, Tunnels, Highways and Streets	5,315	11.2	1,658	9.3
Public Safety, Correction and Courts	3,471	7.3	1,729	9.7
Sanitation	2,105	4.4	1,141	6.4
Parks, Recreational and Culturals	2,933	6.2	996	5.6
Water Pollution Control, Water Mains and Sewers[a]	700	1.5	1,502	8.4
Health Services	1,074	2.3	863	4.8
Public Buildings	2,935	6.2	429	2.4
Social Services	680	1.4	283	1.6
Off-Street Parking, Airports, Ferries and Markets	600	1.3	267	1.5
Undistributed and Other	3,957	11.2	1,694	9.6
Total [b]	**$47,569**	**100.0%**	**$17,811**	**100.0%**

[a] Represents debt issued for water and sewer purposes prior to June 30, 1985.
[b] This includes GO debt, NYCTFA, and TSASC. Over the past six years the NYCTFA and TSASC have supplanted some of GO borrowing and have issued over $14 billion of bonds and notes.
SOURCE: City of New York, Office of the Comptroller, *Comprehensive Annual Financial Report, FY 2006,* and the Office of Management and Budget, *Adopted Budget Debt Service Statement II*, FY 2007 and FY 1993.

As shown in Table 7, excluding DEP projects, the capital commitment portion for education projects in the September FY 2007 Capital Plan for FYs 2007-2010 is projected to be $4.73 billion or 18.7 percent of the total. Other GO supported programs include capital projects for bridges, tunnels, streets, and highways at $4.03 billion, housing and urban renewal at $3.5 billion, public safety at $2.95 billion, and parks, libraries, and cultural affairs at $2.74 billion.

Water pollution control, water mains and sewers and other projects related to DEP, which are funded by NYW bonds, will comprise $7.54 billion of estimated City-funded commitments. This represents 23 percent of estimated total City capital commitments between FYs 2007-2010.

Total City-funded commitments, including DEP, will average about $7.5 billion per year, the highest City-funded four-year capital plan on record.

Table 7. September 2006 Capital Commitment Plan by Category, City Funds, FYs 2007 – 2010

($ in millions)

Categories	Projected FY 2007-2010 Commitments	Percent of Total	Percent of Total without Water & Sewer
Water Pollution Control, Water Mains and Sewers (DEP)[a]	$7,542	23.0%	0.0%
Bridges, Tunnels, Highways and Streets	4,034	12.3	15.9
Education (DOE & CUNY)	4,725	14.4	18.7
Housing and Urban Development	3,499	10.7	13.8
Public Safety, Correction and Courts	2,953	9.0	11.7
Parks, Libraries and Culturals	2,742	8.3	10.8
Sanitation	1,592	4.8	6.3
Mass Transit	364	1.1	1.4
Health Services	1,141	3.5	4.5
Public Buildings	3,566	10.8	14.1
Off-Street Parking, Airports, Ferries and Markets	169	0.5	0.7
Social Services	516	1.6	2.0
Total Before Reserve	**$32,843**	**100.0%**	**100.0%**
Reserve for Unattained Commitments	($2,702)	(N/A)	(N/A)
Total [b]	**$30,141**	**100.0%**	**100.0%**

[a] Will be nearly 100 percent funded with NYW bonds.

[b] This represents City-funded capital commitments as of the *FY 2007 September Capital Commitment Plan* and includes a $2.7 billion reserve for unattained commitments.

II. Debt Limit

A. THE CITY'S DEBT-INCURRING POWER

NYC's general debt limit, as provided in the New York State Constitution, is 10 percent of the five-year rolling average of the full value of taxable real property. The process by which the City's annual debt limit is established contains a number of different elements:

- No later than February 15th, the City's Department of Finance issues a preliminary estimate of the assessed valuation of taxable real property for the ensuing fiscal year. Assessed value is statutorily less than the market value of properties.

- The general debt limit is based on the full market value of taxable real property and not on assessed value. To derive a market value of taxable properties, the State Office of Real Property Services (ORPS) develops special equalization ratios that express the relationship between assessed value and market value. ORPS uses the most recent market survey and a projection of market values based on recent surveys to obtain the full market value for the ensuing fiscal year. The special equalization ratio is then expressed as the ratio of the assessed valuation of taxable real property over the full market value of taxable real property. ORPS calculates equalization ratios for the ensuing fiscal year and the four fiscal years preceding it. These equalization ratios are used to establish the City's debt-incurring power (debt limit) for the ensuing fiscal year.

- The State Constitution provides that, with certain exceptions, the City's general debt limit cannot be greater than 10 percent of the average full value of taxable real property in the City over the most recent five years. Full values are established using the equalization ratios and the assessed values of taxable real property for the relevant five-year period. The City's debt limit for the ensuing fiscal year is then calculated by averaging the estimated full values of real property over the five-year period.

- On or about June 5th, the City Council adopts the City's yearly budget and fixes the property tax rates for the ensuing fiscal year. The resolution fixing the property tax contains the five-year average of the full value of real property that is used to derive the debt limit.

- The debt limit is effective as of July 1st, the start of each fiscal year.

Table 8 illustrates the calculation of the FY 2007 debt limit. The FY 2007 general debt limit was calculated using the assessed valuation of taxable real estate for fiscal years 2003 through 2007 divided by special equalization ratios provided by ORPS. The resulting figures provide an estimate of the full valuation of taxable real property over that period. These full values are totaled and then averaged to calculate the five-year average value of taxable real property, which is $533.355 billion. The debt limit is then calculated by multiplying the five-year average value by 10 percent, which yields the debt limit of approximately $53.336 billion for FY 2007.

Table 8. Calculation of Full Valuation of Real Property in New York City and the General Debt Limit, FY 2007

Fiscal Year	Billable Assessed Valuation of Taxable Real Estate	Special Equalization Ratio (for Market Value)	Full Valuation
2003	$94,506,250,871	0.2230	$423,794,846,955
2004	$99,854,097,559	0.2056	$485,671,680,734
2005	$103,676,971,611	0.1860	$557,403,073,177
2006	$111,397,956,330	0.1925	$578,690,682,234
2007	$116,477,764,261	0.1875	$621,214,742,725
5 - Year Average Value			$533,355,005,165
10 Percent of the 5-Year Average			$53,335,500,517

SOURCE: The City of New York, City Council Tax Fixing Resolution for FY 2007.

Table 9 shows that the City's FY 2007 general debt-incurring power of $53.335 billion is projected to rise to $59.8 billion in FY 2008, $63.43 billion in FY 2009, and $65.15 billion in FY 2010. The City's indebtedness is projected to grow from $39.72 billion at the beginning of FY 2007 to $55.04 billion at the beginning of FY 2010. The City was below its general debt limit by $13.62 billion on July 1, 2006 and is projected to be below the general limit by $15.79 billion on July 1, 2007, by $14.17 billion on July 1, 2008, and by $12.11 billion by July 1, 2009.

NYCTFA and TSASC together have provided resources totaling $12.8 billion through FY 2006.[10] NYCTFA has $1.2 billion remaining borrowing capacity for general capital purposes. The impact of these capital costs is discussed in "Affordability Measures" beginning on Page 17.

[10] Excludes the total amount of $2 billion of NYCTFA recovery bonds.

Table 9. NYC Debt-Incurring Power

($ in millions)

	July 1, 2006	July 1, 2007 [a]	July 1, 2008	July 1, 2009
Gross Statutory Debt-Incurring Power	**$53,336**	**$59,803**	**$63,430**	**$65,154**
Actual Bonds Outstanding as of June 30 (net) [b]	35,073	33,480	31,744	29,954
Plus New Capital Commitments				
FY 2007 [c]		8,041	8,041	8,041
FY 2008			7,036	7,036
FY 2009				5,560
Less: Appropriation	(1,597)	(1,746)	(1,801)	(1,788)
Subtotal: Net Funded Debt Against the Limit	**33,476**	**39,775**	**45,020**	**48,803**
Plus: Contract and Other Liability	6,239	6,239	6,239	6,239
Subtotal: Total Indebtedness Against the Limit	**39,715**	**46,014**	**51,259**	**55,042**
Remaining Debt-Incurring Power within the General Debt Limit	**13,621**	**13,789**	**12,171**	**10,112**
Total Authorized TFA Debt-Incurring Power	11,500	13,500	13,500	13,500
Less: TFA Bonds Issued to Date for Contract Liability	11,500	11,500	11,500	11,500
Remaining Authorized TFA Debt Incurring Power[d]	**0**	**2,000**	**2,000**	**2,000**
Remaining TSASC Debt-Incurring Power[f]	**0**	**0**	**0**	**0**
Remaining Debt-Incurring Power within General Limit, TFA Capacity, and TSASC Capacity[e]	**$13,621**	**$15,789**	**$14,171**	**$12,112**

[a] FY 2008 debt limit figure is based on the use of the State Office of Real Property Services' estimated special equalization ratio. FYs 2009 and 2010 are based on the NYC Comptroller's Office forecast of full market value by property class.

[b] Net adjusted for Original Issue Discount, Capital Appreciation Bonds, GO bonds issued for the water and sewer system, and Business Improvement District debt. $35.844 billion from Table 1 minus $771 million of the aforementioned adjustments equals $35.073 billion.

[c] Reflects Capital Commitments as of the FY 2007 Adopted Budget Commitment Plan (issued in September 2006) and includes cost of issuance and certain Inter-Fund Agreements.

[d] Reflects NYCTFA's general debt-incurring capacity, does not include $9.4 billion of education Building Aid Revenue Bonds authorization in April 2006.

[e] The Debt Affordability Statement released by the City in May, 2006 presents data for the last day of each fiscal year, June 30, instead of the first day of each fiscal year, July 1, as reflected in this table. The City's Debt Affordability Statement forecasts that indebtedness will be below the General debt limit by $4.48 billion *at the end of* FY 2006.

[f] TSASC debt is not limited by statute. However, at this time, TSASC does not intend to issue any additional debt.

SOURCE: NYC Comptroller's Office and the NYC Office of Management & Budget.

III. Affordability of City Debt

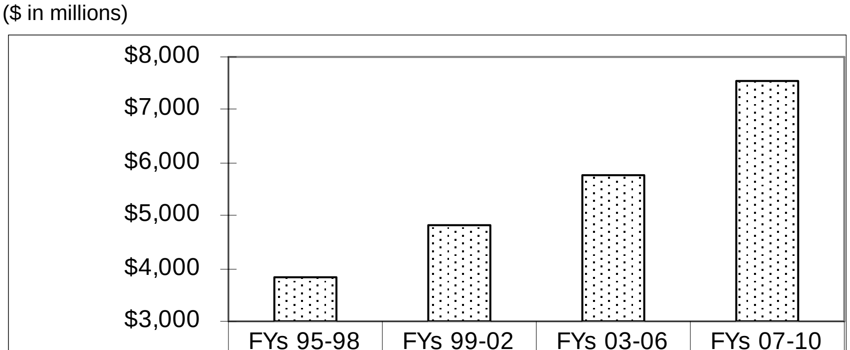
The proper measure of the affordability of City debt is always subject to debate. New York City's debt per capita of $6,720 in 2005 is the highest among the sampled cities.[11] This section will explore the City's historical and future capital commitments along with rising debt service costs. Debt-related statistics will be compared for 12 other cities and counties across the nation and within the State of New York as well. In addition, debt service as a percent of local tax revenues is a historically accurate measure that has been used to capture the fundamental impact of incurring debt. This measure will be discussed in "Affordability Measures" beginning on page 17.

A. BACKGROUND

The City's infrastructure was greatly neglected during the fiscal crisis of the 1970s. Deferred maintenance led to dilapidated roads, bridges, and schools. Following that difficult period, the City embarked on a series of ambitious capital plans to repair and maintain its infrastructure. This trend began in the early 1990s and has continued through FY 2006. The City committed resources averaging $3.83 billion per year during FYs 1995-1998, $4.84 billion per year during FYs 1999-2002, and $5.78 billion per year during FYs 2003-2006. In FY 2001, the City embarked on what was then a historically high capital commitment program, with City-funded capital commitments of $6.1 billion, an increase of 63.8 percent over FY 2000.

Chart 1. Actual and Historical Capital Commitment Averages, City Funds

($ in millions)



	FYs 95-98	FYs 99-02	FYs 03-06	FYs 07-10
City Capital Commitments	$3,828	$4,835	$5,777	$7,535
Percent Change		26%	20%	30%

SOURCE: *Message of the Mayor*, various FYs 1991-2002, and *FY 2007 September Capital Commitment Plan*.

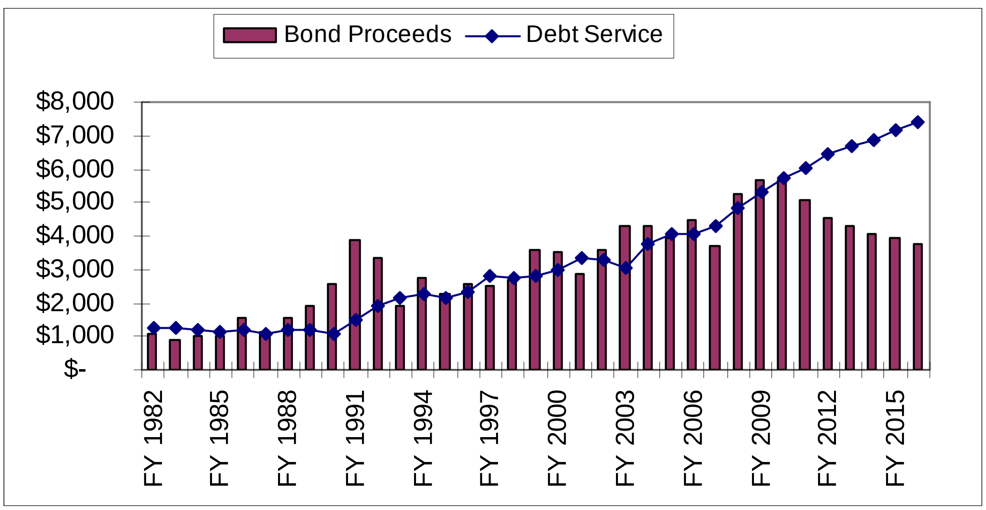
[11] New York City FY 2005 debt per capita is used for comparison because the available data for the other sample cities are from either fiscal year or calendar year 2005.

City-funded commitments declined slightly to $5.83 billion in FY 2002, $5.39 billion in FY 2003 and $4.54 billion in FY 2004. They reached a historical high of $7.29 billion in FY 2005, followed by $5.89 billion in FY 2006. During FYs 2007-2010, City-funded commitments are projected to average $7.54 billion, 30 percent more than the average of $5.78 billion between FYs 2003 and 2006, as shown in Chart 1.

The City's capital program relies almost exclusively on the issuance of bonds. The City's annual borrowing grew from $1.08 billion in FY 1982 to $3.41 billion in FY 2006. The City's borrowing is expected to increase and average $5.08 billion annually between FYs 2007-10.[12] The annual average growth rate of City debt-service payments was 5.3 percent per year from FY 1982 to FY 2006, rising to $4.22 billion in FY 2006 from $1.23 billion in FY 1982. Debt service is expected to rise by 5.8 percent per year from $4.22 billion in FY 2006 to $7.39 billion by FY 2016, as illustrated in Chart 2.

Chart 2. Bond Proceeds and Debt Service, FYs 1982-2016

($ in millions)



Sources: City of New York, Office of the Comptroller, *Comprehensive Annual Financial Reports*, 1982-2006 and Office of Management and Budget, *Financial Plan*, June 2006. Debt-service payments exclude interest on short-term notes, MAC debt, lease-purchase debt, and budget surpluses prepaid to the debt-service fund.

B. DEBT BURDEN

Even after adjusting for the effects of population change and tax revenue, City debt has expanded at a significant rate since FY 1990. Debt per capita, which amounted to $2,490 in FY 1990, grew to $6,720 in FY 2005, an increase of 170 percent. Over the same period, the cumulative growth rate in debt per capita exceeded the rate of inflation by 109 percentage points and the growth rate in City tax revenues by 61 percentage points.[13] The debt per capita figure does not include the debt of the New York Municipal Water Finance Authority (NYW) and the

[12] This includes bond proceeds for GO, NYCTFA, and TSASC bonds only.
[13] FY 2005 debt per capita for NYC used for comparability with other municipalities. FY 2006 debt per capita for NYC was $6,801.

MTA, both of which greatly affect user fees paid by City residents. If this debt were included in the calculation, the debt per capita figure would increase to more than $11,500.

C. COMPARISON WITH SELECTED MUNICIPALITIES

New York City has the largest population of all the cities in the U.S. and is required to maintain a complex, varied, and aging infrastructure. It has more school buildings, firehouses, health facilities, community colleges, roads, bridges, libraries, and police precincts than any other city in the country. Moreover, the City has responsibilities that in other cities are distributed more broadly among states, counties, unified school districts, and public authorities. Due to the differences in population, landmass, and the size of infrastructure to be maintained, it is important to adjust the data to establish a comparable measure among and between jurisdictions when comparing levels of debt with other jurisdictions. Using debt per capita data to compare debt burden among municipalities provides such an adjustment.

The debt burden of NYC exceeds the average per capita debt burden of a sample of large U.S. cities by a margin of 2.5 to one. At $6,720 per capita in FY 2005, New York City surpassed the city with the next highest debt burden (Chicago), by 1.6 to 1, or $2,526 per capita, as inferred from Table 10.

Table 10. Debt Per Capita Measures for Selected Cities, 2005

City	**Population**	**Direct and Overlapping Debt Outstanding ($ 000)**	**Debt Per Capita[a]**
Chicago	2,896,016	$12,144,600	$4,194
Detroit	951,270	3,386,248	3,560
Houston	2,012,626	7,377,950	3,666
San Jose	945,000	2,896,770	3,065
Seattle	573,000	1,340,029	2,339
San Antonio	1,299,200	3,517,321	2,707
Las Vegas	576,000	1,652,011	2,868
Los Angeles	3,957,875	6,436,622	1,626
Phoenix	1,525,400	2,169,544	1,422
Boston	569,000	835,690	1,469
Dallas	1,232,100	3,115,823	2,529
San Francisco	799,263	1,422,441	1,780
Average of Sample Cities	*1,444,729*	*$3,857,921*	*$2,670*
New York City	**8,104,079**	**$54,460,000**	**$6,720**

[a] Table 10 above is based on data extracted from each city's "Direct and Overlapping Debt Outstanding" exhibit included in that city's Comprehensive Annual Financial Report. While the individual exhibits are similar in format, there is no assurance that the components of the data published in those exhibits are comparable. In addition, the cities of San Diego and Philadelphia did not respond in time for inclusion in this table.

Although its debt per capita is the highest of the cities surveyed, New York City's debt per capita did not grow as rapidly as five other cities from FY 1988 to FY 2005. It also is four percentage points below the average increase of the cities surveyed over that period. For example, from FY 1988 to FY 2005, the debt per capita of Las Vegas, San Jose, and Chicago has grown by 888 percent, 362 percent, and 340 percent, respectively, significantly higher than New York City's growth of 229 percent, as shown in Table 11.

Table 11. Debt Per Capita Comparisons for Selected Cities – 1988 and 2005

City	Debt per Capita in 1988	Debt per Capita in 2005	Percent Change 1988-2005
Las Vegas	$290	$2,868	888%
Los Angeles	435	1,626	274
San Francisco	344	1,780	418
Chicago	953	4,194	340
San Antonio	887	2,707	205
San Jose	663	3,065	362
Phoenix	594	1,422	140
Seattle	986	2,339	137
Boston	701	1,469	109
Houston	1,189	3,666	208
Detroit	1,156	3,560	208
Dallas	1,213	2,529	108
Average of All Other Cities[a]	*$801*	*$2,670*	*233%*
New York City	**$2,041**	**$6,720**	**229%**

SOURCES: NYC Comptroller's Office, based on Comprehensive Annual Financial Reports and/or official statements of various cities.
NOTE: Table 11 above is based on data extracted from each city's " Direct and Overlapping Debt Outstanding" exhibit included in that city's Comprehensive Annual Financial Report. While the individual exhibits are similar in format, there is no assurance that the components of the data published in those exhibits are comparable.
[a] From Table 10, a simple average of the average of debt outstanding divided by the average population.

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NYC's debt per capita also exceeds that in sampled cities across the State of New York. Within the State, the average debt per capita of the cities and counties surveyed, excluding NYC, is $3,135, which is less than half of New York City's debt per capita in FY 2005. Even affluent counties such as Nassau and Westchester have debt per capita considerably less than that of New York City, at $4,183 and $3,637 respectively, as shown in Table 12.

Table 12. Debt Per Capita Comparisons for Selected N.Y. Cities and Counties

City or County	Debt per Capita	Date of Observation
City of White Plains	$2,322	6/30/05
Westchester County	$3,637	12/31/05
Nassau County	$4,183	12/31/04
City of Albany	$1,923	6/13/06
City of Syracuse	$2,206	8/2/06
Onandaga County	$2,590	12/31/05
City of Buffalo	$1,524	6/30/05
City of Rochester	$1,912	6/30/05
Monroe County	$2,298	12/31/05
Average of Above N.Y. Cities and Counties[a]	**$3,135**	
New York City	$6,801	6/30/06
New York City	$6,720	6/30/05

SOURCE: Comprehensive Annual Financial Reports of various cities and counties.
[a] This amount reflects a simple average of the average of debt outstanding for all counties or cities divided by the average population for all the respective counties and cities.

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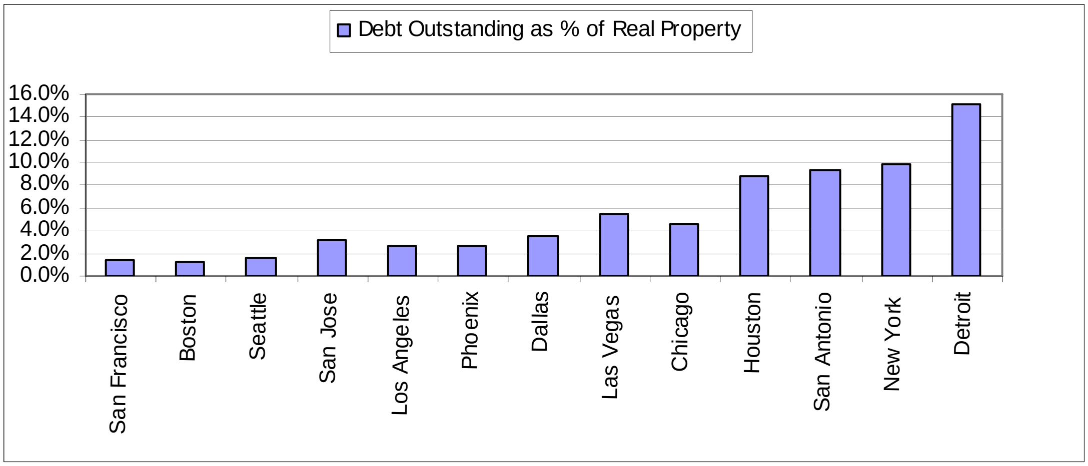
Another way to examine the debt burden of a municipality or city is to measure its debt relative to its wealth. Two traditional measures of that relationship are outstanding debt divided by the full value of real property and debt divided by personal income. The rationale behind the use of the full value of real property is that the property tax base provides a major revenue source for debt payment and that there is generally some reasonable limit on the amount of debt that can be borrowed against the property tax base. The Standard & Poor's rating agency considers values above 6.0 percent to be high.[14]

The rationale behind using personal income is that it is another relative measure of a locality's wealth. The wealthier a community, the greater its capacity to pay taxes, and to sustain local government debt and operations. Standard & Poor's considers per capita debt more than 6.0 percent of per capita income to be high.[15]

Among the cities surveyed in this report, New York City is among the highest in both measures of debt burden and is well above the averages of the sample cities and counties. New York City's outstanding debt as a percentage of full value of real property in FY 2005 is 9.8 percent. This is almost six percentage points above the sample city average of 3.9 percent. Only Detroit, with outstanding debt at 15.1 percent of the full value of real property, exceeds New York City. The cities with the next highest debt relative to full market values ratios after New York are San Antonio and Houston at 9.3 percent and 8.8 percent, respectively. Other major cities have considerably less debt relative to full market value compared to New York City. For example, Chicago's debt is 4.6 percent of full market value and Los Angeles is 2.6 percent, as shown in Chart 3.

Chart 3. Debt Outstanding as Percent of the Full Value of Real Property, FY 2005



SOURCE: Each city's Comprehensive Annual Financial Report FY 2005.
NOTE: Debt per capita is based on data extracted from each city's Direct and Overlapping Debt Outstanding exhibit included in that city's Comprehensive Annual Financial Report. While the individual exhibits are similar in format, there is no assurance that the components of the data published in those exhibits are comparable.

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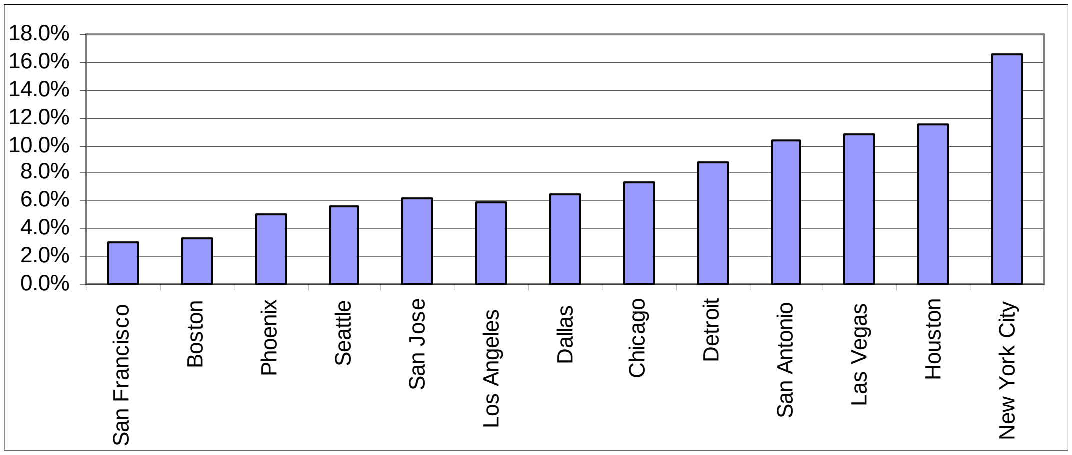
[14] Standard & Poor's Public Finance Criteria 2000, p. 29.
[15] Ibid.

New York City's debt as a percentage of personal income in FY 2004 was 16.6 percent or 2.5 times higher than the average of the sample cities of 6.7 percent.[16] No other sample city exceeds New York. Houston and Las Vegas were the next highest cities at 11.5 percent and 10.8 percent, respectively, with San Francisco the lowest at 3.1 percent, as shown in Chart 4.

Chart 4. Debt as Percent of Personal Income, FY 2004



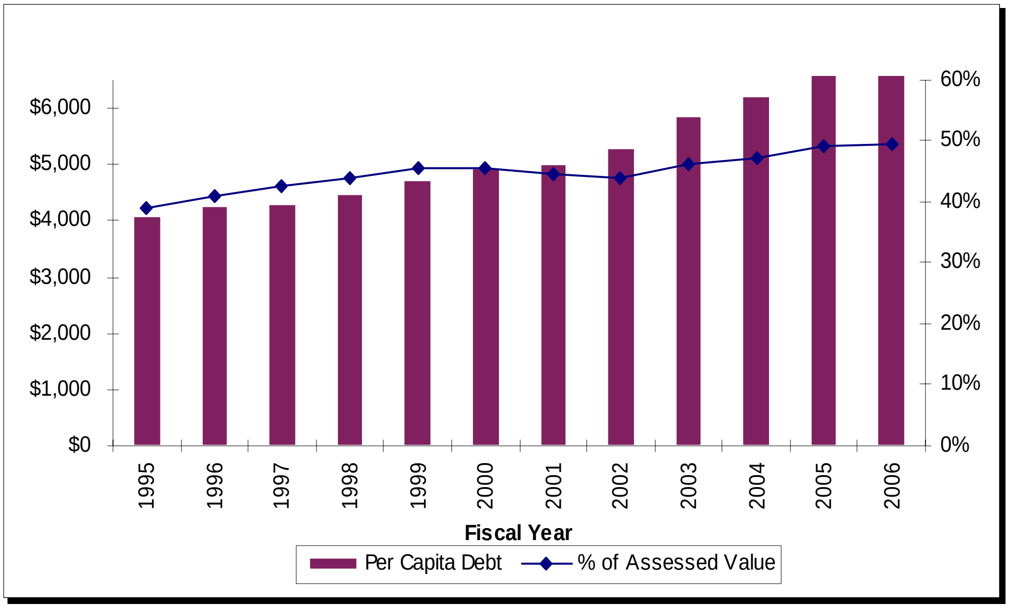
SOURCE: FY 2004 Comprehensive Annual Financial Reports of Sample Counties as proxies for the above cities and the U.S. Department of Commerce – Bureau of Economic Analysis – 2004 personal income data. NOTE: Debt per capita is based on data extracted from each city's Direct and Overlapping Debt Outstanding exhibit included in that city's Comprehensive Annual Financial Report. While the individual exhibits are similar in form, there is no assurance that the components of the data published in those exhibits are comparable.

D. AFFORDABILITY MEASURES

The level of NYC's debt is rising and consuming a larger portion of the assessed value of taxable real property. As a percentage of the assessed value of real property, NYC debt rose to 49.4 percent in FY 2006 from 39 percent in FY 1995 as shown in Chart 5.

[16] Since the Department of Commerce's Bureau of Economic Analysis (BEA) provides personal income figures by county, the analysis in Chart 4 uses annual financial reports of the *county* in which each city is located. The latest available BEA data for personal income is 2004. The City and County of San Francisco are coterminous geographic entities.

Chart 5. Debt Per Capita and Debt as a Percentage of Assessed Value of Taxable Real Property

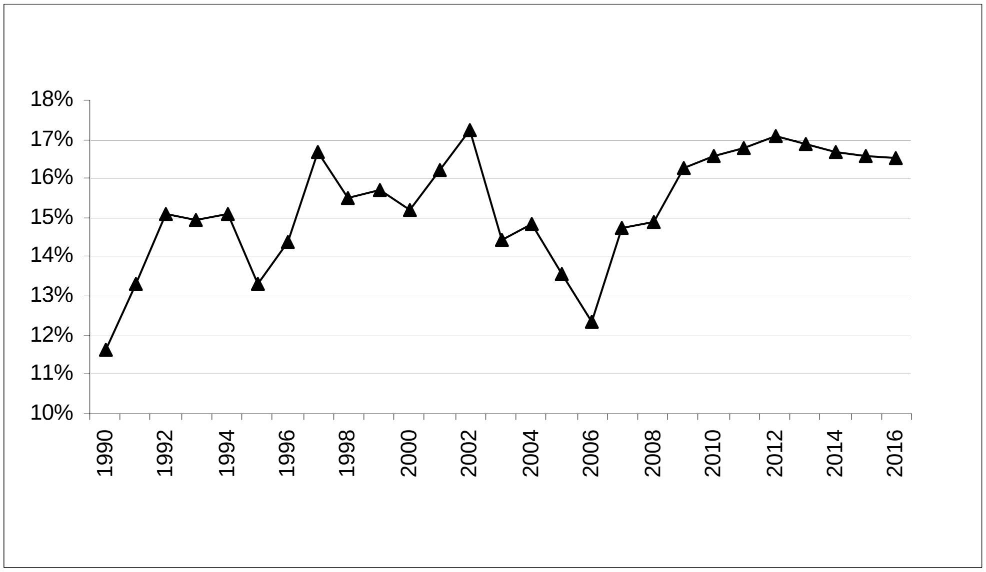


SOURCE: City of New York, Office of the Comptroller, Comprehensive Annual Financial Reports, FYs 1995-2006.

Another measure of debt affordability is the annual debt service expressed as a percent of annual tax revenues. This measure shows the pressure that debt service exerts on a municipality's operating budget. In the case of NYC, debt service, which consumed 11.6 percent of tax revenues in FY 1990, consumed 12.3 percent in FY 2006, as shown in Chart 6. The relatively low percentage in FY 2006 is attributable to a low interest rate environment for borrowing, refunding savings, and considerable savings on variable rate debt along with higher than expected tax revenues. By FY 2010, annual debt service will consume an estimated 16.6 percent of tax revenues. Aside from the one-year aberration in FY 2002 related to the World Trade Center disaster, the ratio of 16.6 percent is more comparable to the early 1980's when the City was emerging from a protracted recession.[17] Rating agencies indicate that when debt service costs are in the 15 percent to 20 percent range of general fund revenues, the ratio is considered high. At this juncture, outyear projections have New York City at the low end of this range. However, if interest costs over the next four years are less than the budgeted rate of 7.0 percent and tax revenue collections remain on target, this percentage would be lower than estimated.

[17] From the City of New York, Office of the Comptroller, *Comprehensive Annual Financial Reports*, 1982-2005, and OMB, *Adopted Financial Plan*, June 2006.

Chart 6. Debt Service as a Percent of Tax Revenues



SOURCE: City of New York, Office of the Comptroller, *Comprehensive Annual Financial Reports*, 1982-2006, and OMB, Adopted Financial Plan, June 2006.

City of New York Swap Transactions

The City has entered into 14 swap transactions for a total notional amount of approximately $3.08 billion. Additionally, the Dormitory Authority of the State of New York (DASNY) has entered into four swaps and the NYC Industrial Development Agency (IDA) into eight swaps under which the City is obligated, subject to appropriation, to make lease payments to DASNY and IDA reflecting their obligations. As of September 30, 2006, the amount the City would owe to counterparties if the City's swap transactions were terminated was $12.42 million. The City has executed its swaps with diverse and highly rated counterparties and utilized structures having favorable credit terms in each case to mitigate termination risk exposure. Termination risk exposure includes such events as change in counterparty ratings, and change in City ratings.

There have been several types of swaps used by the City of New York to date. They include synthetic fixed rate swaps, Consumer Price Index Swaps, a total return swap, swaptions, and basis swaps.

Synthetic fixed rate financing is executed through the City's issuance of variable rate bonds, followed by the City entering into a swap that requires the City to make fixed payments to a counterparty and to receive an amount based on a variable rate index (i.e. percent of LIBOR, BMA or CPI) from a counterparty in return.

Consumer Price Index (CPI) Swaps are another type of synthetic fixed rate swap that are made possible through the issuance of variable rate bonds referenced to the CPI. Under the terms of the agreement, the City receives a variable rate equal to that on the underlying bonds and pays an agreed upon fixed rate to the counterparty which was determined at the time of closing.

The Total Return Swap that the City used can be described as providing variable rate alternative. The City issues bonds based on the Municipal Market Data (MMD) Index and enters into a swap in which the City receives a payment equivalent to the coupon on the underlying bonds and pays a variable rate of the Bond Market Association (BMA) index plus 35 basis points.

Certain swaptions allow the counterparty to exercise its right to enter into a swap with the City at a future date.[18] In one instance, counterparties paid the City approximately $10 million upfront for the right to enter into a swap arrangement with the City between August 2007 and August 2009. Also, the City sold an option to terminate the synthetic fixed rate swaps in connection with the Series 2003 G and H bonds executed with the counterparty that, if exercised by the counterparty, would create variable rate exposure for the City.

Basis swaps are generally defined as exchanging variable rate cashflows based upon two different indices with a counterparty. Under one of the basis swaps, the City pays a variable rate based on BMA and receives a variable rate based on a stepped percentage of one-month LIBOR. On another basis swap, the City pays a variable rate based on BMA and receives a variable rate based on a constant percentage of one-month LIBOR. The City received upfront cash payments of $20 million and $20.59 million in connection with the two basis swaps.

Overall, the risks associated with floating rate exposure include the potential negative impact of certain unanticipated events which can increase the City's overall cost of borrowing. These events include rising interest rates, changes in tax codes, and the deterioration of the City's credit. Overall, floating rate exposure, to date, has been a benefit to the City because it has reduced the cost of financing through lower floating rates. In addition, the City budgets expenses on floating rate instruments in a conservative manner, as much as 1.0 to 2.0 percent above current market rates in the out-years of the financial plan.

[18] A swaption is a financial instrument granting the owner an option enter into an interest rate swap. A swaption gives the buyer the right but not the obligation to pay (receive) a fixed/ (floating) rate on a given date and receive (pay) a fixed/ (floating) rate index.

Glossary of Acronyms

BAN	Bond Anticipation Notes
BMA	Bond Market Association
BEA	Bureau of Economic Analysis
CAFR	Comprehensive Annual Financial Report
CPI	Consumer Price Index
CY	Calendar Year
DASNY	Dormitory Authority of the State of New York
FEMA	Federal Emergency Management Agency
FY	Fiscal Year
GO Debt	General Obligation Debt
LIBOR	London Inter Bank Offer Rate
MAC	Municipal Assistance Corporation
MMD	Municipal Market Data
MTA	Metropolitan Transportation Authority
N.Y.	New York

NYC	New York City
NYCTFA	New York City Transitional Finance Authority
NYW	New York City Municipal Water Finance Authority
OMB	Office of Management and Budget
ORPS	State Office of Real Property Services
S&P	Standard & Poor’s
STAR	Sales Tax Asset Receivable Corporation
TSASC	Tobacco Settlement Asset Securitization Corporation
U.S.	United States
USDOT	United States Department of Transportation
WTC	World Trade Center