

FOR INFORMATION

November 21, 2011

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Budget Variance Reports through September 30, 2011

In accordance with applicable law, attached are the variance reports for the second quarter of fiscal year 2011-12 for the department operating budgets, as well as subsidiary operating and capital budgets.

During the first half of fiscal year 2011-12, total departmental spending was approximately \$15.7 million, or 32% of the total budget of approximately \$48.5 million. This is reflective of the fact that certain expenses are not paid evenly throughout the year, but rather in total in the current or subsequent period. As a result, the budget variance report at the close of any given quarter may or may not reflect these expenditures. It is projected, based on available information, that the Corporation will end the current fiscal year within the approved budget.

Total subsidiary spending for operations, excluding HCDC Weatherization and LMDC, was approximately \$2.3 million, or 41.3% of the total budget of \$5.5 million. Operating spending as compared to the budget was on target for the quarter and is expected to end the current fiscal year within budget. Spending for HCDC's Weatherization Program and LMDC is shown separately as both are federally funded.

Total subsidiary spending for capital work was approximately \$65.0 million, or 26.4%, as compared to the total of all subsidiaries' capital budgets of \$246.4 million. The level of spending is expected to increase later in the fiscal year with the commencement of construction at Moynihan Station and Erie Canal Harbor Canal Side projects.