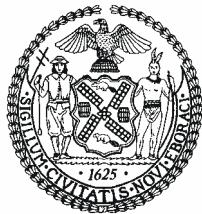


Quarterly Cash Report

April-June 2005



City of New York
Office of the Comptroller
William C. Thompson, Jr., Comptroller

August 2005

Prepared by the New York City Office of the Comptroller, Bureau of Financial Analysis

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Table of Contents

I. Highlights	1
II. Cash Balances	3
A. OVERVIEW	3
B. CASH RECEIPTS	5
C. CASH EXPENDITURES	8
III. Capital Expenditures	11
IV. Financing and Debt Service	14
A. LONG-TERM FINANCING	14
B. DEBT SERVICE	16
V. Glossary	17

List of Tables

Table 1. <i>Overview of Cash Position FY 2005 and FY 2004</i>	1
Table 2. <i>Capital Expenditures FY 2005 and FY 2004</i>	2
Table 3. <i>City's Cash Position FY 2005 and FY 2004</i>	4
Table 4. <i>Cash Receipts by Category April-June</i>	5
Table 5. <i>Major Cash Sources April-June 2005</i>	7
Table 6. <i>Cash Receipts (net of capital reimbursements) FY 2005 and FY 2004</i>	8
Table 7. <i>Cash Expenditures by Category April-June</i>	9
Table 8. <i>Cash Prepayments FY 2005 and FY 2004</i>	10
Table 9. <i>Cash Expenditures (net of capital expenditures) FY 2005 and FY 2004</i>	10
Table 10. <i>Capital Expenditures FY 2005 and FY 2004</i>	11
Table 11. <i>Reimbursements to the Central Treasury from Capital Proceeds</i>	12
Table 12. <i>GO Bond Issues FY 2005</i>	14

List of Charts

Chart 1. <i>Daily Cash Balances April-June</i>	3
Chart 2. <i>Fiscal Year Ending Cash Balances FY 1996-FY 2005</i>	4
Chart 3. <i>Capital Reimbursements and City-Funded Capital Expenditures April-June</i> ..	13
Chart 4. <i>Purposes of GO Debt Fourth Quarter FY 2005 and FY 2005 Total</i>	15
Chart 5. <i>Net FY 2005 GO Debt Refunding Savings</i>	15

I. Highlights

The fourth quarter of FY 2005 had cash balances significantly in excess of the cash balances during the fourth quarter of FY 2004. Table 1 shows the City's cash position during the fourth quarters of FY 2005 and FY 2004, and for the entirety of FY 2005 and FY 2004. During FY 2005, the City's daily cash balances increased by \$2.622 billion to \$6.830 billion. Average daily balances were \$3.865 billion greater during the fourth quarter of FY 2005 than during the fourth quarter of FY 2004, and \$1.750 billion greater for FY 2005 than in FY 2004. Cash balances throughout FY 2005 were high partly because of the unsettled collective bargaining agreements from the 2002-2005 round of negotiations.

Table 1. Overview of Cash Position FY 2005 and FY 2004^a

(\$ in millions)

<i>Central Treasury</i>	<i>April-June 2005</i>	<i>FY 2005</i>	<i>April-June 2004</i>	<i>FY 2004</i>
Opening Balance	\$ 8,350	\$ 4,208 ^b	\$ 5,056	\$ 2,502 ^b
Total Receipts	15,616	62,887	13,916	57,063
Total Expenditures ^c	17,136	60,265	14,764	55,357
Closing Balance	6,830 ^b	6,830 ^b	4,208 ^b	4,208 ^b
Average Daily Balance	8,206	5,439	4,341	3,689

a. The data for this report are based on the City's Central Treasury book balances as calculated by the Bureau of Financial Analysis, Office of the NYC Comptroller. Expenditures, with the exception of payroll, are reported on checks issued. Receipts are reported based on cash receipts and the analysis of bank deposits. Receipts and expenditures are net of debt service and note funding.

b. Before FY 2005, FY 2004, and FY 2003 City Audits.

c. Total expenditures include capital expenditures.

Cash receipts totaled \$15.616 billion and averaged \$244 million daily during the fourth quarter of FY 2005, and totaled \$13.916 billion and averaged \$217 million during the same period in FY 2004. During FY 2005, cash receipts were \$5.824 billion greater than during FY 2004. The increase in fourth quarter cash receipts stemmed primarily from higher tax receipts. In the fourth quarter of FY 2005, total tax receipts increased \$1.674 billion from FY 2004. Real property tax receipts increased \$385 million and all other tax receipts increased \$1.289 billion. Federal and State aid rose by \$310 million, and miscellaneous revenue fell by \$128 million.

Cash expenditures, including capital expenditures, totaled \$17.136 billion and averaged \$268 million daily during the fourth quarter of FY 2005, and totaled \$60.265 billion and averaged \$241 million daily in FY 2005. In FY 2004, there were \$14.764 billion in fourth quarter cash expenditures and \$55.357 billion in full year cash expenditures. In order to transfer the budget surplus from one year to the next, cash expenditures include the prepayment of future fiscal years' expenditures at the end of June. The FY 2005 cash prepayments totaled \$3.728 billion, an increase of \$1.608 billion over the FY 2004 cash surplus roll. This increase in prepayments accounts for 68 percent of the growth in expenditures when comparing the fourth quarters of FY 2005 and FY 2004.

Capital expenditures were less in the fourth quarter of FY 2005 than in the comparable period in FY 2004, but were greater for the entire fiscal year in 2005 than in 2004. As shown in Table 2, capital expenditures totaled \$1.117 billion, 6.5 percent of total expenditures, during the fourth quarter of FY 2005. This was \$241 million less than in the fourth quarter of FY 2004, when capital spending accounted for 9.2 percent of total expenditures. However, capital expenditures for all of FY 2005 were \$96 million greater than capital expenditures in FY 2004. City-funded capital expenditures declined to \$1.009 billion in the fourth quarter of FY 2005 from \$1.202 billion during the same period in FY 2004. City-funded capital expenditures were \$168 million greater during FY 2005 than in FY 2004. Reimbursements to the City's Central Treasury from bond proceeds totaled \$1.325 billion during the fourth quarter of FY 2005 and \$5.146 billion for all of FY 2005. In the same periods in FY 2004, reimbursements were \$1.425 billion and \$4.948 billion.

Table 2. Capital Expenditures FY 2005 and FY 2004

(\$ in millions)

	<i>April-June 2005</i>	<i>FY 2005</i>	<i>April-June 2004</i>	<i>FY 2004</i>
Capital Expenditures	\$1,117	\$5,360	\$1,358	\$5,264
City-funded Capital Expenditures	1,009	4,934	1,202	4,766
Reimbursements to the Central Treasury for Capital Expenditures ^a	1,325	5,146	1,425	4,948

a. Reimbursements are included in total receipts.

General Obligation (GO) debt issued by the City during the fourth quarter of FY 2005 totaled \$1.805 billion. Tax-exempt issues totaled \$1.710 billion and taxable bonds totaled \$95 million. These sales provided the City's capital program with \$1.340 billion. Issuances for the refunding of outstanding debt totaled \$465 million and provided \$34 million in City budget savings over the life of the bonds. There was \$6.775 billion in GO sales in all of FY 2005: \$3.920 billion for funding the capital program and \$2.855 billion for refunding outstanding debt. The refundings provide a total of \$175 million in budget relief over the life of the bonds.

II. Cash Balances

A. OVERVIEW

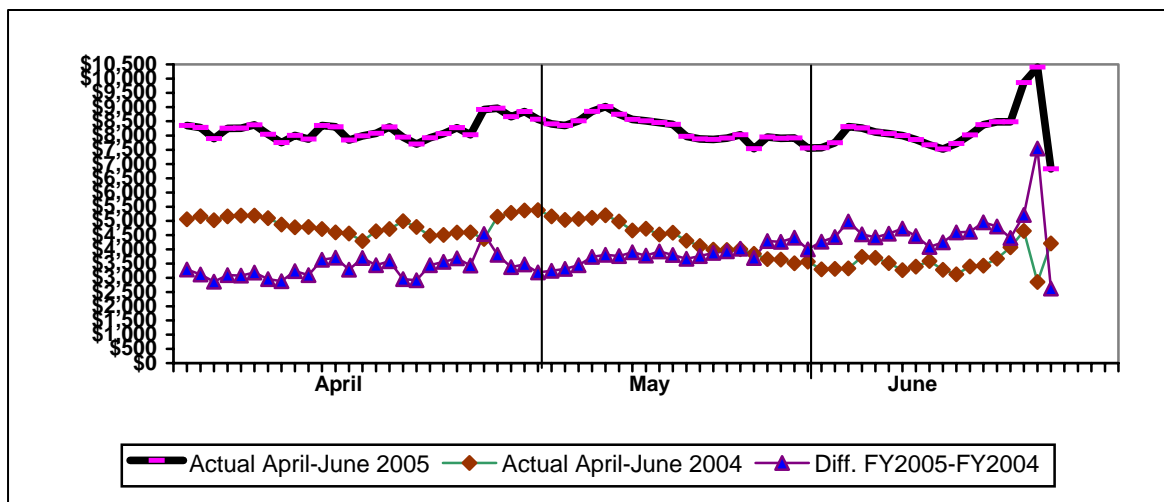
Quarterly Cash Balances

Cash balances during the fourth quarter of FY 2005 significantly exceeded cash balances during the fourth quarter of FY 2004, as shown in Chart 1. The fourth quarter of FY 2005 began with \$3.294 billion more cash-on-hand than was the case at the beginning of the fourth quarter of FY 2004. It ended with a balance that was \$2.622 billion greater than the FY 2004 fourth quarter ending balance. While receipts were greater by \$1.7 billion in the fourth quarter of FY 2005, so were expenditures and pre-payments. Expenditures, net of prepayments, were \$764 million greater in the fourth quarter of FY 2005, and FY 2005 prepayments exceeded FY 2004 prepayments by \$1.608 billion.

The average daily cash balance for the fourth quarter of FY 2005 was \$8.206 billion, more than twice the \$3.865 billion average in the fourth quarter a year earlier. The gain in the average daily cash balance compared to the fourth quarter of FY 2004 grew as the quarter progressed: the daily cash balance averaged \$8.075 billion in April 2005, or \$3.298 billion greater than in April 2004; \$8.426 billion in May 2005, or \$3.702 billion greater than a year earlier; and \$8.122 billion in June 2005, or \$4.567 billion greater than in June 2004.

Chart 1. Daily Cash Balances April-June

(\$ in millions)



Annual Cash Balances

Receipts exceeded expenditures in FY 2004 and FY 2005, leading to growth in the City's cash balances. The FY 2005 starting balance of \$4.208 billion included \$1.706 billion resulting from the excess of receipts over expenditures in FY 2004. In FY 2005, receipts exceeded expenditures by another \$2.622 billion, leading to a FY 2005 closing cash balance of \$6.830 billion. The average daily cash balance for FY 2005 was \$5.439 billion, \$1.750 billion more than the average daily cash balance of \$3.689 billion for FY 2004. The higher FY 2005 cash balances stem in part from unsettled collective bargaining agreements with most City unions covering 2002 to 2005, with the major exceptions of DC 37 and CWA Local 1180. Table 3 summarizes the City's cash activity for FY 2005 and FY 2004.

Table 3. *City's Cash Position FY 2005 and FY 2004*

(\$ in millions)

	FY 2005	FY 2004	Diff. FY 2005- FY 2004
Opening Balance	\$ 4,208 ^a	\$ 2,502 ^a	\$1,706
Total Receipts	62,887	57,063	5,824
Average Daily Receipt	252	227	25
Total Expenditures ^b	60,265	55,357	4,908
Average daily Expenditure	241	221	20
Closing Balance	6,830 ^a	4,208 ^a	2,622
Average Daily Balance	5,439	3,689	1,750

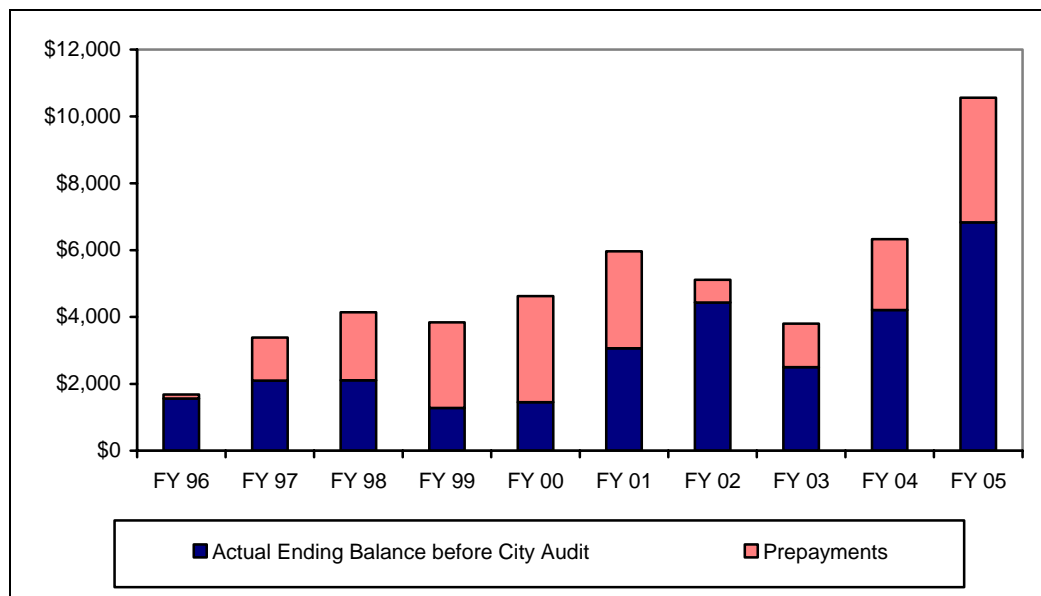
a. Before FY 2005, FY 2004 and FY 2003 City Audits.

b. Includes capital expenditures.

Chart 2 shows the ten-year trend in fiscal year ending balances and the impact of prepayments on the ending balances.

Chart 2. *Fiscal Year Ending Cash Balances FY 1996-FY 2005*

(\$ in millions)



Since FY 1996 the ending balance has increased by 337 percent from \$1.562 billion to \$6.830 billion. During that time frame the budget has grown 66 percent. Net of prepayments, the ending balance rose 528 percent from \$1.680 billion to \$10.558 billion. The lowest prepayment was \$118 million in FY 1996 and the highest in FY 2005 at \$3.728 billion.

B. CASH RECEIPTS

Cash receipts totaled \$15.616 billion during the fourth quarter of FY 2005, \$1.7 billion greater than the \$13.916 billion in cash receipts during the same period in FY 2004. Average daily cash receipts during the fourth quarter of FY 2005 were \$244 million, \$27 million more than the \$217 million during the fourth quarter of FY 2004. Cash receipts totaled \$4.055 billion in April 2005, \$4.119 billion in May 2005, and \$7.442 billion in June 2005. Average daily cash receipts were \$193 million, \$196 million, and \$338 million in April, May, and June 2005, respectively. FY 2005 cash receipts totaled \$62.887 billion, \$5.824 billion above the total cash receipts in FY 2004 of \$57.063 billion.

Table 4 shows fourth quarter cash receipts during FY 2005 and FY 2004 by major category.

Table 4. Cash Receipts by Category April-June

(\$ in millions)

Receipts	April 2005	May 2005	June 2005	Total	April 2004	May 2004	June 2004	Total
Real Property Tax	\$ 242	\$ 79	\$2,328	\$ 2,649	\$ 252	\$ 45	\$1,967	\$ 2,264
Other Taxes	2,351	967	2,680	5,998	1,713	707	2,289	4,709
Federal and State Aid	531	1,889	1,249	3,669	535	1,818	1,006	3,359
Less: Debt Funding	(242)	(55)	(66)	(363)	(145)	(129)	(4)	(278)
Miscellaneous	428	446	573	1,447	404	344	827	1,575
Intergovernmental Aid	10	0	0	10	0	0	87	87
Other ^b	735	793	678	2,206	698	618	884	2,200
Total	\$4,055	\$4,119	\$7,442	\$15,616	\$3,457	\$3,403	\$7,056	\$13,916

a. GO and NYCTFA debt service funding was withheld from real property tax and PIT.

b. Other receipts include capital proceeds transfers of \$351 million in April 2005, \$443 million in May 2005, \$531 million in June 2005, \$443 million in April 2004, \$353 million in May 2004, and \$630 million in June 2004.

Tax receipts totaling \$8.647 billion were 24 percent greater during the fourth quarter of FY 2005 than the \$6.973 billion in tax receipts during the fourth quarter of FY 2004.

Real property tax collections during the fourth quarter of FY 2005 were \$385 million more than collections in the same period of FY 2004, accounting for 23 percent of the \$1.674 billion increase in total taxes. Real property tax collections during the month of June usually include deferred revenue attributable to the tax bills that have been mailed out for taxes due in July, the start of the next fiscal year. This deferred revenue was approximately \$400 million greater in June 2005 than in June 2004. Tax lien sales totaled \$2.95 million during the fourth quarter of FY 2005 and \$2.96 million during the fourth quarter of FY 2004.

Other taxes were \$1.289 billion greater during the fourth quarter of FY 2005 than in the fourth quarter of FY 2004. During the fourth quarter of FY 2005, economically sensitive taxes — sales tax, personal income tax (PIT), general corporation tax (GCT), unincorporated business tax (UBT) and financial corporation tax (FCT) — totaled \$4.740 billion. This was an increase of \$1.047 billion, or 28.4 percent, over the \$3.693 billion collected during the fourth quarter of FY 2004. Sales tax was \$236 million greater,¹ PIT was \$378 million greater,² GCT was \$277 million greater, UBT was \$91 million greater, and FCT was \$65 million greater in the fourth quarter of FY 2005. Payments in lieu of taxes (PILOTs) were less in the fourth quarter of FY 2005 than in the fourth quarter of FY 2004. The Battery Park City Authority (BPCA) paid the City \$101 million in June 2005 and \$151 million in June 2004. The City received \$39 million in Industrial Development Agency (IDA) PILOTs in June 2004.

Federal and State aid totaled \$3.669 billion during the fourth quarter of FY 2005, \$310 million above the \$3.359 billion received during the fourth quarter of FY 2004. State aid for education accounted for a significant portion of these receipts in both fiscal years. The City received general education aid of \$1.310 billion and excess cost aid of \$130 million in the fourth quarter of FY 2005, and general education aid of \$1.205 billion and excess cost aid of \$126 million in the fourth quarter of FY 2004.

Miscellaneous revenue during the fourth quarter of FY 2005 totaled \$1.447 billion, \$128 million less than during the same period in FY 2004. As a result of the timing in receipts, senior college fees were \$160 million lower and payments from the Health and Hospitals Corporation (HHC) for costs of malpractice suits were \$70 million lower in the fourth quarter of FY 2005 than in the fourth quarter of FY 2004. Tobacco settlement

1. Sales tax is net of MAC debt service. During the fourth quarter of FY 2005, no funds were withheld for MAC debt service. MAC debt service funding is no longer part of the City's budget. Proceeds from the Sales Tax Asset Receivable Corporation will fund MAC debt service. During the fourth quarter of FY 2004, \$131 million in sales tax was used for MAC debt service funding.

2. PIT is received from the State net of refunds and NYCTFA debt service funding. PIT, net of debt service funding, was \$1.729 billion during the fourth quarter of FY 2005 and \$1.333 billion during the fourth quarter of FY 2004.

funds of \$65 million and \$61 million were received in April 2005 and April 2004, respectively.

Intergovernmental aid was \$77 million less during the fourth quarter of FY 2005 than in the fourth quarter of FY 2004. Long-term care (LTC) of \$64 million was received in June 2004.

Table 5 shows the major cash sources during the fourth quarter of FY 2005.

Table 5. Major Cash Sources April-June 2005 ^a

(\$ in millions)

April 2005		May 2005		June 2005	
PIT ^b	\$995	NYS Education	\$1,105	Real Property Tax	\$2,328
Sales Tax	467	Capital Transfers	443	NYS Education	630
Capital Transfers	351	Sales Tax	317	Sales Tax	620
Unincorporated Business Tax	302	Federal Welfare	288	PIT	592
General Corporation Tax	264	PIT	235	Capital Transfers	531
Real Property Tax ^c	242	Federal Education	204	General Corporation Tax	403
Federal Education	222	NYS Welfare	128	Financial Corporation Tax	224
Water and Sewer Fees	117	Senior College Fees	103	Unincorporated Business Tax	203
NYS Education	100	Fines and Forfeitures	68	Senior College Fees	154
Tobacco Settlement	65	Real Property Tax	66	NYS Welfare	123
Fines and Forfeitures	63	General Corporation Tax	65	Federal Welfare	116
NYS Health	60	Community College Fees	58	Commercial Rent Tax	109
		Licenses, etc.	54	BPCA	101
		Water and Sewer Fees	44	NYS Higher Education	100
		Tax Lien Sale	3	Hotel Tax	69
				Fines and Forfeitures	66
				Federal Education	58
				NYS Health	50
				HHC Malpractice	43

a. Tax receipts are gross of refunds.

b. PIT is gross of debt service. PIT is received from the State net of refunds.

c. Real property tax is gross of debt service.

Cash receipts during the fourth quarter of FY 2005, net of capital reimbursements, totaled \$14.291 billion and averaged \$223 million daily, compared with total cash receipts of \$12.490 billion and daily average receipts of \$195 million during the fourth quarter of FY 2004. In FY 2005, net cash receipts totaled \$57.740 billion and averaged \$231 million daily. Net cash receipts totaled \$52.114 billion and averaged \$208 million during FY 2004. Table 6 compares cash receipts, net of capital reimbursements, for FY 2005 and FY 2004.³

Table 6. Cash Receipts (net of capital reimbursements) FY 2005 and FY 2004

(\$ in millions)

	FY 2005	FY 2004	Diff. FY 2005- FY 2004
July	\$ 5,667	\$ 5,184	\$ 483
August	2,717	3,705	(988)
September	4,926	4,209	717
First Quarter Total	13,310	13,098	212
October	3,435	4,314	(879)
November	3,886	2,113	1,773
December	6,797	6,462	335
Second Quarter Total	14,118	12,889	1,229
January	5,465	5,639	(174)
February	3,059	2,470	589
March	7,497	5,528	1,969
Third Quarter Total	16,021	13,637	2,384
April	3,704	3,014	690
May	3,676	3,050	626
June	6,911	6,426	485
Fourth Quarter Total	14,291	12,490	1,801
FY Total	\$57,740	\$52,114	\$5,626

C. CASH EXPENDITURES

Cash expenditures, including capital, totaled \$17.136 billion during the fourth quarter of FY 2005 and averaged \$268 million daily. During the same period in FY 2004, cash expenditures totaled \$14.764 billion and averaged \$231 million daily. Expenditures were \$4.372 billion in April 2005, \$4.612 billion in May 2005, and \$8.152 billion in June 2005. The large increase in June expenditures stems from the FY 2005 prepayment. The average daily expenditure was highest during June 2005 at \$371 million and lowest in April 2005 at \$208 million. The average daily expenditure in May 2005 was \$220 million. FY 2005 cash expenditures totaled \$60.265 billion, an increase of \$4.908 billion over FY 2004.

3. See Section III for a discussion of capital reimbursements.

Table 7 indicates monthly expenditures in major categories during the fourth quarters of FY 2005 and FY 2004.

Table 7. Cash Expenditures by Category April-June

(\$ in millions)

Expenditures	April 2005	May 2005	June 2005	Total	April 2004	May 2004	June 2004	Total
Gross Payroll	\$1,435	\$1,447	\$1,472	\$ 4,354	\$1,520	\$1,326	\$1,465	\$ 4,311
Other Personal Services	671	727	848	2,246	648	504	487	1,639
Public Assistance	238	162	133	533	177	231	76	484
Medical Assistance (excluding HHC)	334	431	377	1,142	320	307	393	1,020
Other Social Services	158	147	71	376	142	145	109	396
Vendor and Other Payments	914	1,041	1,002	2,957	842	843	965	2,650
All Other, including Capital ^a	622	657	4,249	5,528	496	574	3,194	4,264
Total	\$4,372	\$4,612	\$8,152	\$17,136	\$4,145	\$3,930	\$6,689	\$14,764

a. Capital expenditures included in All Other are \$294 million in April 2005, \$448 million in May 2005, \$375 million in June 2005, \$278 million in April 2004, \$306 million in May 2004, and \$774 million in June 2004. All Other also includes prepayments of \$3.728 billion in June 2005 and \$2.120 billion in June 2004.

Personal Service (PS) expenditures are comprised of gross payroll and other personal services. PS totaled \$6.6 billion during April-June 2005 and \$5.950 billion during April-June 2004. Gross payroll totaled \$4.354 billion during the fourth quarter of FY 2005. This was \$43 million greater than gross payroll during the same period in FY 2004. Other personal services, which include pensions, social security, and health plan, were \$2.246 billion during the fourth quarter of FY 2005, \$607 million greater than in the same period last year. Contributions to the City's pension systems accounted for \$547 million of this increase.

During the fourth quarter of FY 2005, public assistance expenditures totaling \$533 million were \$49 million higher, medical assistance spending of \$1.142 billion was \$122 million more, and other social services expenditures of \$376 million were \$20 million less than during the same quarter of FY 2004. Vendor and other payments totaled \$2.957 billion during April-June 2005 and \$2.650 billion during April-June 2004.

All other expenditures include prepayments of future fiscal years' expenditures to transfer the budgetary surplus from one fiscal year to the next (the "surplus roll"). These payments occurred at the end of June in each fiscal year. Table 8 compares the FY 2005 and FY 2004 cash prepayments. The FY 2005 surplus was \$1.6 billion greater than the FY 2004 surplus. This accounts for 68 percent of the \$2.372 billion increase in expenditures in the fourth quarter of FY 2005 over the fourth quarter of FY 2004.

Table 8. Cash Prepayments FY 2005 and FY 2004

(\$ in millions)

	FY 2005	FY 2004	Difference
GO Debt Service	\$1,848	\$ 969	\$ 879
NYCTFA Debt Service	947	400	547
Lease Payments	88	71	17
Payments to the Transit Authority	138	138	0
Payments to the MTA	110	71	39
Payments to the Libraries	225	112	113
Payments to HHC	172	159	13
Prepayment of Outstanding Debt	200	200	0
Total	\$3,728	\$2,120	\$1,608

All other expenditures also include \$181 million in tax refunds during the fourth quarter of FY 2005 and \$205 million during the fourth quarter of FY 2004.

Table 9 compares expenditures, net of capital expenditures, during FY 2005 and FY 2004.⁴ Expenditures, net of capital, totaled \$16.019 billion during the fourth quarter of FY 2005 and \$54.904 billion during all of FY 2005. These expenditures were \$13.406 billion and \$50.092 billion during the same periods of FY 2004.

Table 9. Cash Expenditures (net of capital expenditures) FY 2005 and FY 2004

(\$ in millions)

	FY 2005	FY 2004	Diff. FY 2005- FY 2004
July	\$ 5,201	\$ 4,339	\$ 862
August	4,232	4,130	102
September	3,978	4,375	(397)
First Quarter Total	13,411	12,844	567
October	4,309	3,402	907
November	4,252	3,570	682
December	4,441	4,123	318
Second Quarter Total	13,002	11,095	1,907
January	4,441	4,473	(32)
February	3,841	4,018	(177)
March	4,190	4,256	(66)
Third Quarter Total	12,472	12,747	(275)
April	4,078	3,867	211
May	4,164	3,624	540
June	7,777	5,915	1,862
Fourth Quarter Total	16,019	13,406	2,613
FY Total	\$54,904	\$50,092	\$4,812

4. See Section III for a discussion of capital expenditures.

III. Capital Expenditures

Table 10 shows capital expenditures during FY 2005 and FY 2004.

Table 10. *Capital Expenditures FY 2005 and FY 2004*

(\$ in millions)

	FY 2005		FY 2004	
	Total Capital	City-funded Capital	Total Capital	City-funded Capital
July	\$ 380	\$ 345	\$ 634	\$ 606
August	392	356	331	306
September	690	648	299	262
First Quarter Total	1,462	1,349	1,264	1,174
October	386	345	354	326
November	335	309	620	535
December	719	667	323	291
Second Quarter Total	1,440	1,321	1,297	1,152
January	288	263	698	672
February	308	277	277	246
March	745	715	370	320
Third Quarter Total	1,341	1,255	1,345	1,238
April	294	265	278	260
May	448	399	306	273
June	375	345	774	669
Fourth Quarter Total	1,117	1,009	1,358	1,202
FY Total	\$5,360	\$4,934	\$5,264	\$4,766

Capital expenditures were \$1.117 billion during the fourth quarter of FY 2005, or 6.5 percent of total expenditures. This was \$241 million below the level of capital expenditures in the fourth quarter of FY 2004. The average daily capital expenditure was \$17 million. Capital expenditures in April 2005 were \$294 million and averaged \$14 million daily. In May 2005, capital expenditures were \$448 million and averaged \$21 million daily. In June 2005, capital expenditures were \$375 million and averaged \$17 million daily.

For FY 2005, capital expenditures totaled \$5.360 billion edging past the FY 2004 total of \$5.264 billion. In both years, daily capital expenditures averaged \$21 million, after rounding.

City-funded capital expenditures are financed by issuing debt, including General Obligation (GO) and Water and Sewer debt.

City-funded capital expenditures totaled \$1.009 billion and averaged \$16 million daily during the fourth quarter of FY 2005. In the same period of FY 2004, City-funded capital expenditures totaled \$1.358 billion and averaged \$21 million daily. In April 2005, there were \$265 million in City-funded capital expenditures, for a daily average of \$13 million.

During May 2005, there were \$399 million in City-funded capital expenditures for a daily average of \$19 million. In June 2005, City-funded capital expenditures totaled \$345 million and averaged \$16 million daily.

During the fourth quarter of FY 2005, there were no payments to the School Construction Authority (SCA) compared with \$263 million in City-funded capital expenditures and \$37 million in non-City funded capital expenditures to the SCA in June 2004. In FY 2005, payments to the SCA totaled \$900 million, \$300 million less than the \$1.2 billion paid to the SCA in FY 2004. FY 2005 City-funded capital expenditures totaled \$4.934 billion, an increase of \$168 million over City-funded capital expenditures in FY 2004.

All capital expenditures are initially paid from the City’s Central Treasury. Table 11 shows the fourth quarter reimbursements to the Central Treasury from the proceeds of capital financings of City-funded capital expenditures that were previously paid out of the Central Treasury. GO bond proceeds provided \$718 million, water and sewer financings provided \$598 million, and the Transportation and Infrastructure Finance and Innovation Act of 1998 (TIFIA) provided \$6 million. HHC paid the City \$4 million for capital expenditures. These reimbursements totaled \$1.325 billion, which were \$100 million less than the \$1.425 billion in reimbursements during April-June 2004.

Table 11. Reimbursements to the Central Treasury from Capital Proceeds

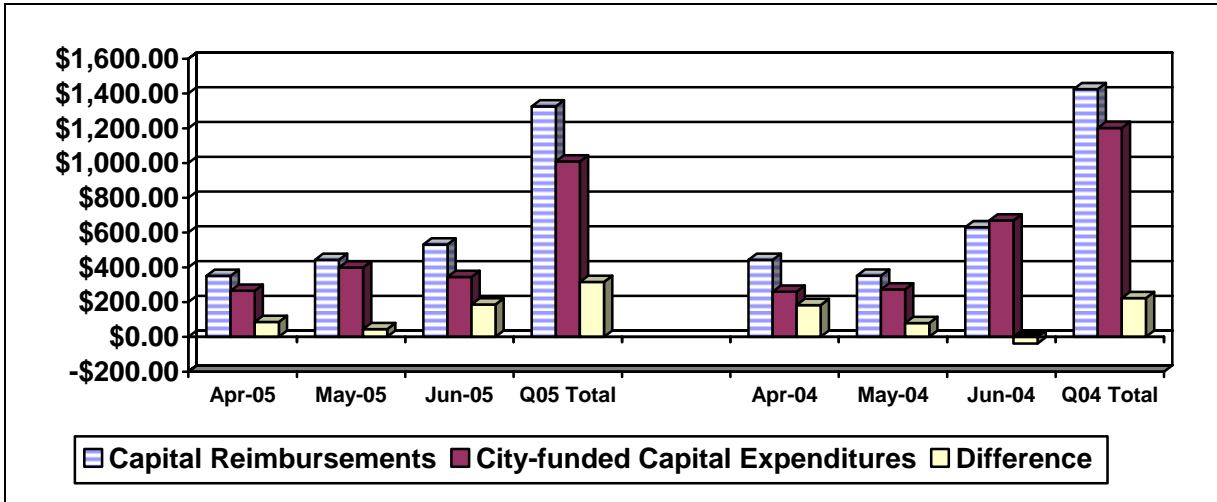
(\$ in millions)

	April 2005	May 2005	June 2005	Total
General Obligation Bonds	\$115.76	\$275.98	\$325.98	\$ 717.72
Water and Sewer	229.73	167.20	200.90	597.83
Tobacco Settlement (TIFIA)	5.98	0.00	0.00	5.98
Other	0.00	0.00	3.78	3.78
Total	\$351.47	\$443.18	\$530.66	\$1,325.31

Chart 3 illustrates the effect on the cash balances in the City’s Central Treasury during April-June 2005 and April-June 2004 of City-funded capital expenditures and their reimbursements. During the fourth quarter of FY 2005, the net of reimbursements above capital expenditures increased the City’s cash balances by \$316 million, and in the fourth quarter of FY 2004 reimbursements were \$223 million higher than capital expenditures.

Chart 3. Capital Reimbursements and City-Funded Capital Expenditures April-June

(\$ in millions)



During FY 2005, reimbursements totaled \$5.146 billion—\$3.385 billion from GO debt, \$1.697 billion from Water and Sewer debt, \$20 million from HHC, and \$44 million from TIFIA. This was \$212 million greater than City-funded capital expenditures. In FY 2004, reimbursements totaled \$4.948 billion, \$198 million less than reimbursements in FY 2005 and \$182 million more than City-funded capital expenditures in FY 2004.

IV. Financing and Debt Service

A. LONG-TERM FINANCING

As shown in Table 12, the City issued \$1.805 billion in GO debt during the fourth quarter of FY 2005. During FY 2005, GO debt totaled \$6.775 billion.

Table 12. GO Bond Issues FY 2005

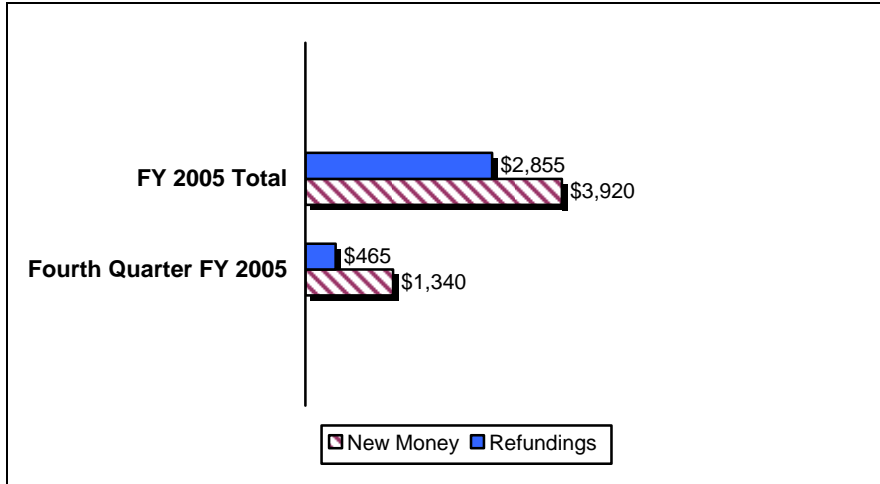
(\$ in millions)

	NYC GO Debt		Total
	Tax-Exempt	Taxable	
July	\$ 550.61	\$ 36.15	\$ 586.76
August	650.00	80.00	730.00
September	0.00	0.00	0.00
First Quarter Total	1,200.61	116.15	1,316.76
October	0.00	0.00	0.00
November	1,161.95	100.00	1,261.95
December	1,148.27	0.00	1,148.27
Second Quarter Total	2,310.22	100.00	2,410.22
January	0.00	0.00	0.00
February	0.00	0.00	0.00
March	950.77	292.43	1,243.20
Third Quarter Total	950.77	292.43	1,243.20
April	857.13	0.00	857.13
May	0.00	0.00	0.00
June	853.14	94.83	947.97
Fourth Quarter Total	1,710.27	94.83	1,805.10
FY Total	\$6,171.87	\$603.41	\$6,775.28

Chart 4 shows the purposes for which the GO bonds were issued. During the fourth quarter of FY 2005, tax-exempt and taxable new money GO debt for capital projects totaled \$1.3 billion and \$40 million, respectively. In the same time period, refundings totaled \$465 million. During FY 2005, new money sales totaled \$3.920 billion and refundings totaled \$2.855 billion.

Chart 4. Purposes of GO Debt Fourth Quarter FY 2005 and FY 2005 Total

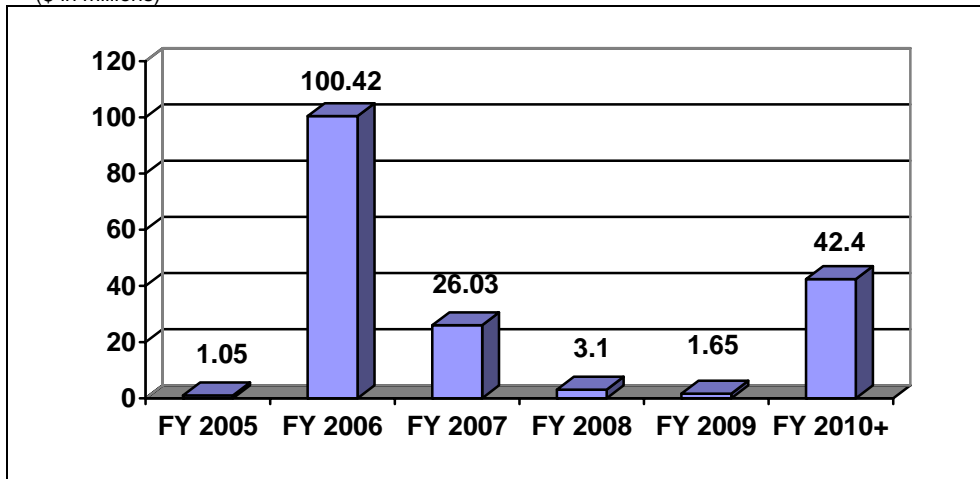
(\$ in millions)



The refundings provide total budget savings of \$175 million, of which \$100 million will be realized in FY 2006. Chart 5 shows these refunding savings.

Chart 5. Net FY 2005 GO Debt Refunding Savings

(\$ in millions)



In addition to GO debt, during April 2005, the NYCTFA sold \$920.65 million in bonds to refund outstanding debt.

B. DEBT SERVICE

The City and the NYCTFA fund debt service payments to holders of their debt in advance of the actual payment dates.⁵

GO debt service is funded from real property tax withheld by the State Comptroller and is held in a separate bank account. GO debt service funding was \$271 million during the fourth quarter of FY 2005. During the same period in FY 2004, GO debt service funding was \$168 million.

As discussed in the Cash Expenditures section of this report, the FY 2005 surplus roll included the prepayment of \$1.848 billion in FY 2006 GO debt service.

In connection with the GO refunding sales in the fourth quarter of FY 2005, the City made equity payments of \$475,000 on April 21, 2005 and \$136,292 on June 12, 2005.

NYCTFA debt service is funded from PIT collections. During April-June 2005, \$92 million was withheld from PIT and \$41 million of excess retention from prior periods was used to fund NYCTFA debt service. In the fourth quarter of FY 2004, \$110 million of PIT collections were withheld. The FY 2005 surplus roll also included \$947 million for the prepayment of all FY 2006 NYCTFA debt service funding and \$200 million was used to prepay FY 2007 outstanding debt.

5. The City's cash receipts of real property tax and PIT are net of debt service funding.

V. Glossary

BPCA	Battery Park City Authority
CWA	Communication Workers of America
DC 37	District Council 37
FCT	Financial Corporation Tax
FY	Fiscal Year
GCT	General Corporation Tax
GO	General Obligation
HHC	Health and Hospitals Corporation
IDA	Industrial Development Agency
LTC	Long-Term Care
MAC	Municipal Assistance Corporation
MTA	Metropolitan Transportation Authority
NYC	New York City
NYCTFA	New York City Transitional Finance Authority
NYS	New York State
PILOTs	Payments in lieu of taxes
PIT	Personal Income Tax
PS	Personal Service
SCA	School Construction Authority
TIFIA	Transportation and Infrastructure Finance and Innovation Act of 1998
UBT	Unincorporated Business Tax