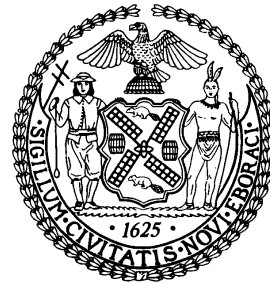


**The City Of New York  
Office of the Comptroller  
John C. Liu,  
Comptroller**



# QUARTERLY CASH REPORT

April-June 2010  
Fourth Quarter of FY 2010

August 2010

# Summary

## Overview

- The fourth quarter of FY 2010 began with \$6.188 billion of cash-on-hand in the New York City Central Treasury. This was the lowest opening balance for the fourth quarter of a fiscal year since FY 2004. It was \$1.574 billion lower than the fourth quarter of FY 2009 and \$4.746 billion less than the peak in the last ten years during the fourth quarter of FY 2007. During the fourth quarter of FY 2010, total cash expenditures were \$1.584 billion more than total cash receipts. Expenditures have exceeded receipts in the fourth quarter of nine of the last ten years. The average daily cash balance for the fourth quarter of FY 2010 was \$5.506 billion. The average daily cash balances for each month and the fourth quarter of FY 2010 were lower than in the same time periods in the fourth quarters of FY 2005 through FY 2009. The closing balance for the fourth quarter of FY 2010 was \$4.604 billion, after prepayments of future years' expenditures totaling \$3.642 billion and the receipt of more than \$4 billion in advance FY 2011 real property tax collections. In comparison, the fourth quarter of FY 2009 closed with \$5.839 billion, inclusive of \$2.910 billion in prepayments and also more than \$4 billion in advance real property tax collections.
- Daily cash balances during FY 2010 averaged \$5.102 billion. The average daily cash balance has declined annually after reaching \$7.293 billion in FY 2007. The lowest daily cash balance in FY 2010 was \$449 million, compared with \$4.084 billion in FY 2006, \$2.718 billion in FY 2007, \$2.068 billion in FY 2008, and \$2.173 billion in FY 2009. Daily cash balances during FY 2010 were impacted by the mid-year implementation by the City of a new Financial Management System and budget and cash flow problems at the state level, which beginning in December 2009 delayed state aid payments. Even with these challenges, the City's daily cash balances were at levels to ensure sufficient funds for operations. Once again, as in FY 2005-FY 2009, there was no need for the City to borrow short-term for operations.

## Cash Receipts

- Cash receipts totaled \$21.738 billion and averaged \$340 million daily during the fourth quarter of FY 2010. This was an increase of \$3.548 billion and \$1.619 billion in total cash receipts and \$56 million and \$26 million in average daily cash receipts over the fourth quarters of FY 2006 and FY 2009.
- During the fourth quarter of FY 2010, federal and state aid increased \$845 million, miscellaneous receipts \$570 million, other taxes \$114 million, and debt service funding \$25 million over the fourth quarter of FY 2009, offset by a decrease in real property tax collections of \$60 million. The increase in federal and state aid accounted for over 50 percent of the total increase in cash receipts between the fourth quarters of FY 2009 and FY 2010. Federal aid from the federal stimulus program, the timing of state higher education aid, and state education aid delayed from the third quarter of FY 2010 offset delayed federal and state welfare aid payments. The increase in miscellaneous receipts in the fourth quarter of FY 2010 over the fourth quarter of FY 2009 included higher water and sewer charges as the result of increased operating system costs and liquidation of the Ocean Disposal Trust and the receipt of senior and community college fees. Tax collections appear to stabilize in the fourth quarter of FY 2010 compared with the fourth quarter of FY 2009 after adjusting for a correction by the state in personal income tax for overpayments in the fourth quarter of FY 2009 and a rate and base increase to sales tax in FY 2010.

- During FY 2010, total daily cash receipts of \$76.742 billion were \$10.172 billion, or 15 percent, more than in FY 2006 and average daily cash receipts increased \$41 million. Compared with FY 2009, total daily receipts were \$680 million, or 1 percent, lower and average daily cash receipts declined \$3 million in FY 2010. However, total cash receipts, net of reimbursement for capital expenditures, were \$476 million more in FY 2010 than in FY 2009. Total tax receipts were \$1.094 billion, federal and state aid \$3.282 billion, miscellaneous receipts \$1.412 billion, and capital reimbursements \$3.828 billion greater in FY 2010 than in FY 2006. Compared with FY 2009, total tax receipts declined \$1.173 billion, capital reimbursements fell \$1.154 billion, federal and state aid increased \$648 million, and miscellaneous receipts grew \$894 million in FY 2010. The five largest sources of cash accounted for 51 percent of total receipts in FY 2010. These sources were real property tax collections of \$16.313 billion, or 21 percent of total receipts; NYS education aid of \$7.861 billion, or 10 percent of total receipts; personal income tax receipts of \$6.851 billion, or 9 percent of total receipts; sales tax of \$4.911 billion, or 6 percent of total receipts; and general corporation tax of \$2.953 billion, or 4 percent of total receipts.
- During FY 2010, the City received \$877 million in federal stimulus funding, excluding capital. The funds were identified as \$25 million for community development, \$90 million for social services, \$663 million for education, and \$99 million as other.

### **Cash Expenditures**

- Cash expenditures, including capital expenditures, totaled \$23.322 billion and averaged \$364 million daily during the fourth quarter of FY 2010. This was an increase of \$2.896 billion and \$1.280 billion in total cash expenditures and \$45 million and \$20 million in average daily cash expenditures over the fourth quarters of FY 2006 and FY 2009.
- Personal service expenditures increased \$681 million, or 7 percent, during the fourth quarter of FY 2010 over the fourth quarter of FY 2009 to \$10.586 billion. In the fourth quarter of FY 2010, personal service was 45 percent of total expenditures. In that time frame, gross payroll rose \$373 million and other personal services rose \$308 million and accounted for 57 percent and 43 percent of personal service payments, respectively. In the fourth quarter of FY 2010, other personal service expenditures include the payment by the City to the Retiree Health Benefits Trust Fund of \$1.356 billion. Other-than-personal-service expenditures increased \$198 million, or 4 percent, during the fourth quarter of FY 2010 compared with the fourth quarter of FY 2009 to \$5.721 billion. During the fourth quarter of FY 2010, other-than-personal-service costs were 25 percent of total expenditures. In that time frame, public assistance increased \$23 million, medical assistance \$206 million, including \$277 million in intergovernmental transfers to the state for Health and Hospitals Corporation enhanced Medicaid, and other social services increased \$37 million over the fourth quarter of FY 2009. Vendor and other was \$68 million less in the same time frame.
- All other expenditures, including cash prepayments, capital expenditures, and tax refunds were \$401 million more in the fourth quarter of FY 2010 than in the fourth quarter of FY 2009. Cash prepayments of future years' expenditures totaled \$3.642 billion, an increase of \$732 million over FY 2009.
- During FY 2010, total daily cash expenditures of \$77.977 billion were \$10.963 billion, or 16 percent, more than in FY 2006 and average daily cash expenditures increased \$44 million. Compared with FY 2009, total daily expenditures were \$1.406 billion, or 2 percent, higher and average daily cash expenditures increased \$6 million in FY 2010. Total cash expenditures, net of reimbursement for capital expenditures, were \$792 million more in FY 2010 than in FY 2009. From FY 2006 through FY 2010, personal service expenditures

accounted for 47 percent of total expenditures and grew 16 percent and other-than-personal-service expenditures were 31 percent of total expenditures and grew 10 percent. In FY 2010, personal service expenditures increased \$762 million over FY 2009 and were 48 percent of total expenditures and other-than-personal-service expenditures declined \$19 million and were 30 percent of total expenditures. Between FY 2009 and FY 2010, public assistance increased 11 percent, medical assistance was flat, other social services increased 2 percent, and vendor and other declined 2 percent. The average of daily expenditures as a percent of daily cash balances during FY 2010 was 8 percent compared to 6 percent in FY 2009.

- In FY 2010, \$1.159 billion of total cash expenditures were identified as eligible for federal stimulus funding as follows: payments for personal services totaled \$729 million, other-than-personal-services \$360 million, and capital \$70 million.

### **Capital Expenditures and Reimbursements**

- Total capital expenditures of \$2.559 billion were \$969 million greater and \$166 million less during the fourth quarter of FY 2010 than during the fourth quarters of FY 2006 and FY 2009. The City-funded portion of total capital expenditures was \$2.360 billion, increases of \$882 million and \$76 million in the same time frames. In the fourth quarter of FY 2010, total and City-funded capital expenditures were 11 percent and 10 percent of total expenditures, respectively. Payments to the School Construction Authority totaled \$800 million (\$755 million City-funded) and were 31 percent of total capital expenditures, during the fourth quarter of FY 2010. In the fourth quarter of FY 2009, the School Construction Authority also received \$800 million (\$523 million City-funded).
- During FY 2010, total capital expenditures were \$10.047 billion, \$614 million greater than in FY 2009. The City-funded portion of capital expenditures was \$2.499 billion more than in FY 2009. From FY 2006 through FY 2010, total capital expenditures increased \$3.905 billion, or 64 percent, and the City-funded portion of capital expenditures increased \$3.481 billion, or 61 percent. Total capital expenditures as a percent of total expenditures were 9.2 percent in FY 2006, 12.3 percent in FY 2009, and 12.9 percent in FY 2010. Payments to the School Construction Authority were \$1.8 billion (\$1.796 billion City-funded) in FY2006, \$2.8 billion (\$593 million City-funded) in FY 2009, and \$3.050 billion (\$2.766 billion City-funded) in FY 2010. In FY 2010, payments to the School Construction Authority were related to the remainder of the Five-Year Educational Facilities Capital Plan for FY 2005-FY 2009 and were mostly City-funded. In FY 2009, these expenditures were classified as mainly non City-funded.
- All capital expenditures are initially paid from the New York City Central Treasury and then reimbursed mostly from the proceeds of general obligation, Transitional Finance Authority, or New York City Municipal Water Finance Authority debt and Expanding Our Children's Education and Learning capital grants from the Dormitory Authority of the State of New York. Reimbursements of \$2.924 billion during the fourth quarter of FY 2010 were 14 percent of total cash receipts and \$522 million more than reimbursable expenditures. This compares with reimbursements in the fourth quarter of FY 2006 of \$1.875 billion that were 10 percent of total cash receipts and \$397 million more than reimbursable expenditures and \$2.951 billion in the fourth quarter of FY 2009 which were 15 percent of total cash receipts and \$398 million more than reimbursable expenditures. During the fourth quarter of FY 2010, reimbursements were financed by general obligation debt (36 percent), New York City Municipal Water Finance Authority debt (23 percent), and Transitional Finance Authority debt (41 percent).
- For FY 2010, reimbursements were \$9.326 billion, or 12 percent, of total cash receipts and \$112 million less than reimbursable expenditures. In FY 2006, \$5.498 billion of reimbursements were 8 percent of total cash receipts and \$190 million less than reimbursable expenditures. In FY 2009, \$10.480 billion of reimbursements were 14 percent of total cash

receipts and \$1.649 billion more than reimbursable expenditures. During 2010, reimbursements were financed by general obligation debt (36 percent), New York City Municipal Water Finance Authority debt (29 percent), Transitional Finance Authority debt (34 percent), and Transitional Finance Authority Building Aid and the Dormitory Authority of the State of New York funds (2 percent).

## **Financing**

- The City sold \$151 million in tax-exempt general obligation bonds and \$749 million in taxable Build America debt to fund the City's capital program during the fourth quarter of FY 2010. General obligation debt issuances in FY 2010 totaled \$5.4 billion, a decrease of \$690 million from FY 2009. In FY 2010, 63 percent of the general obligation debt proceeds were for capital projects and the balance was issued to refund outstanding debt yielding \$209 million in budget savings over the life of the bonds.
- Transitional Finance Authority revenue debt issuances in FY 2010 totaled \$5.3 billion, an increase of \$5.1 billion over FY 2009. In the fourth quarter of FY 2010, \$1.4 billion of the \$5.3 billion in debt was issued, including the first sale by the City of Qualified School Construction Bonds (QSCB). QSCB debt is issued as part of the Federal American Recovery and Reinvestment Act, which subsidizes the interest cost of QSCB issued for school construction, rehabilitation, equipment, and land purchases.
- From FY 2001 to FY 2010, the City sold \$50 billion in general obligation bonds to fund the capital program and refund outstanding debt and the Transitional Finance Authority issued \$22 billion in bonds and Bond Anticipation Notes (BANs) and \$4 billion in Building Aid bonds.

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# I. Cash Balances<sup>1</sup>

## A. OVERVIEW

### 1. April-June 2010, Fourth Quarter of FY 2010 (4QFY10)

Tables 1 and 2 show the cash position and average daily cash balances in the New York City Central Treasury during the 4QFY01-4QFY10.

**Table 1. Cash Position in the New York City Central Treasury, 4QFY01-4QFY10**

(\$ in millions)

	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10
Opening Balance	\$ 4,820	\$ 2,766	\$ 2,601	\$ 5,056	\$ 8,350	\$ 8,622	\$10,934	\$10,057	\$ 7,762	\$ 6,188
Total Receipts	12,634	13,894	13,917	13,916	15,616	18,190	19,037	20,504	20,119	21,738
Total Expenditures <sup>a</sup>	14,388	12,227	14,016	14,764	17,136	20,426	25,498	25,573	22,042	23,322
Closing Balance <sup>b</sup>	\$ 3,066	\$ 4,433	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988	\$ 5,839	\$ 4,604

a. Total expenditures include capital expenditures.

b. Before City audits.

**Table 2. Average Daily Cash Balances in the New York City Central Treasury, 4QFY01-4QFY10**

(\$ in millions)

	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10
April	\$4,538	\$3,388	\$2,743	\$4,777	\$8,075	\$8,360	\$10,942	\$10,271	\$7,020	\$6,210
May	4,400	3,363	1,400	4,724	8,426	8,442	11,057	10,003	6,511	5,386
June	3,894	2,924	1,301	3,555	8,122	7,010	7,204	8,005	5,310	4,910
<b>4Q Total</b>	<b>\$4,279</b>	<b>\$3,234</b>	<b>\$1,829</b>	<b>\$4,341</b>	<b>\$8,206</b>	<b>\$7,924</b>	<b>\$ 9,755</b>	<b>\$ 9,440</b>	<b>\$6,273</b>	<b>\$5,506</b>

The 4QFY10 opening daily cash balance of \$6.188 billion was \$1.574 billion lower than the opening balance for the 4QFY09, in part due to delayed state aid payments. The average daily cash balances for each month and during the 4QFY10 were lower than in the same time periods in the 4QFY05-4QFY09. The 4Q average daily cash balance has declined since the 4QFY07.

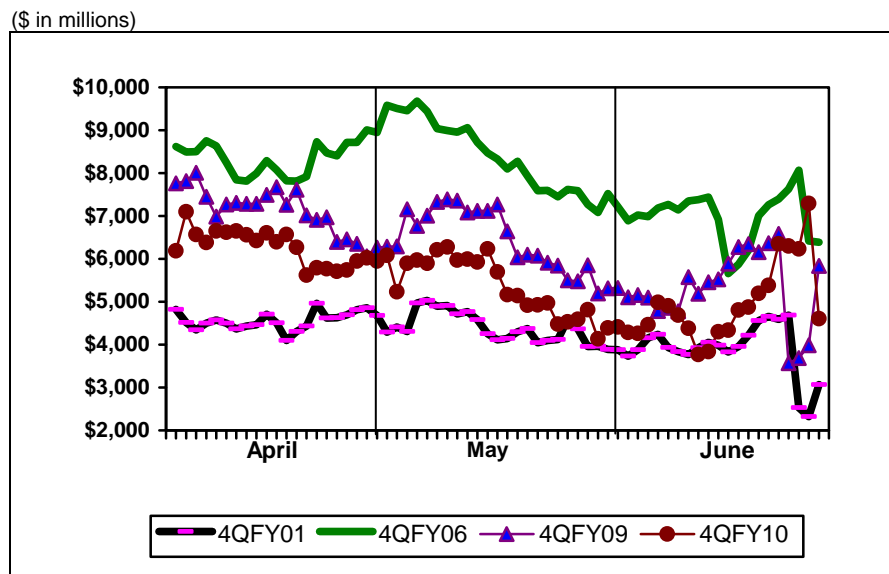
The 4QFY10 closed with \$4.604 billion in cash-on-hand, a decrease of \$1.235 billion from the 4QFY09. Expenditures were greater than receipts during each 4Q in nine of the last ten FYs: by \$1.754 billion in the 4QFY01, \$99 million in the 4QFY03, \$848 million in the 4QFY04, \$1.520 billion in the 4QFY05, \$2.236 billion in the 4QFY06, \$6.461 billion in the 4QFY07, \$5.069 billion in the 4QFY08, \$1.923 billion in the 4QFY09, and \$1.584 billion in the 4QFY10.

1. The data in this report are based on the book balances in the New York City Central Treasury as calculated by the Bureau of Financial Analysis, Office of the New York City Comptroller. Receipts are reported based on cash receipts and the analysis of bank deposits. Expenditures are reported on warrants issued. Receipts and expenditures are net of debt service and note funding.



Chart 1 compares daily cash balances during the 4QFY01, the 4QFY06, the 4QFY09, and the 4QFY10. Steep declines in the last week of June reflect any budgetary surplus roll, offset by the receipt of real property tax collections in advance of the next FY's revenue. The 4QFY09 was most volatile and the daily cash balances in the 4QFY01 varied the least. The differences between the lowest daily cash balance and the highest daily cash balance were \$2.712 billion during the 4QFY01, \$4.022 billion during the 4QFY06, \$4.445 billion during the 4QFY09, and \$3.525 billion during the 4QFY10.

**Chart 1. Daily Cash Balances in the New York City Central Treasury, 4QFY01, 4QFY06, 4QFY09, and 4QFY10**



**2. July 2009-June 2010, FY 2010 (FY10)**

Tables 3 and 4 and Chart 2 summarize the City's cash-on-hand during FY01-FY10.

**Table 3. Cash Position in the New York City Central Treasury, FY01-FY10**

(\$ in millions)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Opening Balance <sup>a</sup>	\$ 1,453	\$ 3,066	\$ 4,433	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988	\$ 5,839
Total Receipts	50,338	50,493	52,823	57,063	62,887	66,570	70,782	76,576	77,422	76,742
Total Expenditures <sup>b</sup>	48,725	49,126	54,754	55,357	60,265	67,014	72,696	76,061	76,571	77,977
Closing Balance <sup>a, c</sup>	\$ 3,066	\$ 4,433	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988	\$ 5,839	\$ 4,604

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

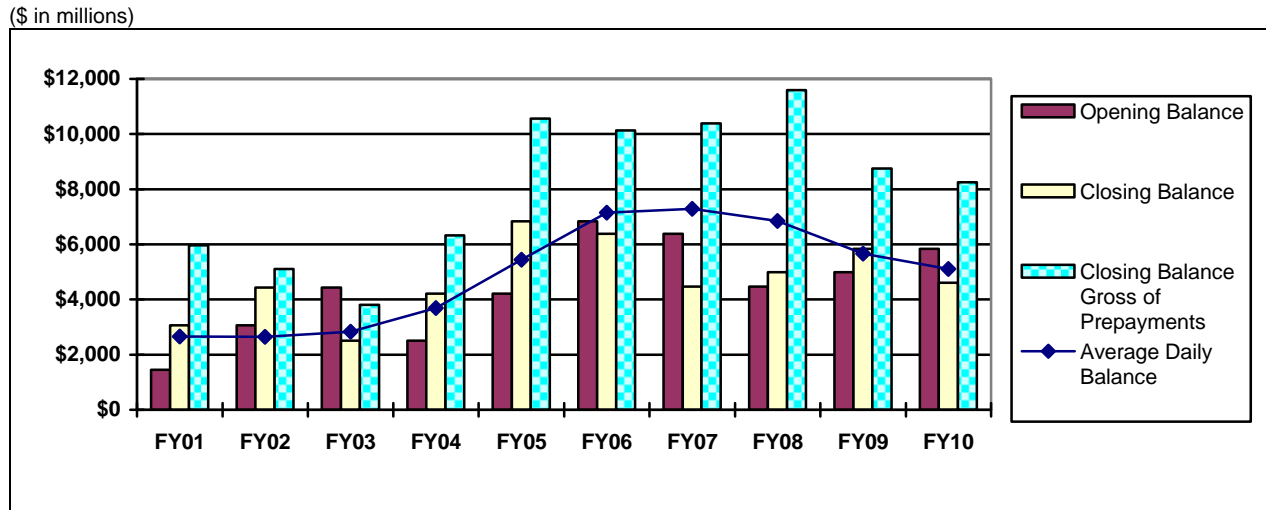
c. Data may not add due to rounding.

**Table 4. Average Daily Cash Balances in the New York City Central Treasury, FY01-FY10**

(\$ in millions)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
1Q	\$2,197	\$2,696	\$3,893	\$2,900	\$4,348	\$7,738	\$6,293	\$5,567	\$6,426	\$6,348
2Q	1,134	1,700	2,580	2,822	2,992	5,825	4,377	3,960	4,348	3,046
3Q	2,942	2,906	3,032	4,684	6,077	7,021	8,588	8,318	5,536	5,426
4Q	4,279	3,234	1,829	4,341	8,206	7,924	9,755	9,440	6,273	5,506
<b>FY Total</b>	<b>\$2,662</b>	<b>\$2,642</b>	<b>\$2,834</b>	<b>\$3,689</b>	<b>\$5,439</b>	<b>\$7,149</b>	<b>\$7,293</b>	<b>\$6,849</b>	<b>\$5,663</b>	<b>\$5,102</b>

**Chart 2. Cash Position in the New York City Central Treasury, FY01-FY10**



From FY01 through FY04, the average daily cash balance, inclusive of short-term notes, was under \$4 billion. The lowest daily cash balance in a fiscal year was \$112 million in FY01, \$645 million in FY02, \$344 million in FY03, and \$1.748 billion in FY04. Beginning with FY05, the City was able to maintain sufficient cash-on-hand without issuing short-term notes. The average daily cash balance increased from \$5.439 billion in FY05 to \$7.293 billion in FY07, when there was a record high daily cash balance of \$12.101 billion on May 1, 2007. Since FY07, the average daily cash balance has declined to \$5.102 billion in FY10.

This pattern is also reflected in the lowest daily cash balances for FY05-FY10. The lowest daily cash balance was \$2.161 billion in FY05, \$4.084 billion in FY06, \$2.718 billion in FY07, \$2.068 billion in FY08, \$2.173 billion in FY09, and \$449 million in FY10. In FY10, the average daily cash balances were lowered by delayed state aid payments. The state postponed payments to localities three times during the year, from December 2009 to January 2010, from March 2010 to June 2010, and from the beginning of June 2010 to the end of June 2010. The state has also delayed welfare payments into FY11. The lowest daily cash balance in FY10 also reflected the mid-year implementation of a new Financial Management System (FMS3) by the City.

## **B. CASH RECEIPTS**

### **1. April-June 2010, (4QFY10)**

Table 5 shows total cash receipts and average daily cash receipts during the 4QFY06-4QFY10. Total cash receipts increased \$3.548 billion, or 20 percent, from \$18.190 billion in the 4QFY06 to \$21.738 billion during the 4QFY10 and \$1.619 billion, or 8 percent, from \$20.119 billion in the 4QFY09. Average daily cash receipts of \$340 million in the 4QFY10 were \$56 million and \$26 million greater than during the 4QFY06 and the 4QFY09, respectively.

**Table 5. Total and Average Daily Cash Receipts, 4QFY06-4QFY10**

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
April	\$ 4,587	\$ 5,400	\$ 5,911	\$ 4,417	\$ 5,382	\$229	\$257	\$269	\$201	\$245
May	3,772	4,479	3,928	4,210	4,135	171	204	187	211	207
June	9,831	9,158	10,665	11,492	12,221	447	436	508	522	556
<b>4Q Total</b>	<b>\$18,190</b>	<b>\$19,037</b>	<b>\$20,504</b>	<b>\$20,119</b>	<b>\$21,738</b>	<b>\$284</b>	<b>\$297</b>	<b>\$320</b>	<b>\$314</b>	<b>\$340</b>

Table 6 compares cash receipts by month and category during the 4QFY09 and the 4QFY10. April 2010 receipts were \$965 million more than receipts in April 2009. May 2010 receipts were \$75 million less than receipts in May 2009. June 2010 receipts were \$729 million more than receipts in June 2009. Federal and state aid, miscellaneous receipts, other taxes, and debt service funding were greater during the 4QFY10 compared with the 4QFY09.

**Table 6. Cash Receipts by Category, 4QFY09 and 4QFY10**

(\$ in millions)

	April 2009	May 2009	June 2009	4QFY09 Total	April 2010	May 2010	June 2010	4QFY10 Total	Diff. 4Q Total FY10/09
Real Property Tax	\$ 365	\$ 40	\$ 4,402	\$ 4,807	\$ 395	\$ 55	\$ 4,297	\$ 4,747	\$ (60)
Other Taxes	1,850	704	3,252	5,806	1,822	828	3,270	5,920	114
Federal and State Aid	933	2,072	1,466	4,471	1,230	1,907	2,179	5,316	845
Debt Service Funding	(119)	(87)	(76)	(282)	(70)	(109)	(128)	(307)	(25)
Miscellaneous	395	582	633	1,610	438	578	1,164	2,180	570
Other	993	899	1,815	3,707	1,567	876	1,439	3,882	175
<b>Total</b>	<b>\$4,417</b>	<b>\$4,210</b>	<b>\$11,492</b>	<b>\$20,119</b>	<b>\$5,382</b>	<b>\$4,135</b>	<b>\$12,221</b>	<b>\$21,738</b>	<b>\$1,619</b>

Table 7 displays cash receipts by major category from the 4QFY01-4QFY10.

**Table 7. Cash Receipts by Category, 4QFY01-4QFY10**

(\$ in millions)

	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10
Real Property Tax	\$ 1,910	\$ 1,729	\$ 2,064	\$ 2,264	\$ 2,649	\$ 3,714	\$ 2,805	\$ 3,152	\$ 4,807	\$ 4,747
Other Taxes	4,560	3,713	3,998	4,709	5,998	6,573	7,095	7,560	5,806	5,920
<i>Total Taxes</i>	<i>6,470</i>	<i>5,442</i>	<i>6,062</i>	<i>6,973</i>	<i>8,647</i>	<i>10,287</i>	<i>9,900</i>	<i>10,712</i>	<i>10,613</i>	<i>10,667</i>
Federal and State Aid	2,909	5,163	4,222	3,359	3,669	3,744	4,623	4,256	4,471	5,316
Debt Service Funding	(253)	(265)	(719)	(278)	(363)	(646)	(166)	(251)	(282)	(307)
Note Funding	0	(1,029)	0	0	0	0	0	0	0	0
Miscellaneous	1,569	2,117	1,398	1,575	1,447	2,070	1,807	1,888	1,610	2,180
Intergovernmental Aid	232	115	143	87	10	0	0	0	0	0
Other	1,707	2,351	2,811	2,200	2,206	2,735	2,873	3,899	3,707	3,882
<b>Total</b>	<b>\$12,634</b>	<b>\$13,894</b>	<b>\$13,917</b>	<b>\$13,916</b>	<b>\$15,616</b>	<b>\$18,190</b>	<b>\$19,037</b>	<b>\$20,504</b>	<b>\$20,119</b>	<b>\$21,738</b>

**a. Taxes<sup>2</sup>**

Total tax receipts were \$10.667 billion in the 4QFY10, \$4.197 billion, \$380 million, and \$54 million more than during the 4QFY01, the 4QFY06, and the 4QFY09.

During the 4QFY10, real property tax collections were 22 percent of total receipts and 45 percent of total tax receipts. Real property taxes were \$60 million, or only 1 percent, less than in the 4QFY09. June real property receipts vary due to the level of advance payments received from the next FY's revenue.

Table 8 shows the change in selected taxes from the 4QFY01-4QFY10, the 4QFY06-4QFY10, and the 4QFY09-4QFY10. During the 4QFY09, taxes, other than the real property tax, were subject to negative economic and financial pressure and declined steeply to the lowest level since the 4QFY04. Recently, tax collections appear to be stabilizing, increasing \$114 million in the 4QFY10 over the 4QFY09. Personal income tax (PIT), sales tax, and mortgage and real property transfer taxes increased \$344 million, \$217 million, and \$41 million in the 4QFY10 over the 4QFY09, offset by declines of \$8 million, \$85 million, and \$194 million in general corporation tax, unincorporated business tax, and banking corporation tax. However, in addition to economic conditions in the 4QFY09, the state reviewed past PIT distributions to the City and reduced the distribution by \$420 million to correct for overpayments. Also, effective August 1, 2009, the City's sales tax rate increased to 4.5 percent from 4 percent and the base was expanded.

**Table 8. Major Tax Receipts, 4QFY01, 4QFY06, 4QFY09, and 4QFY10**

(\$ in millions)

	4QFY01	4QFY06	4QFY09	4QFY10	% Change 4QFY10/ 4QFY01	% Change 4QFY10/ 4QFY06	% Change 4QFY10/ 4QFY09
Personal Income Tax	\$1,534	\$2,244	\$1,141	\$1,485	(3.2)%	(33.8)%	30.1%
General Corporation Tax	475	650	650	642	35.2	(1.2)	(1.2)
Unincorporated Business Tax	415	668	733	648	56.1	(3.0)	(11.6)
Banking Corporation Tax	177	281	561	367	107.3	30.6	(34.6)
Sales Tax	1,179	1,381	1,209	1,426	20.9	3.3	17.9
Mortgage and Real Property Transfer Taxes	278	717	200	241	(13.3)	(66.4)	20.5

Other taxes include payments in lieu of taxes (PILOTs) and School Tax Relief (STAR). During the 4QFY10, PILOTs were received from the Industrial Development Authority (IDA) of \$62 million, \$5 million less than in the 4QFY09, and from the Battery Park City Authority (BPCA) of \$90 million, \$3 million less than in the 4QFY09. STAR declined \$199 million in the 4QFY10 from the 4QFY09 to \$497 million.

2. In this report, tax receipts, with the exception of PIT, are gross of refunds. Real property tax and PIT are gross of debt service funding. Sales tax includes the state distribution, the local share, and interest income less debt service funding.

### **b. Federal and State Aid**

Federal aid totaled \$1.339 billion and state aid totaled \$3.977 billion during the 4QFY10. During the 4QFY09, federal aid was \$1.448 billion and state aid was \$3.023 billion. Together, the changes in federal and state aid from the 4QFY09 to the 4QFY10 of \$845 million accounted for over 50 percent of the total increase in cash receipts. Federal and state aid increased even though certain welfare payments to localities have been delayed by the state to FY11. Federal and state welfare aid received in the 4QFY09 totaled \$766 million compared with \$165 million received in the 4QFY10.

The increase in federal and state aid was due in part to increased state education aid, the receipt of \$479 million of state higher education aid and \$285 million in federal stimulus funding. The state delayed a portion of education aid to localities normally received in March 2010 to June 2010 and part of June 2010 aid from the beginning of the month to the end of June. In the 4QFY10, NYS education aid increased \$593 million to \$3.261 billion over the 4QFY09 and was 82 percent of state aid. The \$3.261 billion included \$2.889 billion in general aid, \$167 million in building aid, and \$192 million in excess cost aid. In addition, the state retained \$227 million of building aid for debt service funding of Transitional Finance Authority (TFA) Building Aid bonds.

### **c. Debt Service Funding**

Tax receipts during the 4QFY10 were reduced by \$307 million for debt service funding. General obligation (GO) debt service funding of \$130 million was withheld from real property tax collections and TFA revenue bond debt service of \$177 million was withheld from PIT. In comparison, in the 4QFY09, debt service funding of \$282 million was comprised of \$161 million for GO and \$121 million for TFA revenue debt.

### **d. Miscellaneous**

The increase of \$570 million in miscellaneous receipts was the second largest component of the increase in total receipts during the 4QFY10 compared with the 4QFY09. Senior and community college fees were \$304 million greater than during the 4QFY09. Water and sewer charges increased \$243 million, including the receipt of \$99 million from the liquidation of the Ocean Disposal Trust. The increased water and sewer charges reflect increased operating system costs from retroactive wage settlements for sewer treatment workers. The City received \$121 million from tobacco settlement funds in the 4QFY10, down from the \$146 million received in the 4QFY09.

Table 9 shows the major cash sources each month during the 4QFY10.

**Table 9. Major Cash Sources, 4QFY10**

(\$ in millions)

April 2010		May 2010		June 2010	
Personal Income Tax	\$700	NYS Education	\$1,465	Real Property Tax	\$4,297
Sales Tax	495	Sales Tax	394	NYS Education	1,466
NYS Higher Education	479	Federal Education	229	Personal Income Tax	615
Real Property Tax	395	Water and Sewer Charges	175	Sales Tax	537
Unincorporated Business Tax	349	Personal Income Tax	170	General Corporation Tax	511
NYS Education	330	Tobacco Settlement	121	STAR	497
Federal Education	214	Fines and Forfeitures	75	Senior College Fees	363
Water and Sewer Charges	173	Licenses, etc.	56	Federal Education	339
General Corporation Tax	84	Real Property Tax	55	Banking Corporation Tax	316
Fines and Forfeitures	84	General Corporation Tax	47	Unincorporated Business Tax	280
Banking Corporation Tax	41			Water and Sewer Charges	270
				Commercial Rent Tax	137
				HHC-EMS	124
				Community College Fees	100
				NYS Health	95
				Hotel Tax	94
				BPCA PILOT	90
				Fines and Forfeitures	83
				IDA PILOT	62
				NYS Welfare	55

Table 10 shows selected cash receipts during the 4QFY06-4QFY10.

**Table 10. Selected Cash Receipts, 4QFY06-4QFY10**

(\$ in millions)

	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10
Real Property Tax	\$3,714	\$2,805	\$3,152	\$4,807	\$4,747
Personal Income Tax	2,244	2,091	2,758	1,141	1,485
NYS Education	1,983	2,208	2,242	2,668	3,261
Sales Tax	1,381	1,413	1,520	1,209	1,426
General Corporation Tax	650	746	719	650	642
Federal Welfare	354	414	475	566	84
NYS Higher Education	30	566	0	0	479
Federal Education	492	422	493	482	782
NYS Welfare	319	485	493	200	81
Unincorporated Business Tax	668	795	843	733	648
Water and Sewer Charges	178	322	373	375	618
Banking Corporation Tax	281	387	163	561	367
Fines and Forfeitures	202	227	236	225	242
Commercial Rent Tax	138	175	154	149	154
Senior College Fees	510	299	307	145	395
Community College Fees	118	105	103	49	104
Tobacco Settlement	0	0	133	146	121
BPCA PILOT	107	111	83	93	90
IDA PILOT	78	58	59	67	62
Hotel Tax	80	80	115	77	100
Licenses, etc.	112	116	122	106	109
STAR	0	232	390	696	497

## 2. July 2009-June 2010, (FY10)

Table 11 shows total and average daily cash receipts during FY06-FY10. Total cash receipts in FY10 increased \$10.172 billion, or 15 percent, over FY06 to \$76.742 billion and declined \$680 million, or 1 percent, from FY09. Average daily cash receipts increased \$41 million over the five-year period and decreased \$3 million from FY09.

**Table 11. Total and Average Daily Cash Receipts, FY06-FY10**

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
1Q	\$16,537	\$15,170	\$16,821	\$19,750	\$17,332	\$258	\$241	\$267	\$309	\$271
2Q	15,464	16,545	18,712	15,061	19,233	258	276	307	247	315
3Q	16,378	20,031	20,539	22,492	18,439	264	323	331	369	302
4Q	18,190	19,037	20,504	20,119	21,738	284	297	320	314	340
<b>FY Total</b>	<b>*\$66,570</b>	<b>*\$70,782</b>	<b>\$76,576</b>	<b>\$77,422</b>	<b>\$76,742</b>	<b>\$266</b>	<b>\$284</b>	<b>\$306</b>	<b>\$310</b>	<b>\$307</b>

\*Data may not add due to rounding.

Table 12 shows cash receipts by category during FY01-FY10.

**Table 12. Cash Receipts by Category, FY01-FY10**

(\$ in millions)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Real Property Tax	\$ 8,322	\$ 8,680	\$10,181	\$12,070	\$12,523	\$14,413	\$12,649	\$13,867	\$16,427	\$16,313
Other Taxes	16,155	13,970	14,361	16,383	20,151	22,413	25,797	26,674	22,666	21,607
<i>Total Taxes</i>	<i>24,477</i>	<i>22,650</i>	<i>24,542</i>	<i>28,453</i>	<i>32,674</i>	<i>36,826</i>	<i>38,446</i>	<i>40,541</i>	<i>39,093</i>	<i>37,920</i>
Federal and State Aid	13,266	14,563	14,515	15,361	15,427	15,471	16,657	17,153	18,105	18,753
Miscellaneous	4,758	4,738	4,533	4,813	6,414	5,489	5,888	6,439	6,007	6,901
Capital Reimbursements	4,301	5,759	5,057	4,948	5,146	5,498	5,529	8,203	10,480	9,326
Other	3,536	2,783	4,176	3,488	3,226	3,286	4,262	4,240	3,737	3,842
<b>Total Cash Receipts</b>	<b>\$50,338</b>	<b>\$50,493</b>	<b>\$52,823</b>	<b>\$57,063</b>	<b>\$62,887</b>	<b>\$66,570</b>	<b>\$70,782</b>	<b>\$76,576</b>	<b>\$77,422</b>	<b>\$76,742</b>

Total tax receipts increased 55 percent over the ten-year period and were 51 percent of total receipts, rose 3 percent in the five-year period and were 52 percent of total receipts, and declined for the second consecutive year by 3 percent from FY09 and were 49 percent of total receipts in FY10. Federal and state aid increased 41 percent from FY01 through FY10 and was 25 percent of total receipts, rose 21 percent from FY06 through FY10 and was 23 percent of total receipts, and grew 4 percent between FY09 and FY10 and was 24 percent of total receipts in FY10. Miscellaneous receipts increased 45 percent over the ten years and were 9 percent of total receipts, rose 26 percent from FY06 through FY10 and were 8 percent of total receipts, and grew 15 percent between FY09 and FY10 and were 9 percent of total receipts in FY10. Capital reimbursements increased 117 percent in the ten-year time frame and 70 percent in the five-year period, and fell 11 percent in FY10 from FY09. Capital reimbursements were 10 percent of total receipts from FY01 through FY10, 11 percent from FY06 through FY10, and 12 percent in FY10.

Table 13 shows selected cash receipts during FY06-FY10. During FY10, the five largest sources of cash receipts were real property tax of \$16.313 billion, or 21 percent of total cash receipts; NYS education aid of \$7.861 billion, or 10 percent of total cash receipts; PIT of \$6.851 billion, or 9 percent of total cash receipts; sales tax of \$4.911 billion, or 6 percent of total cash receipts; and general corporation tax of \$2.953 billion, or 4 percent of total cash receipts. The five year average for each of these sources as a percent of the average of total receipts for the five years was 20 percent, 10 percent, 10 percent, 6 percent, and 5 percent, respectively.

**Table 13. Selected Cash Receipts, FY06-FY10**

(\$ in millions)

	FY06	FY07	FY08	FY09	FY10	Total FY06- FY10	% Change FY10- FY06	5-Year Average	5-Year Average As a % of Total Receipts FY06- FY10
Real Property Tax	\$14,413	\$12,649	\$13,867	\$16,427	\$16,313	\$ 73,669	13.2%	\$14,734	20.0%
Personal Income Tax	7,330	7,714	8,836	6,614	6,851	37,345	(6.5)	7,469	10.1
NYS Education	6,687	7,273	7,857	8,459	7,861	38,137	17.6	7,627	10.4
Sales Tax	4,459	4,586	4,891	4,585	4,911	23,432	10.1	4,686	6.4
General Corporation Tax	2,859	4,166	4,077	3,393	2,953	17,448	3.3	3,490	4.7
Federal Welfare	2,393	2,290	2,115	2,505	2,091	11,394	(12.6)	2,279	3.1
NYS Welfare	1,812	1,895	2,181	1,717	1,930	9,535	6.5	1,907	2.6
Federal Education	1,855	1,859	1,734	1,782	2,381	9,611	28.4	1,922	2.6
Unincorporated Business Tax	1,416	1,775	1,974	1,944	1,682	8,791	18.8	1,758	2.4
Water and Sewer Charges	973	1,093	1,211	1,274	1,607	6,158	65.2	1,232	1.7
STAR	857	1,093	1,256	1,188	904	5,298	5.5	1,060	1.4
Banking Corporation Tax	964	1,438	1,008	1,616	1,457	6,483	51.1	1,297	1.8
<b>Total FY Receipts</b>	<b>\$66,570</b>	<b>\$70,782</b>	<b>\$76,576</b>	<b>\$77,422</b>	<b>\$76,742</b>	<b>\$368,092</b>	<b>15.3%</b>	<b>\$73,618</b>	<b>100.0%</b>

**a. Federal Stimulus Funding**

In FY10, \$877 million of total cash receipts were identified as federal stimulus funding, excluding capital, as follows: community development totaled \$25 million, social services \$90 million, education \$663 million, and other \$99 million.



**b. Net Cash Receipts**

Table 14 compares cash receipts, net of reimbursements for capital expenditures, during FY09 and FY10. The decrease in net receipts during the 2HFY10 of \$1.297 billion compared with the 2HFY09 did not totally offset the increase of \$1.773 billion in the 1HFY10 over the 1HFY09 resulting in a \$476 million increase for the full FY.

**Table 14. Cash Receipts, Net of Reimbursements for Capital Expenditures, FY09 and FY10**

(\$ in millions)

	FY09	FY10	Diff. FY10/ FY09
July	\$ 7,588	\$ 6,968	\$ (620)
August	2,968	2,899	(69)
September	6,838	5,525	(1,313)
<b>1Q</b>	<b>17,394</b>	<b>15,392</b>	<b>(2,002)</b>
October	3,283	4,140	857
November	3,013	3,109	96
December	6,041	8,863	2,822
<b>2Q</b>	<b>12,337</b>	<b>16,112</b>	<b>3,775</b>
<b>1H</b>	<b>29,731</b>	<b>31,504</b>	<b>1,773</b>
January	8,139	6,209	(1,930)
February	3,112	3,009	(103)
March	8,790	7,880	(910)
<b>3Q</b>	<b>20,041</b>	<b>17,098</b>	<b>(2,943)</b>
April	3,642	4,166	524
May	3,497	3,456	(41)
June	10,029	11,192	1,163
<b>4Q</b>	<b>17,168</b>	<b>18,814</b>	<b>1,646</b>
<b>2H</b>	<b>37,209</b>	<b>35,912</b>	<b>(1,297)</b>
<b>FY Total</b>	<b>\$66,940</b>	<b>\$67,416</b>	<b>\$ 476</b>

**C. CASH EXPENDITURES (INCLUDING CAPITAL)**

**1. April-June 2010, (4QFY10)**

Table 15 shows total cash expenditures and average daily cash expenditures during the 4QFY06-4QFY10. Expenditures increased \$2.896 billion, or 14 percent, from \$20.426 billion in the 4QFY06 to \$23.322 billion in the 4QFY10 and \$1.280 billion, or 6 percent, in the 4QFY10 over the \$22.042 billion in the 4QFY09. Average daily cash expenditures of \$364 million in the 4QFY10 were \$45 million and \$20 million greater than during the 4QFY06 and the 4QFY09, respectively.

**Table 15. Total and Average Daily Cash Expenditures, 4QFY06-4QFY10**

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
April	\$ 4,257	\$ 5,254	\$ 5,810	\$ 5,884	\$ 6,341	\$213	\$250	\$264	\$267	\$288
May	5,642	6,294	6,057	5,313	5,232	256	286	288	266	262
June	10,527	13,950	13,706	10,845	11,749	479	664	653	493	534
<b>4Q Total</b>	<b>\$20,426</b>	<b>\$25,498</b>	<b>\$25,573</b>	<b>\$22,042</b>	<b>\$23,322</b>	<b>\$319</b>	<b>\$398</b>	<b>\$400</b>	<b>\$344</b>	<b>\$364</b>

Table 16 compares cash expenditures by month and category during the 4QFY09 and the 4QFY10. April 2010 expenditures were \$457 million more than expenditures in April 2009. May 2010 expenditures were \$81 million less than expenditures in May 2009. June 2010 expenditures were \$904 million more than expenditures in June 2009. Gross payroll, other personal services, public assistance (PA), medical assistance (MA), other social services, and all other were greater during the 4QFY10 than in the 4QFY09. Only vendor and other expenditures declined in that time period.

**Table 16. Cash Expenditures by Category, 4QFY09 and 4QFY10**

(\$ in millions)

	April 2009	May 2009	June 2009	4QFY09 Total	April 2010	May 2010	June 2010	4QFY10 Total	Diff. 4Q Total FY10/09
Gross Payroll	\$1,832	\$1,876	\$ 1,996	\$ 5,704	\$2,194	\$1,829	\$ 2,054	\$ 6,077	\$ 373
Other Personal Services	963	952	2,286	4,201	1,045	944	2,520	4,509	308
Public Assistance	203	187	178	568	199	178	214	591	23
Medical Assistance	301	299	371	971	302	285	590	1,177	206
Other Social Services	188	166	184	538	206	194	175	575	37
Vendor and Other	1,098	1,032	1,316	3,446	1,179	1,056	1,143	3,378	(68)
All Other	1,299	801	4,514	6,614	1,216	746	5,053	7,015	401
<b>Total</b>	<b>\$5,884</b>	<b>\$5,313</b>	<b>\$10,845</b>	<b>\$22,042</b>	<b>\$6,341</b>	<b>\$5,232</b>	<b>\$11,749</b>	<b>\$23,322</b>	<b>\$1,280</b>

**a. Personal Service (PS) Expenditures**

PS expenditures include payroll, pensions, social security, health plan, and supplemental welfare benefits.

Table 17 shows PS expenditures during the 4QFY01-4QFY10. Salaries and benefits paid to City employees increased over the ten years. Headcount at the start of the 4QFY10 was 25,796 greater than the opening headcount of the 4QFY01, 9,247 greater than the opening headcount of the 4QFY06, and 5,651 less than the opening headcount of the 4QFY09. The number of bi-weekly payrolls was six from the 4QFY01 to the 4QFY05 and seven from the 4QFY06 to the 4QFY10. PS expenditures increased \$4.881 billion, or 86 percent, from the 4QFY01 through the 4QFY10, \$1.838 billion, or 21 percent, from the 4QFY06 through the 4QFY10, and \$681 million, or 7 percent, in the 4QFY10 over the 4QFY09. PS expenditures were 40 percent of total expenditures during the 4QFY01, 43 percent in the 4QFY06, and 45 percent in the 4QFY10. In the 4QFY01 through the 4QFY10, PS expenditures were 42 percent of total expenditures.

**Table 17. PS Expenditures, 4QFY01-4QFY10**

(\$ in millions)

	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10
Gross Payroll	\$4,309	\$4,376	\$4,462	\$4,311	\$4,354	\$5,198	\$ 5,402	\$5,484	\$5,704	\$ 6,077
Other Personal Services	1,396	1,422	1,491	1,639	2,246	3,550	5,334	4,180	4,201	4,509
<b>Total PS</b>	<b>\$5,705</b>	<b>\$5,798</b>	<b>\$5,953</b>	<b>\$5,950</b>	<b>\$6,600</b>	<b>\$8,748</b>	<b>\$10,736</b>	<b>\$9,664</b>	<b>\$9,905</b>	<b>\$10,586</b>
PS as a % of 4Q Total Expenditures	40%	47%	42%	40%	39%	43%	42%	38%	45%	45%
Opening 4Q Headcount	250,161	248,472	242,354	258,659	263,803	266,710	270,811	276,107	281,608	275,957
# of 4Q Bi-weekly Payrolls	6	6	6	6	6	7	7	7	7	7

Gross payroll increased \$1.768 billion, or 41 percent, from the 4QFY01 through the 4QFY10, \$879 million, or 17 percent, from the 4QFY06 through the 4QFY10, and \$373 million, or 7 percent, in the 4QFY10 over the 4QFY09. Gross payroll was 76 percent of total PS during the 4QFY01, 59 percent in the 4QFY06, and 57 percent in the 4QFY10. From the 4QFY01 through the 4QFY10, gross payroll was 62 percent of total PS expenditures.

Other personal services, including payments to the pension systems, health plan payments, and other supplemental welfare benefits, was the faster growing component of PS increasing \$3.113 billion, or 223 percent, from the 4QFY01 through the 4QFY10, \$959 million, or 27 percent, from the 4QFY06 through the 4QFY10, and \$308 million, or 7 percent, in the 4QFY10 over the 4QFY09. Other personal services were 24 percent of total PS during the 4QFY01, 41 percent in the 4QFY06, and 43 percent in the 4QFY10. From the 4QFY01 through the 4QFY10, other personal services was 38 percent of total PS expenditures.

Payments to the pension funds were \$360 million, \$1.019 billion, \$1.783 billion, and \$1.659 billion in the 4QFY01, the 4QFY06, the 4QFY09, and the 4QFY10. (Payments of \$80 million were made in July 2010 of FY11). Social security payments were \$336 million, \$376 million, \$410 million, and \$442 million in the 4QFY01, the 4QFY06, the 4QFY09, and the 4QFY10. Other supplemental welfare payments were \$255 million, \$321 million, \$266 million, and \$272 million in the 4QFY01, the 4QFY06, the 4QFY09, and the 4QFY10.

Beginning in the 4QFY06, other personal services included payments to the Retiree Health Benefits Trust Fund (RHBTF) to provide for the cost of health and welfare benefits of most retirees. The first payment of \$1 billion to build the Trust's assets was made in the 4QFY06. The 4QFY07 included payments of \$1.5 billion to build the Trust's assets and \$1.327 billion for current retiree health expenses (PAYGO). During the 4QFY08, the City paid \$1.383 billion, in the 4QFY09 \$1.007 billion, and in the 4QFY10 \$1.356 billion in PAYGO. Health plan payments, net of payments to the RHBTF, were \$445 million, in the 4QFY01, \$834 million in the 4QFY06, \$736 million in the 4QFY09, and \$780 million in the 4QFY10.

#### **b. Other-Than-Personal-Service (OTPS) Expenditures**

As shown in Table 18, OTPS expenditures for PA, MA, other social services, and vendor and other increased \$1.877 billion, or 49 percent, from the 4QFY01 through the 4QFY10, \$324 million, or 6 percent, from the 4QFY06 through the 4QFY10, and \$198 million, or 4 percent, in the 4QFY10 over the 4QFY09. OTPS was 27 percent of total expenditures during the 4QFY01, 26 percent in the 4QFY06, and 25 percent in the 4QFY10. From the 4QFY01 through the 4QFY10, OTPS was 27 percent of total expenditures.

**Table 18. OTPS Expenditures, 4QFY01-4QFY10**

(\$ in millions)

	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10
Public Assistance	\$435	\$393	\$419	\$484	\$533	\$582	\$529	\$552	\$568	\$591
# of Cash Recipients *	518,823	446,985	421,429	438,012	419,825	402,281	368,892	344,834	343,384	354,679
Medical Assistance	\$730	\$874	\$903	\$1,020	\$1,142	\$1,108	\$1,140	\$1,030	\$971	\$1,177
# of Medicaid Enrollees*	1,597,871	1,917,109	2,204,006	2,458,931	2,542,066	2,627,570	2,560,715	2,554,528	2,660,618	2,831,495
Other Social Services	\$421	\$424	\$402	\$396	\$376	\$426	\$629	\$501	\$538	\$575
Vendor and Other	\$2,258	\$2,389	\$2,642	\$2,650	\$2,957	\$3,281	\$3,753	\$3,603	\$3,446	\$3,378
<b>Total OTPS</b>	<b>\$3,844</b>	<b>\$4,080</b>	<b>\$4,366</b>	<b>\$4,550</b>	<b>\$5,008</b>	<b>\$5,397</b>	<b>\$6,051</b>	<b>\$5,686</b>	<b>\$5,523</b>	<b>\$5,721</b>

\*Source: NYC Human Resources Administration as of the start of the quarter.

PA increased \$156 million, \$9 million, and \$23 million during the 4QFY10 over the 4QFY01, the 4QFY06, and the 4QFY09. The 4QFY10 had 11,295 more cash recipients than the 4QFY09. MA, in the 4QFY10, increased \$447 million, \$69 million, and \$206 million compared with the 4QFY01, the 4QFY06, and the 4QFY09. There were 170,877 more Medicaid enrollees in the 4QFY10 than in the 4QFY09. MA in the 4QFY10 included \$277 million in intergovernmental transfers (IGTs) to the state for Health and Hospitals Corporation (HHC) enhanced Medicaid. IGTs allow the HHC to receive matching federal funds under an enhancement to Medicaid paid to hospitals serving a large uninsured population. Other social services was \$154 million, \$149 million, and \$37 million greater in the 4QFY10 than in the 4QFY01, the 4QFY06, and the 4QFY09. During the 4QFY10, vendor and other was \$1.120 billion and \$97 million more than in the 4QFY01 and the 4QFY06 and \$68 million less than in the 4QFY09.

**c. All Other**

When a FY has a budget surplus, all other expenditures in the month of June can include cash prepayments of future years' expenditures. Table 19 shows the cash prepayments made during June from the 4QFY06-4QFY10.<sup>3</sup>

**Table 19. Cash Payments of Future Years' Expenditures, 4QFY06-4QFY10**

(\$ in millions)

	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10
General Obligation Debt Service	\$3,204	\$3,313	\$3,073	\$1,287	\$2,888
NYCTFA Debt Service	0	546	546	646	371
Lease Payments	74	165	46	110	0
Payments to the Transit Authority	138	137	137	137	137
Payments to the Metropolitan Transportation Authority	110	138	138	156	82
Payments to the Libraries	225	273	225	264	164
Payments to the Health and Hospitals Corporation	0	91	0	85	0
Prepayments of Outstanding Debt	0	0	1,986	0	0
Debt	0	1,254	0	0	0
Payments to the Retiree Health Benefits Trust Fund	0	0	460	225	0
<b>Total</b>	<b>\$3,751</b>	<b>\$5,917</b>	<b>\$6,611</b>	<b>\$2,910</b>	<b>\$3,642</b>

3. Instead of making a cash prepayment to pay outstanding debt, \$350 million of PIT was withheld from the New York City Central Treasury in the 4QFY06. Also journal entries, which did not impact cash, were made for pay-as-you-go capital of \$200 million in June 2006 and \$300 million in June 2007.

**2. July 2009-June 2010, (FY10)**

Table 20 summarizes total and average daily cash expenditures during the FY06-FY10. Total cash expenditures in FY10 increased \$10.963 billion, or 16 percent, over FY06 and \$1.406 billion, or 2 percent, over FY09. Average daily cash expenditures increased \$44 million over the five-year period and \$6 million over FY09.

**Table 20. Total and Average Daily Cash Expenditures, FY06-FY10**

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
1Q	\$16,071	\$15,392	\$15,608	\$18,368	\$18,575	\$251	\$244	\$248	\$287	\$290
2Q	15,015	15,853	17,648	18,611	18,737	250	264	289	305	307
3Q	15,501	15,953	17,232	17,550	17,343	250	257	278	288	284
4Q	20,426	25,498	25,573	22,042	23,322	319	398	400	344	364
<b>FY Total</b>	<b>*\$67,014</b>	<b>\$72,696</b>	<b>\$76,061</b>	<b>\$76,571</b>	<b>\$77,977</b>	<b>\$268</b>	<b>\$292</b>	<b>\$304</b>	<b>\$306</b>	<b>\$312</b>

\*Data may not add due to rounding.

Table 21 and Chart 3 show the relationship between the City’s expenditures and daily cash balances from FY01-FY10. FY10 had the highest level of daily expenditures as a percent of daily cash balances since FY03.

**Table 21. Daily Expenditures as a Percent of Daily Cash Balances, FY01-FY10**

FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
12%	9%	10%	7%	5%	4%	5%	5%	6%	8%

**Chart 3. Daily Expenditures as a Percent of Daily Cash Balances, FY01-FY10**

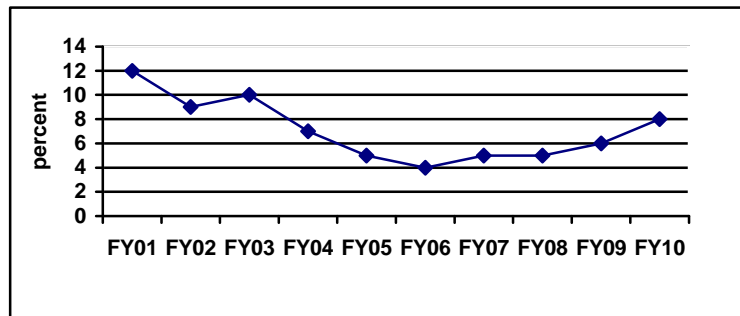


Table 22 shows PS and OTPS expenditures during FY06-FY10.

**Table 22. PS and OTPS Expenditures, FY06-FY10**

(\$ in millions)

	FY06	FY07	FY08	FY09	FY10	Total
PS	\$32,187	\$33,408	\$33,870	\$36,569	\$37,331	\$173,365
PS as a % of FY Total Expenditures	48.0%	46.0%	44.5%	47.8%	47.9%	46.8%
OTPS	\$21,220	\$22,443	\$22,880	\$23,389	\$23,370	\$113,302
OTPS as a % of FY Total Expenditures	31.7%	30.9%	30.1%	30.5%	30.0%	30.6%

PS outlays increased \$5.144 billion, or 16 percent, from FY06-FY10 and accounted for 47 percent of total expenditures. Gross payroll grew 10 percent from FY06 through FY10. Other personal services grew at a faster pace than gross payroll, increasing 27 percent over the five years. In the same time frame, OTPS expenditures increased \$2.150 billion, or 10 percent, and were 31 percent of total expenditures. PA was 6 percent, MA 7 percent, other social services 24 percent, and vendor and other 10 percent more in FY10 than in FY06.

In FY10, PS increased \$762 million, or 2 percent, over FY09 and was 48 percent of total expenditures. Between FY09 and FY10, gross payroll declined 1 percent and other personal services rose 8 percent. During FY10, OTPS decreased \$19 million, or less than 1 percent, from FY09 and was 30 percent of total expenditures. Between FY09 and FY10, PA increased 11 percent, MA was flat, other social services increased 2 percent, and vendor and other declined 2 percent.

**a. Federal Stimulus Expenditures**

In FY10, \$1.159 billion of total cash expenditures were identified as eligible for federal stimulus funding as follows: payments for PS totaled \$729 million, OTPS \$360 million, and capital \$70 million.

(\$ in millions)

	PS	OTPS	Capital	Total
1Q	\$ 60	\$ 50	\$ 8	\$ 118
2Q	188	97	18	303
3Q	241	83	11	335
4Q	240	130	33	403
FY Total	\$729	\$360	\$70	\$1,159

**b. Net Cash Expenditures**

Table 23 compares cash expenditures, net of reimbursements for capital expenditures, during FY09 and FY10. The decrease in net expenditures during the 1HFY10 of \$129 million compared with the 1HFY09 was offset by an increase of \$921 million in the 2HFY10 over the 2HFY09 resulting in a \$792 million increase for the full FY.

**Table 23. Cash Expenditures, Net of Capital Expenditures, FY09 and FY10**

(\$ in millions)

	FY09	FY10	Diff. FY10/ FY09
July	\$ 5,587	\$ 5,602	\$ 15
August	5,531	5,371	(160)
September	4,942	5,074	132
<b>1Q</b>	<b>16,060</b>	<b>16,047</b>	<b>(13)</b>
October	5,659	5,516	(143)
November	5,005	5,264	259
December	5,489	5,257	(232)
<b>2Q</b>	<b>16,153</b>	<b>16,037</b>	<b>(116)</b>
<b>1H</b>	<b>32,213</b>	<b>32,084</b>	<b>(129)</b>
January	4,953	4,538	(415)
February	5,322	4,931	(391)
March	5,333	5,614	281
<b>3Q</b>	<b>15,608</b>	<b>15,083</b>	<b>(525)</b>
April	4,958	5,418	460
May	4,766	4,721	(45)
June	9,593	10,624	1,031
<b>4Q</b>	<b>19,317</b>	<b>20,763</b>	<b>1,446</b>
<b>2H</b>	<b>34,925</b>	<b>35,846</b>	<b>921</b>
<b>FY Total</b>	<b>\$67,138</b>	<b>\$67,930</b>	<b>\$ 792</b>

## II. Capital Expenditures

### A. CAPITAL

#### 1. April-June 2010, (4QFY10)

Capital expenditures are included in total cash expenditures. Tables 24 and 25 show total and City-funded capital expenditures and average daily total and City-funded capital expenditures in each month during the 4QFY06-4QFY10.<sup>4</sup>

**Table 24. Total Capital Expenditures and Average Daily Total Capital Expenditures, 4QFY06-4QFY10**

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
April	\$ 284	\$ 781	\$ 965	\$ 926	\$ 923	\$14	\$37	\$44	\$42	\$42
May	836	480	889	547	511	38	22	42	27	26
June	470	548	729	1,252	1,125	21	26	35	57	51
<b>4Q Total</b>	<b>\$1,590</b>	<b>\$1,809</b>	<b>\$2,583</b>	<b>\$2,725</b>	<b>\$2,559</b>	<b>\$25</b>	<b>\$28</b>	<b>\$40</b>	<b>\$43</b>	<b>\$40</b>

**Table 25. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, 4QFY06-4QFY10**

(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
April	\$ 253	\$ 365	\$ 927	\$ 888	\$ 841	\$13	\$17	\$42	\$40	\$38
May	799	440	462	517	464	36	20	22	26	23
June	426	459	646	879	1,055	19	22	31	40	48
<b>4Q Total</b>	<b>\$1,478</b>	<b>\$1,264</b>	<b>\$2,035</b>	<b>\$2,284</b>	<b>\$2,360</b>	<b>\$23</b>	<b>\$20</b>	<b>\$32</b>	<b>\$36</b>	<b>\$37</b>

Table 26 shows capital expenditures as a percent of total expenditures during the 4QFY01-4QFY10. From the 4QFY01 through the 4QFY10, the City-funded portion of capital expenditures increased \$1.362 billion and was 8 percent of 4Q total cash expenditures. Over the ten-year period, total capital expenditures increased \$1.428 billion and were 9 percent of 4Q total cash expenditures. City-funded capital expenditures in the 4QFY10 increased \$76 million over the 4QFY09, although total capital expenditures fell \$166 million. In the 4QFY10, City-funded capital expenditures were 10 percent of total cash expenditures and total capital expenditures were 11 percent.

**Table 26. Capital Expenditures as a Percent of Total Expenditures, 4QFY01-4QFY10**

(\$ in millions)

	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10
4Q City-funded Capital Expenditures	\$998	\$1,228	\$1,227	\$1,202	\$1,009	\$1,478	\$1,264	\$2,035	\$2,284	\$2,360
4Q City-funded Capital Expenditures as a % of 4Q Total Expenditures	6.9%	10.0%	8.8%	8.1%	5.9%	7.2%	5.0%	8.0%	10.4%	10.1%
4Q Total Capital Expenditures	\$1,131	\$1,369	\$1,416	\$1,358	\$1,117	\$1,590	\$1,809	\$2,583	\$2,725	\$2,559
4Q Total Capital Expenditures as a % of 4Q Total Expenditures	7.9%	11.2%	10.1%	9.2%	6.5%	7.8%	7.1%	10.1%	12.4%	11.0%
4Q Total Expenditures	\$14,388	\$12,227	\$14,016	\$14,764	\$17,136	\$20,426	\$25,498	\$25,573	\$22,042	\$23,322

4. The 4QFY08 includes the purchase of the assets of the Jay Street Development Corporation for \$499 million.



**a. Fourth Quarter Payments to the School Construction Authority (SCA)**

Capital expenditures include payments to the SCA. Table 27 shows payments to the SCA during the 4QFY01-4QFY10 were 23 percent of total 4Q capital expenditures. Payments to the SCA of \$800 million in the 4QFY10 accounted for 31 percent of total 4Q capital expenditures.

**Table 27. Payments to the SCA, 4QFY01-4QFY10**

(\$ in millions)

	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10	Total 4QFY01- 4QFY10
City-funded	\$300	\$300	\$247	\$263	\$0	\$400	\$ 15	\$ 16	\$523	\$755	\$2,819
TFA Building Aid & DASNY	0	0	0	0	0	0	385	384	269	42	1,080
Other	0	0	53	37	0	0	0	0	8	3	101
<b>Total</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$0</b>	<b>\$400</b>	<b>\$400</b>	<b>\$400</b>	<b>\$800</b>	<b>\$800</b>	<b>\$4,000</b>
4Q SCA as a % of 4Q Total Capital Expenditures	26.5%	21.9%	21.2%	22.1%	0%	25.2%	22.1%	15.5%	29.4%	31.3%	22.7%

**b. Fourth Quarter Reimbursements for Capital Expenditures to the New York City Central Treasury**

City-funded capital expenditures are financed primarily from the proceeds of GO, New York City Municipal Water Finance Authority (NY Water), and TFA debt. Beginning in FY07, non City-funded capital expenditures for the Five-Year Educational Facilities Capital Plan are also financed from TFA Building Aid bonds and Expanding Our Children’s Education and Learning (EXCEL) capital grants from DASNY. All capital expenditures are initially paid from the New York City Central Treasury.

Table 28 shows the reimbursements for capital expenditures totaling \$2.924 billion during the 4QFY10 to the New York City Central Treasury.

**Table 28. Reimbursements to the New York City Central Treasury for Capital Expenditures, 4QFY10**

(\$ in millions)

	April 2010	May 2010	June 2010	Total
GO	\$ 368	\$322	\$ 359	\$1,049
NY Water	243	312	115	670
TFA	605	45	555	1,205
<b>Total</b>	<b>\$1,216</b>	<b>\$679</b>	<b>\$1,029</b>	<b>\$2,924</b>

Table 29 shows the reimbursements for capital expenditures during the 4QFY01-4QFY10. Reimbursements in the 4QFY10 totaling \$2.924 billion were 14 percent of total 4QFY10 cash receipts and exceeded 4QFY10 reimbursable expenditures (City-funded expenditures and state funded SCA expenditures), increasing cash balances by \$522 million. From the 4QFY01 through the 4QFY10, reimbursements totaled \$19 billion and were 11 percent of total 4Q receipts. Reimbursements exceeded reimbursable expenditures in the 4Q of all ten fiscal years, increasing daily cash balances. In the 4Q of the last ten years, reimbursements increased \$1.858 billion, or 174 percent, compared with a \$1.404 billion, or 141 percent, increase in reimbursable expenditures. In the five-year period, 4Q reimbursements increased \$1.049 billion, or 56 percent, and reimbursable expenditures \$924 million, or 63 percent. In the 4QFY10, reimbursements were \$27 million, or less than 1 percent, below the 4QFY09 level, while reimbursable expenditures declined \$151 million, or 6 percent.

**Table 29. Reimbursements to the New York City Central Treasury for Capital Expenditures, 4QFY01-4QFY10**

(\$ in millions)

	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	4QFY10	Total 4QFY01- 4QFY10
GO	\$ 463	\$ 835	\$ 651	\$1,007	\$ 718	\$1,219	\$ 389	\$1,160	\$1,745	\$1,049	\$ 9,236
NY Water	214	281	400	376	598	645	955	690	581	670	5,410
TFA	382	236	472	0	0	0	272	7	0	1,205	2,574
<i>Sub-total</i>	<i>1,059</i>	<i>1,352</i>	<i>1,523</i>	<i>1,383</i>	<i>1,316</i>	<i>1,864</i>	<i>1,616</i>	<i>1,857</i>	<i>2,326</i>	<i>2,924</i>	<i>17,220</i>
TFA Building Aid	0	0	0	0	0	0	87	490	622	0	1,199
DASNY	0	0	0	0	0	0	173	487	3	0	663
<i>Sub-total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>260</i>	<i>977</i>	<i>625</i>	<i>0</i>	<i>1,862</i>
Other	7	50	33	42	9	11	0	0	0	0	152
<b>Total</b>	<b>\$1,066</b>	<b>\$1,402</b>	<b>\$1,556</b>	<b>\$1,425</b>	<b>\$1,325</b>	<b>\$1,875</b>	<b>\$1,876</b>	<b>\$2,834</b>	<b>\$2,951</b>	<b>\$2,924</b>	<b>\$19,234</b>
4Q Reimbursable Capital Expenditures	\$998	\$1,228	\$1,227	\$1,202	\$1,009	\$1,478	\$1,649	\$2,419	\$2,553	\$2,402	\$16,165
4Q Reimbursements Less 4Q Reimbursable Capital Expenditures	\$68	\$174	\$329	\$223	\$316	\$397	\$227	\$415	\$398	\$522	\$3,069
4Q Reimbursements as a % of 4Q Reimbursable Capital Expenditures	106.8%	114.2%	126.8%	118.6%	131.3%	126.9%	113.8%	117.2%	115.6%	121.7%	119.0%
4Q Reimbursements as a % of 4Q Total Receipts	8.4%	10.1%	11.2%	10.2%	8.5%	10.3%	9.9%	13.8%	14.7%	13.5%	11.3%

Table 30 shows the percent of reimbursements by debt category. In the ten-year time frame, GO debt provided 48 percent of the reimbursements, NY Water proceeds 28 percent, TFA debt 13 percent, and TFA Building Aid and DASNY funding 10 percent. In the last five years, GO debt provided 45 percent of the reimbursements, NY Water proceeds 28 percent, TFA debt 12 percent, and TFA Building Aid and DASNY funding 15 percent. During the 4QFY10, GO debt provided 36 percent of the reimbursements, NY Water proceeds provided 23 percent, and TFA debt 41 percent.

**Table 30. Percent of Reimbursements by Debt Category, 4QFY01-4QFY10, 4QFY06-4QFY10, and 4QFY10**

(percent)

	4QFY01-4QFY10	4QFY06-4QFY10	4QFY10
GO	48.0%	44.6%	35.9%
NY Water	28.1	28.4	22.9
TFA	13.4	11.9	41.2
TFA Building Aid and DASNY	9.7	14.9	0.0
Other	0.8	0.2	0.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**2. July 2009-June 2010, (FY10)**

As shown in Table 31, total capital expenditures increased \$614 billion during FY10 over FY09. The City-funded portion of capital expenditures rose \$2.499 billion. The increase in City-funded capital expenditures reflects a shift in the classification of payments to the SCA. In FY09, SCA payments were classified mostly as non City-funded capital expenditures to be reimbursed from the proceeds of TFA Building Aid debt and DASNY funding. In FY10, SCA expenditures were related to the remainder of the Five-Year Educational Facilities Capital Plan for FY05-FY09 and were mostly City-funded.

**Table 31. Capital Expenditures, FY09 and FY10**

(\$ in millions)

	FY09		FY10		Diff. FY10/FY09	
	Total Capital	City-Funded Capital	Total Capital	City-Funded Capital	Total Capital	City-funded Capital
July	\$ 935	\$ 480	\$ 921	\$ 699	\$(14)	\$ 219
August	506	479	600	549	94	70
September	867	453	1,007	964	140	511
<b>1Q</b>	<b>2,308</b>	<b>1,412</b>	<b>2,528</b>	<b>2,212</b>	<b>220</b>	<b>800</b>
October	534	494	923	860	389	366
November	856	449	788	730	(68)	281
December	1,068	604	989	899	(79)	295
<b>2Q</b>	<b>2,458</b>	<b>1,547</b>	<b>2,700</b>	<b>2,489</b>	<b>242</b>	<b>942</b>
<b>1H</b>	<b>4,766</b>	<b>2,959</b>	<b>5,228</b>	<b>4,701</b>	<b>462</b>	<b>1,742</b>
January	520	477	799	794	279	317
February	873	440	815	721	(58)	281
March	549	510	646	593	97	83
<b>3Q</b>	<b>1,942</b>	<b>1,427</b>	<b>2,260</b>	<b>2,108</b>	<b>318</b>	<b>681</b>
April	926	888	923	841	(3)	(47)
May	547	517	511	464	(36)	(53)
June	1,252	879	1,125	1,055	(127)	176
<b>4Q</b>	<b>2,725</b>	<b>2,284</b>	<b>2,559</b>	<b>2,360</b>	<b>(166)</b>	<b>76</b>
<b>2H</b>	<b>4,667</b>	<b>3,711</b>	<b>4,819</b>	<b>4,468</b>	<b>152</b>	<b>757</b>
<b>FY Total</b>	<b>\$9,433</b>	<b>\$6,670</b>	<b>\$10,047</b>	<b>\$9,169</b>	<b>\$614</b>	<b>\$2,499</b>

Tables 32 and 33 show capital expenditures during FY06-FY10. Total expenditures increased \$3.905 billion, or 64 percent, from FY06 through FY10. The City-funded portion of total capital expenditures was \$3.481 billion, or 61 percent, greater in the same time frame.

**Table 32. Total Capital Expenditures and Average Daily Total Capital Expenditures, FY06-FY10**

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
1Q	\$1,730	\$1,499	\$1,562	\$2,308	\$2,528	\$27	\$24	\$25	\$36	\$40
2Q	1,402	1,634	2,057	2,458	2,700	23	27	34	40	44
3Q	1,420	1,606	2,114	1,942	2,260	23	26	34	32	37
4Q	1,590	1,809	2,583	2,725	2,559	25	28	40	43	40
<b>FY Total</b>	<b>\$6,142</b>	<b>\$6,548</b>	<b>\$8,316</b>	<b>\$9,433</b>	<b>\$10,047</b>	<b>\$25</b>	<b>\$26</b>	<b>\$33</b>	<b>\$38</b>	<b>\$40</b>

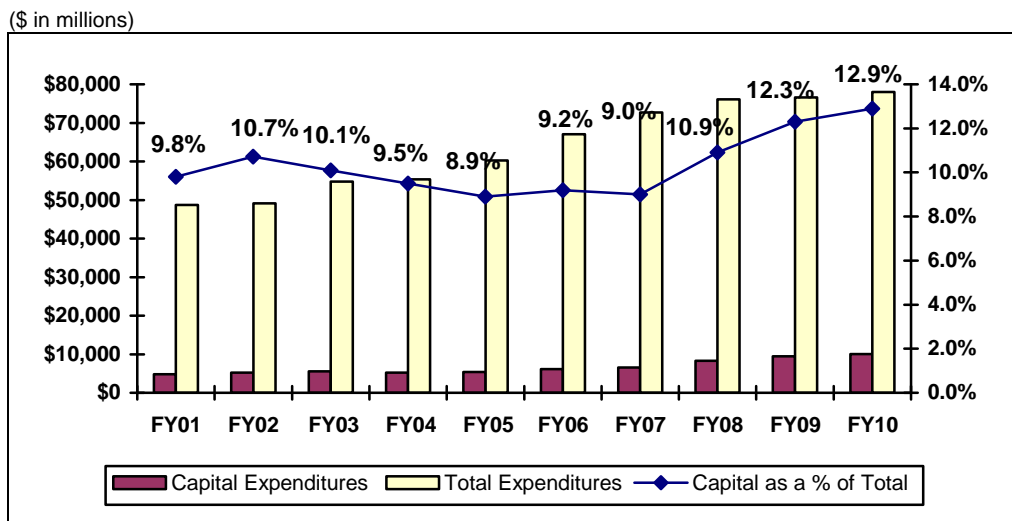
**Table 33. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, FY06-FY10**

(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
1Q	\$1,612	\$ 973	\$1,107	\$1,412	\$2,212	\$25	\$15	\$18	\$22	\$35
2Q	1,284	1,124	1,205	1,547	2,489	21	19	20	25	41
3Q	1,314	1,130	1,240	1,427	2,108	21	18	20	23	35
4Q	1,478	1,264	2,035	2,284	2,360	23	20	32	36	37
<b>FY Total</b>	<b>\$5,688</b>	<b>\$4,491</b>	<b>\$5,587</b>	<b>\$6,670</b>	<b>\$9,169</b>	<b>\$23</b>	<b>\$18</b>	<b>\$22</b>	<b>\$27</b>	<b>\$37</b>

Chart 4 shows capital expenditures as a percent of total expenditures during FY01-FY10. The 13 percent level in FY10 was the highest in the ten-year period.

**Chart 4. Total Capital Expenditures as a Percent of Total Expenditures, FY01-FY10**



**a. FY Payments to the SCA**

The SCA was established by state legislation in December 1988 to manage the construction and renovations of New York City public schools. Payments to the SCA began in FY89. As shown in Table 34 and Chart 5, during the last ten years, payments by the City to the SCA totaling \$18 billion were 27 percent of total capital expenditures and ranged from a low of \$900 million in FY05 to a high of \$3.050 billion in FY10. Payments in FY01-FY06 and FY10 were mainly City-funded, while payments in FY07-FY09 were mostly financed by TFA Building Aid debt and DASNY funding.

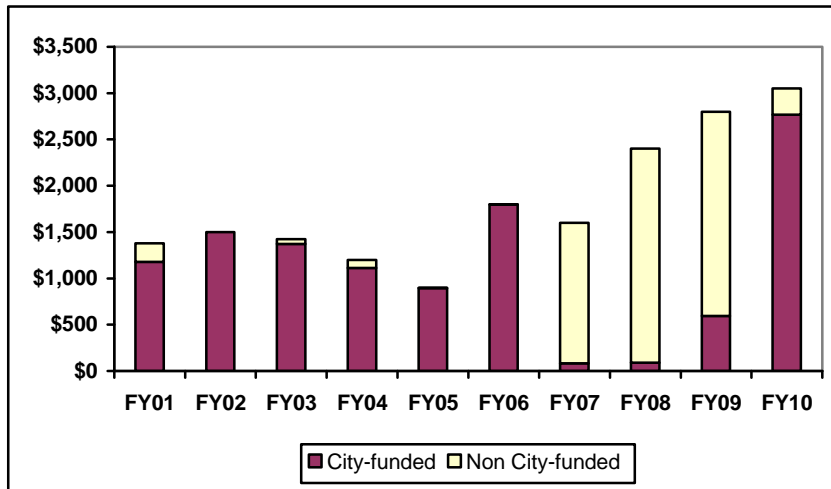
**Table 34. Payments to the SCA, FY01-FY10**

(\$ in millions)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	Total FY01-FY10
City-funded	\$1,178	\$1,500	\$1,372	\$1,112	\$896	\$1,796	\$ 83	\$ 89	\$ 593	\$2,766	\$11,385
TFA Building Aid & DASNY	0	0	0	0	0	0	1,487	2,289	2,161	269	6,206
Other	199	0	53	88	4	4	30	22	46	15	461
<b>Total</b>	<b>\$1,377</b>	<b>\$1,500</b>	<b>\$1,425</b>	<b>\$1,200</b>	<b>\$900</b>	<b>\$1,800</b>	<b>\$1,600</b>	<b>\$2,400</b>	<b>\$2,800</b>	<b>\$3,050</b>	<b>\$18,052</b>
SCA as a % of FY Total Capital Expenditures	28.8%	28.5%	25.8%	22.8%	16.8%	29.3%	24.4%	28.9%	29.7%	30.4%	27.1%

**Chart 5. Payments to the SCA, FY01-FY10**

(\$ in millions)



**b. FY Reimbursements for Capital Expenditures to the New York City Central Treasury**

Table 35 shows reimbursements for capital expenditures to the New York City Central Treasury during FY01-FY10. Reimbursements of \$64 billion accounted for 10 percent of total cash receipts in the ten years. In FY10, \$9.326 billion of reimbursements were 12 percent of total cash receipts.

**Table 35. Reimbursements to the New York City Central Treasury for Capital Expenditures, FY01-FY10**

(\$ in millions)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	Total FY01- FY10
GO	\$1,726	\$2,512	\$1,882	\$3,342	\$3,385	\$3,832	\$1,059	\$3,339	\$ 5,254	\$3,305	\$29,636
NY Water	891	938	1,218	1,238	1,697	1,653	1,866	2,149	2,571	2,689	16,910
TFA	1,629	2,184	1,607	281	0	0	1,513	532	14	3,144	10,904
Other	55	125	350	87	64	13	0	0	0	0	694
<i>Sub-total</i>	<i>4,301</i>	<i>5,759</i>	<i>5,057</i>	<i>4,948</i>	<i>5,146</i>	<i>5,498</i>	<i>4,438</i>	<i>6,020</i>	<i>7,839</i>	<i>9,138</i>	<i>58,144</i>
TFA Building Aid	0	0	0	0	0	0	621	1,230	2,270	182	4,303
DASNY	0	0	0	0	0	0	470	953	371	6	1,800
<i>Sub-total</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,091</i>	<i>2,183</i>	<i>2,641</i>	<i>188</i>	<i>6,103</i>
<b>Total</b>	<b>\$4,301</b>	<b>\$5,759</b>	<b>\$5,057</b>	<b>\$4,948</b>	<b>\$5,146</b>	<b>\$5,498</b>	<b>\$5,529</b>	<b>\$8,203</b>	<b>\$10,480</b>	<b>\$9,326</b>	<b>\$64,247</b>
FY Reimbursable Capital Expenditures	\$4,134	\$4,882	\$5,043	\$4,766	\$4,934	\$5,688	\$5,978	\$7,876	\$8,831	\$9,438	\$61,570
FY Reimbursements Less FY Reimbursable Capital Expenditures	\$167	\$877	\$14	\$182	\$212	\$(190)	\$(449)	\$327	\$1,649	\$(112)	\$2,677
FY Reimbursements as a % of FY Reimbursable Capital Expenditures	104.0%	118.0%	100.3%	103.8%	104.3%	96.7%	92.5%	104.2%	118.7%	98.8%	104.3%
FY Reimbursements as a % of FY Total Receipts	8.5%	11.4%	9.6%	8.7%	8.2%	8.3%	7.8%	10.7%	13.5%	12.2%	10.0%

Chart 6 compares reimbursements to reimbursable capital expenditures during FY06-FY10. During the last five years, reimbursements exceeded expenditures by \$1.225 billion. During FY10, reimbursements were \$112 million less than reimbursable expenditures, reducing daily cash balances.

**Chart 6. Reimbursements Compared to Reimbursable Expenditures, FY06-FY10**

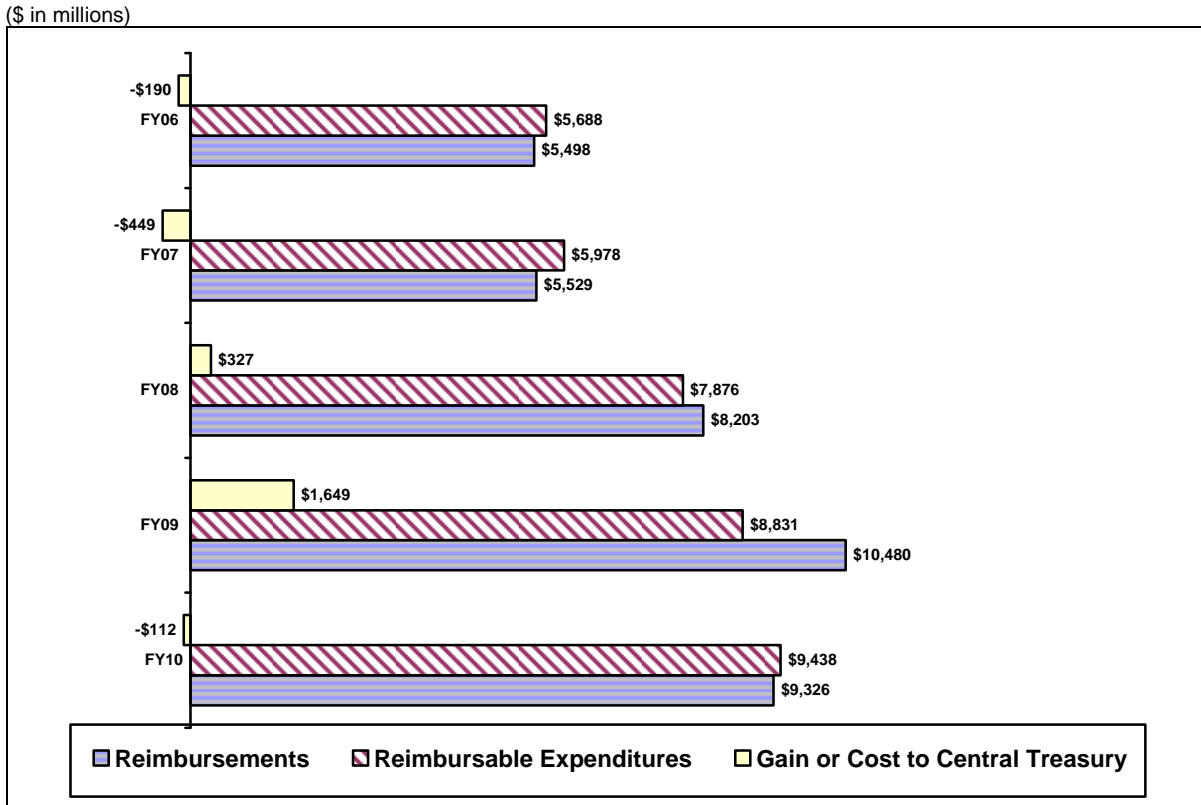


Table 36 shows the percent of reimbursements by debt category. In the ten-year time frame, GO debt provided 46 percent of the reimbursements, NY Water proceeds 26 percent, TFA debt 17 percent, and TFA Building Aid and DASNY funding 10 percent. In the last five years, GO debt provided 43 percent of the reimbursements, NY Water proceeds 28 percent, TFA debt 13 percent, and TFA Building Aid and DASNY funding 16 percent. During FY10, GO debt provided 36 percent of the reimbursements, NY Water proceeds provided 29 percent, TFA debt 34 percent, and TFA Building Aid and DASNY 2 percent.

**Table 36. Percent of Reimbursements by Debt Category, FY01-FY10, FY06-FY10, and FY10**

(percent)

	FY01-FY10	FY06-FY10	FY10
GO	46.1%	43.0%	35.5%
NY Water	26.3	28.0	28.8
TFA	17.0	13.3	33.7
TFA Building Aid and DASNY	9.5	15.6	2.0
Other	1.1	0.1	0.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## B. FINANCINGS

Table 37 shows the \$76 billion in GO and TFA debt issued during FY01-FY10. During the last ten years, the City sold \$50 billion in GO debt to fund the capital program and refund outstanding debt and the TFA issued \$22 billion in bonds and Bond Anticipation Notes (BANs) and \$4 billion in Building Aid bonds. During FY07, the City issued only \$1.9 billion in GO bonds, the lowest level in the ten-year period. This lower level of GO debt was offset by the TFA issuing debt to fund capital projects for the first time since FY04.

**Table 37. GO and TFA Debt, FY01-FY10**

(\$ in billions)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	Total FY01- FY10
GO Capital Program	\$1.2	\$2.7	\$ 2.2	\$3.0	\$3.9	\$3.4	\$0.8	\$3.4	\$5.5	\$ 3.4	\$29.5
GO Refundings and Conversions	1.1	1.0	2.7	3.9	2.9	1.4	1.1	4.0	0.6	2.0	20.7
<i>Sub-total</i>	<i>2.3</i>	<i>3.7</i>	<i>4.9</i>	<i>6.9</i>	<i>6.8</i>	<i>4.8</i>	<i>1.9</i>	<i>7.4</i>	<i>6.1</i>	<i>5.4</i>	<i>50.2</i>
TFA Bonds & BANs	2.0	2.8	5.2	1.9	0.9	0.6	2.7	0.0	0.2	5.3	21.6
TFA Building Aid	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.7	2.3	0.0	4.3
<b>Total</b>	<b>\$4.3</b>	<b>\$6.5</b>	<b>\$10.1</b>	<b>\$8.8</b>	<b>\$7.7</b>	<b>\$5.4</b>	<b>\$5.9</b>	<b>\$8.1</b>	<b>\$8.6</b>	<b>\$10.7</b>	<b>\$76.1</b>

### a. GO Debt

As shown in Table 38, GO debt issuances in FY10 totaled \$5.4 billion, a decrease of \$690 million from FY09. In the 4QFY10, \$151 million in tax-exempt and \$749 million in taxable Build America bonds were issued to fund the City's capital program.

**Table 38. GO Bonds, FY09 and FY10**

(\$ in millions)

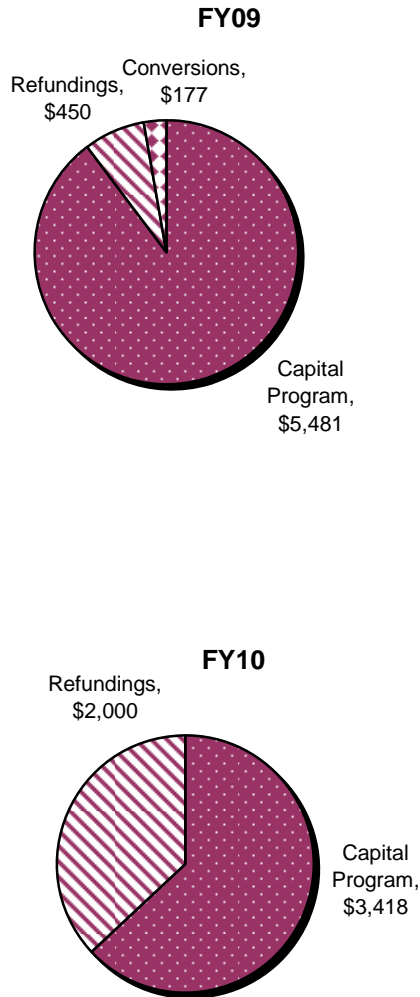
Month of Closing	FY09			FY10		
	Tax-Exempt	Taxable	Total	Tax-Exempt	Taxable	Total
July	\$ 75	\$ 0	\$ 75	\$ 0	\$ 0	\$ 0
August	833	165	998	0	0	0
September	1,050	90	1,140	0	0	0
<b>1Q</b>	<b>1,958</b>	<b>255</b>	<b>2,213</b>	<b>0</b>	<b>0</b>	<b>0</b>
October	500	50	550	1,100	970	2,070
November	400	25	425	0	0	0
December	300	8	308	900	648	1,548
<b>2Q</b>	<b>1,200</b>	<b>83</b>	<b>1,283</b>	<b>2,000</b>	<b>1,618</b>	<b>3,618</b>
<b>1H</b>	<b>3,158</b>	<b>338</b>	<b>3,496</b>	<b>2,000</b>	<b>1,618</b>	<b>3,618</b>
January	19	0	19	0	0	0
February	0	0	0	0	0	0
March	600	120	720	181	719	900
<b>3Q</b>	<b>619</b>	<b>120</b>	<b>739</b>	<b>181</b>	<b>719</b>	<b>900</b>
April	850	33	883	0	0	0
May	0	0	0	0	0	0
June	800	190	990	151	749	900
<b>4Q</b>	<b>1,650</b>	<b>223</b>	<b>1,873</b>	<b>151</b>	<b>749</b>	<b>900</b>
<b>2H</b>	<b>2,269</b>	<b>343</b>	<b>2,612</b>	<b>332</b>	<b>1,468</b>	<b>1,800</b>
<b>FY Total</b>	<b>\$5,427</b>	<b>\$681</b>	<b>\$6,108</b>	<b>\$2,332</b>	<b>\$3,086</b>	<b>\$5,418</b>



Chart 7 compares the amount of GO proceeds funding the capital program, refundings, and conversions (the restructuring of a portion of outstanding floating rate debt) in FY09 and FY10. In FY09, 90 percent of the proceeds were for capital projects compared with 63 percent in FY10. During FY09, refundings of outstanding debt yielded \$39 million in budget savings over the life of the bonds and in FY10, budget savings were \$209 million.

**Chart 7. Purposes of GO Debt, FY09 and FY10**

(\$ in millions)



**b. TFA**

TFA revenue debt issuances in FY10 totaled \$5.3 billion, an increase of \$5.1 billion over FY09.

The \$5.3 billion was issued as follows: \$885 million of tax-exempt fixed rate for capital purposes; \$399 million of tax-exempt adjustable rate for capital purposes; \$2.3 billion of taxable fixed rate for capital purposes, including \$1.7 of Build America bonds and \$250 million of Qualified School Construction Bonds (QSCB); \$1.7 billion of tax-exempt and taxable fixed rate to refund outstanding debt yielding \$137 million in budget savings over the life of the bonds; and \$81 million to convert Recovery bonds.

In the 4QFY10, \$1.4 billion of the \$5.3 billion were issued including: \$420 million in taxable Build America bonds for capital purposes; \$250 million in taxable QSCB for capital purposes; \$70 million in taxable bonds for capital purposes; \$380 million of tax-exempt and \$20 million of taxable for refunding outstanding debt yielding \$32 million in budget savings over the life of the bonds; and \$250 million of tax-exempt adjustable rate bonds for capital purposes. The 4QFY10 was the first time the City issued QSCB debt. This debt is issued as part of the Federal American Recovery and Reinvestment Act, which subsidizes the interest cost of QSCB issued for school construction, rehabilitation, equipment, and land purchases.