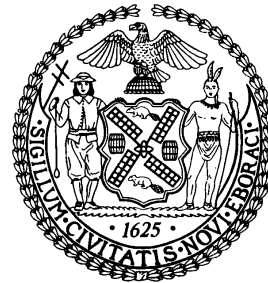


**The City Of New York
Office of the Comptroller
William C. Thompson, Jr.,
Comptroller**



QUARTERLY CASH REPORT

April-June 2009
Fourth Quarter of FY 2009

August 2009

Summary

Overview

- The City began the fourth quarter of FY 2009 with \$7.762 billion of cash-on-hand in the Central Treasury. The opening daily cash balance and the average daily balances during each month and for the fourth quarter of FY 2009 were at the lowest levels since the fourth quarter of FY 2004. During the fourth quarter of FY 2009, total expenditures were \$1.923 billion more than total receipts. During the previous five years, the City's expenditures in excess of receipts were: \$848 million in the fourth quarter of FY 2004; \$1.520 billion in the fourth quarter of FY 2005; \$2.236 billion in the fourth quarter of FY 2006; \$6.461 billion in the fourth quarter of FY 2007; and \$5.069 billion in the fourth quarter of FY 2008. The closing balance for the fourth quarter of FY 2009 was \$5.839 billion, after prepayments of future years' expenditures totaling \$2.910 billion and the receipt of more than \$4 billion in advance FY 2010 real property tax collections.
- The City's cash position was greatly improved during FY 2005 through FY 2009 compared with FY 2000 through FY 2004. There was no need for short-term borrowing from FY 2005 through FY 2009. In FY 2000 through FY 2004, the City issued short-term notes to ensure the availability of sufficient funds for operations. The average daily cash balance increased \$1.842 billion between FY 2000 and FY 2004 to \$3.689 billion. The average daily balance continued to increase, reaching \$7.293 billion in FY 2007, and then declining to \$6.849 billion during FY 2008 and \$5.663 billion in FY 2009. The impact of the economic and budgetary problems facing the City was reflected in the level of daily cash balances during the second half of FY 2009. The average daily cash balance for the first half of FY 2009 was \$54 million and \$635 million greater than the average daily cash balances in the first halves of FY 2007 and FY 2008. During the second half of FY 2009, the average daily cash balance was \$3.268 billion and \$2.975 billion less than the average daily cash balances during the second halves of FY 2007 and FY 2008.

Cash Receipts

- Cash receipts totaled \$20.119 billion and averaged \$314 million daily during the fourth quarter of FY 2009. Fourth quarter cash receipts increased \$4.888 billion from FY 2005 through FY 2008 and fell \$385 million in the fourth quarter of FY 2009 from the fourth quarter of FY 2008. During the fourth quarter of FY 2009, real property tax collections increased \$1.655 billion and federal and state aid \$215 million from the fourth quarter of FY 2008, offset by a sharp decrease in other taxes of \$1.754 billion, lower miscellaneous receipts of \$278 million and increased debt service funding of \$31 million. Real property tax collections were impacted by the timing in the receipt of FY 2010 revenue, which was also subject to a 7.5 percent tax rate increase. Economic and financial conditions lowered other tax collections with the exception of the banking corporation tax. In addition to fiscal stress, a state review of past personal income tax distributions to the City resulted in reduced fourth quarter FY 2009 payments of \$420 million. Federal aid in the fourth quarter of FY 2009 included \$135 million in stimulus funding for Medicaid relief.
- From FY 2005 through FY 2009, total cash receipts and average daily receipts increased steadily, rising 23 percent and \$58 million over the five years. Total receipts during FY 2009 were 1 percent greater than in FY 2008 and average daily receipts were \$4 million greater. However, total cash receipts, net of reimbursement for capital expenditures, were \$1.435 billion less in FY 2009 than during FY 2008. The receipt of approximately \$1.4 billion more in real property tax collections in advance of FY 2010 revenue in FY 2009 was not sufficient to offset the decline in tax receipts compared with FY 2008. The five largest sources of cash accounted for 51 percent of total receipts in FY 2009. These sources

were real property tax collections of \$16.427 billion, or 21 percent of total receipts; NYS education aid of \$8.459 billion, or 11 percent of total receipts; personal income tax receipts of \$6.614 billion, or 9 percent of total receipts; sales tax of \$4.585 billion, or 6 percent of total receipts; and general corporation tax of \$3.393 billion, or 4 percent of total receipts.

Cash Expenditures

- Cash expenditures, including capital expenditures, totaled \$22.042 billion and averaged \$344 million daily during the fourth quarter of FY 2009. Cash expenditures during the fourth quarter increased \$8.437 billion from FY 2005 through FY 2008 and fell \$3.531 billion in the fourth quarter of FY 2009 from the fourth quarter of FY 2008. Personal service expenditures increased \$241 million and other-than-personal-service expenditures declined \$163 million during the fourth quarter of FY 2009 compared with the fourth quarter of FY 2008. All other expenditures, including cash prepayments, capital expenditures, and tax refunds were \$3.609 billion less in the fourth quarter of FY 2009 than in the fourth quarter of FY 2008. Cash prepayments increased \$2.883 billion from \$3.728 billion in FY 2005 to \$6.611 billion in FY 2008. Cash prepayments in FY 2009 totaled \$2.910 billion, \$3.701 billion less than in the fourth quarter of FY 2008 and the lowest level since FY 2004. Tax refunds decreased \$117 million to \$254 million in the fourth quarter of FY 2009 from \$371 million in the fourth quarter of FY 2008.
- Cash expenditures grew 27 percent and average daily expenditures \$65 million from FY 2005 through FY 2009. Total expenditures, during FY 2009, were only 1 percent greater than during FY 2008 and average daily expenditures \$2 million more. Total expenditures increased \$3.723 billion in the first half of FY 2009 over the first half of FY 2008. This was offset by a \$3.213 billion decrease in the second half of FY 2009 compared with the second half of FY 2008. Expenditures, net of capital expenditures, were \$2.576 billion greater in the first half of FY 2009 than in the first half of FY 2008, offset by a \$3.183 billion decrease between the second half of FY 2008 and FY 2009 for a total fiscal year decline of \$607 million. Personal service expenditures accounted for 46 percent of total expenditures and grew 37 percent and other-than-personal-service expenditures were 31 percent of total expenditures and grew 17 percent from FY 2005 through FY 2009. In FY 2009, personal service expenditures increased \$2.699 billion over FY 2008 and were 48 percent of total expenditures and other-than-personal-service expenditures gained \$509 million and were 31 percent of total expenditures. Tax refunds in FY 2009 totaled \$1.697 billion compared with \$1.258 billion in FY 2008. The average of daily expenditures as a percent of daily cash balances during FY 2009 was 6 percent, the highest level of daily expenditures as a percent of daily cash balances since FY 2004. Daily expenditures as a percent of daily cash balances averaged 15 percentage points less in FY 2009 than in FY 2000.

Capital Expenditures and Reimbursements

- Total capital expenditures of \$2.725 billion were \$142 million more during the fourth quarter of FY 2009 than during the fourth quarter of FY 2008 and the City-funded portion of capital expenditures totaling \$2.284 billion was \$249 million greater. Total capital expenditures and City-funded capital expenditures in the fourth quarter of FY 2009 were the highest in the last five years, including the fourth quarter of FY 2008 when the City acquired the assets of the Jay Street Development Corporation for \$499 million. In the fourth quarter of FY 2009, total and City-funded capital expenditures were 12 percent and 10 percent of total expenditures, respectively. In the ten years from FY 2000 through FY 2009, total capital expenditures increased \$1.570 billion and were 9 percent of total expenditures and City-funded capital expenditures rose \$1.230 billion and were 8 percent of total expenditures. Payments to the School Construction Authority totaled \$800 million, 29 percent of total capital expenditures, during the fourth quarter of FY 2009 and \$3.499 billion, 22 percent of total capital

expenditures, in the fourth quarters of FY 2000 through FY 2009.

- During FY 2009, total capital expenditures were \$9.433 billion, \$1.117 billion greater than in FY 2008. The City-funded portion of capital expenditures was \$1.083 billion more than in FY 2008. From FY 2005 through FY 2009, total capital expenditures increased 76 percent and the City-funded portion of capital expenditures increased 35 percent. During the last ten years, capital expenditures as a percent of total expenditures ranged from 7.7 percent in FY 2000 to a high of 12.3 percent in FY 2009, and averaged 9.8 percent. Payments to the School Construction Authority totaled \$16 billion from FY 2000 to FY 2009, ranging from \$900 million in FY 2005 to a high of \$2.8 billion in FY 2009.
- 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, and 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 \$2.951 billion during the fourth quarter of FY 2009 were 15 percent of total cash receipts and \$398 million more than reimbursable expenditures. Reimbursements during FY 2009 were \$10.480 billion, 14 percent of total cash receipts and \$1.649 billion more than reimbursable expenditures. From FY 2000 through FY 2009, reimbursements of \$59 billion were 10 percent of total cash receipts. FY 2009 had the greatest amount of reimbursements for prior year capital expenditures. From FY 2000 through FY 2009, reimbursements were financed by general obligation debt (45 percent), New York City Municipal Finance Authority debt (25 percent), Transitional Finance Authority debt (17 percent), and Transitional Finance Authority Building Aid and the Dormitory Authority of the State of New York funds (10 percent).

Financing

- The City issued \$1.873 billion of general obligation bonds during the fourth quarter of FY 2009. During FY 2009, general obligation bond issuances totaled \$6.108 billion of which \$5.481 billion funded the City's capital program, \$450 million refunded outstanding debt providing budget savings of \$39 million over the life of the bonds, and \$177 million restructured a portion of outstanding floating rate debt.
- The Transitional Finance Authority sold \$600 million of Building Aid bonds in June 2009, bringing the total sold in FY 2009 to \$2.27 billion. The Transitional Finance Authority also sold \$219 million in revenue bonds to refund outstanding debt.
- During FY 2000-FY 2009, the City sold \$27 billion in general obligation debt for the capital program and \$19 billion to refund and restructure outstanding debt, and the Transitional Finance Authority issued \$19 billion in revenue bonds and bond anticipation notes and \$4 billion in Building Aid bonds.

List of Tables

Table 1. <i>Cash Position in the New York City Central Treasury, 4QFY00-4QFY09</i>	6
Table 2. <i>Average Daily Cash Balances in the New York City Central Treasury, 4QFY00-4QFY09</i>	6
Table 3. <i>Cash Position in the New York City Central Treasury, FY00-FY09</i>	7
Table 4. <i>Average Daily Cash Balances in the New York City Central Treasury, FY00-FY09</i> ...	7
Table 5. <i>Total and Average Daily Cash Receipts, 4QFY05-4QFY09</i>	9
Table 6. <i>Cash Receipts by Category, 4QFY08 and 4QFY09</i>	9
Table 7. <i>Cash Receipts by Category, 4QFY00-4QFY09</i>	9
Table 8. <i>Major Tax Receipts, 4QFY00, 4QFY05, 4QFY08, and 4QFY09</i>	10
Table 9. <i>Major Cash Sources, 4QFY09</i>	11
Table 10. <i>Selected Cash Receipts, 4QFY05-4QFY09</i>	11
Table 11. <i>Total and Average Daily Receipts, FY05-FY09</i>	12
Table 12. <i>Selected Cash Receipts, FY05-FY09</i>	12
Table 13. <i>Cash Receipts, Net of Reimbursements for Capital Expenditures, FY08 and FY09</i>	13
Table 14. <i>Total and Average Daily Cash Expenditures, 4QFY05-4QFY09</i>	13
Table 15. <i>Cash Expenditures by Category, 4QFY08 and 4QFY09</i>	14
Table 16. <i>PS Expenditures, 4QFY00-4QFY09</i>	14
Table 17. <i>OTPS Expenditures, 4QFY00-4QFY09</i>	15
Table 18. <i>Cash Payments of Future Years' Expenditures, 4QFY05-4QFY09</i>	16
Table 19. <i>Total and Average Daily Cash Expenditures, FY05-FY09</i>	16
Table 20. <i>Daily Expenditures as a Percent of Daily Cash Balances, FY00-FY09</i>	17
Table 21. <i>PS and OTPS Expenditures, FY05-FY09</i>	17
Table 22. <i>Cash Expenditures, Net of Capital Expenditures, FY08 and FY09</i>	18
Table 23. <i>Total Capital Expenditures and Average Daily Total Capital Expenditures, 4QFY05-4QFY09</i>	19
Table 24. <i>City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, 4QFY05-4QFY09</i>	19
Table 25. <i>Capital Expenditures as a Percent of Total Expenditures, 4QFY00-4QFY09</i>	19
Table 26. <i>Payments to the SCA, 4QFY00-4QFY09</i>	20
Table 27. <i>Reimbursements to the New York City Central Treasury for Capital Expenditures, 4QFY09</i>	20
Table 28. <i>Reimbursements to the New York City Central Treasury for Capital Expenditures, 4QFY00-4QFY09</i>	21
Table 29. <i>Capital Expenditures, FY08 and FY09</i>	22
Table 30. <i>Total Capital Expenditures and Average Daily Total Capital Expenditures, FY05-FY09</i>	23
Table 31. <i>City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, FY05-FY09</i>	23
Table 32. <i>Payments to the SCA, FY00-FY09</i>	23
Table 33. <i>Reimbursements to the New York City Central Treasury for Capital Expenditures, FY00-FY09</i>	24
Table 34. <i>GO and TFA Debt, FY00-FY09</i>	26
Table 35. <i>GO Bonds, FY08 and FY09</i>	26

List of Charts

Chart 1. <i>Daily Cash Balances in the New York City Central Treasury, 4QFY00, 4QFY05, 4QFY08, and 4QFY09</i>	7
Chart 2. <i>Cash Position in the New York City Central Treasury, FY00-FY09</i>	8
Chart 3. <i>Daily Expenditures as a Percent of Daily Cash Balances, FY00-FY09</i>	17
Chart 4. <i>Total Capital Expenditures as a Percent of Total Expenditures, FY00-FY09</i>	22
Chart 5. <i>Payments to the SCA, FY00-FY09</i>	24
Chart 6. <i>Reimbursements Compared to Reimbursable Expenditures, FY05-FY09</i>	25
Chart 7. <i>Purposes of GO Debt, FY08 and FY09</i>	27

I. Cash Balances¹

A. OVERVIEW

April-June 2009, Fourth Quarter of FY 2009 (4QFY09)

Tables 1 and 2 show the cash position and average daily cash balances in the New York City Central Treasury during the 4QFY00-4QFY09.

Table 1. Cash Position in the New York City Central Treasury, 4QFY00-4QFY09

(\$ in millions)

	4QFY00	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09
Opening Balance	\$ 2,654	\$ 4,820	\$ 2,766	\$ 2,601	\$ 5,056	\$ 8,350	\$ 8,622	\$10,934	\$10,057	\$ 7,762
Total Receipts	13,762	12,634	13,894	13,917	13,916	15,616	18,190	19,037	20,504	20,119
Total Expenditures ^a	14,963	14,388	12,227	14,016	14,764	17,136	20,426	25,498	25,573	22,042
Closing Balance ^b	\$ 1,453	\$ 3,066	\$ 4,433	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988	\$ 5,839

a. Total expenditures include capital expenditures.

b. Before City audits.

Table 2. Average Daily Cash Balances in the New York City Central Treasury, 4QFY00-4QFY09

(\$ in millions)

	4QFY00	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09
April	\$3,031	\$4,538	\$3,388	\$2,743	\$4,777	\$8,075	\$8,360	\$10,942	\$10,271	\$7,020
May	3,190	4,400	3,363	1,400	4,724	8,426	8,442	11,057	10,003	6,511
June	2,683	3,894	2,924	1,301	3,555	8,122	7,010	7,204	8,005	5,310
4Q Total	\$2,966	\$4,279	\$3,234	\$1,829	\$4,341	\$8,206	\$7,924	\$ 9,755	\$ 9,440	\$6,273

The 4QFY09 opening daily cash balance of \$7.762 billion was the lowest opening balance since the 4QFY04. The 4QFY09 closed with \$5.839 billion in cash-on-hand, an increase of \$851 million over the 4QFY08 mainly due to \$2.910 billion in cash prepayments and the receipt of more than \$4 billion in real property tax collections in advance of FY10 revenue. The average daily balances during each month and in the 4QFY09 were the lowest average daily cash balances since the 4QFY04.

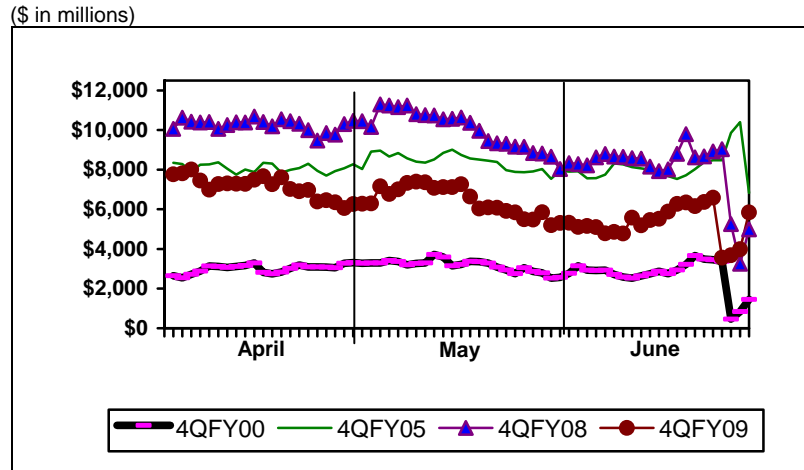
Expenditures were greater than receipts during each 4Q in nine of the last ten FYs: by \$1.201 billion in the 4QFY00, \$1.754 billion in the 4QFY01, \$99 million in the 4QFY03, \$848 million in the 4QFY04, \$1.520 billion in the 4QFY05, \$2.236 billion in the 4QFY06, \$6.461 billion in the 4QFY07, \$5.069 billion in the 4QFY08, and \$1.923 billion in the 4QFY09.

Chart 1 compares daily cash balances during the 4QFY00, the 4QFY05, the 4QFY08, and the 4QFY09. Daily cash balances followed the same general pattern during the four time frames. Steep declines in the last week of June reflect any budgetary surplus roll, which reduces the closing balance, offset by the receipt of real property tax collections in

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.

advance of the next FY's revenue, which increases the closing balance. The 4QFY08 was most volatile. The differences between the lowest daily cash balance and the highest daily cash balance were \$3.264 billion during the 4QFY00, \$3.572 billion during the 4QFY05, \$8.042 billion during the 4QFY08, and \$4.445 billion during the 4QFY09.

Chart 1. Daily Cash Balances in the New York City Central Treasury, 4QFY00, 4QFY05, 4QFY08, and 4QFY09



July 2008-June 2009, FY 2009 (FY09)

Tables 3 and 4 and Chart 2 summarize the City's cash-on-hand during FY00-FY09.

Table 3. Cash Position in the New York City Central Treasury, FY00-FY09

(\$ in millions)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Opening Balance ^a	\$ 1,278	\$ 1,453	\$ 3,066	\$ 4,433	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988
Total Receipts	50,916	50,338	50,493	52,823	57,063	62,887	66,570	70,782	76,576	77,422
Total Expenditures ^b	50,741	48,725	49,126	54,754	55,357	60,265	67,014	72,696	76,061	76,571
Closing Balance ^{a, c}	\$ 1,453	\$ 3,066	\$ 4,433	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988	\$ 5,839

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

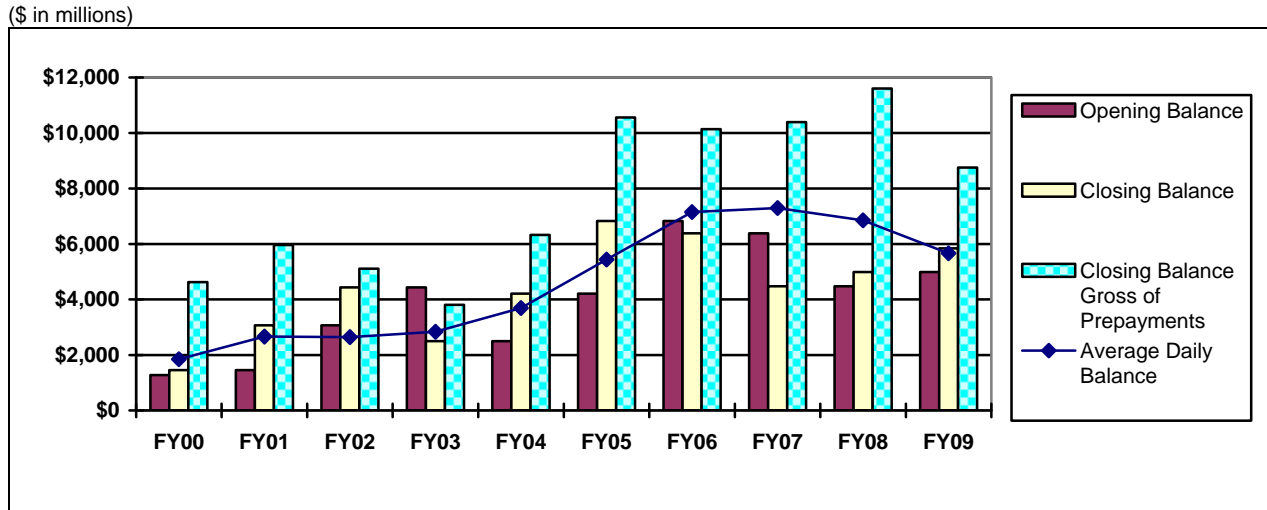
c. Data may not add due to rounding.

Table 4. Average Daily Cash Balances in the New York City Central Treasury, FY00-FY09

(\$ in millions)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
1Q	\$1,994	\$2,197	\$2,696	\$3,893	\$2,900	\$4,348	\$7,738	\$6,293	\$5,567	\$6,426
2Q	692	1,134	1,700	2,580	2,822	2,992	5,825	4,377	3,960	4,348
3Q	1,659	2,942	2,906	3,032	4,684	6,077	7,021	8,588	8,318	5,536
4Q	2,966	4,279	3,234	1,829	4,341	8,206	7,924	9,755	9,440	6,273
FY Total	\$1,847	\$2,662	\$2,642	\$2,834	\$3,689	\$5,439	\$7,149	\$7,293	\$6,849	\$5,663

Chart 2. Cash Position in the New York City Central Treasury, FY00-FY09



The City's cash position greatly improved during FY05 through FY09 compared with FY00 through FY04. There was no need for short-term borrowing from FY05 through FY09. In FY00 through FY04, the City issued short-term notes to ensure the availability of sufficient funds for operations. The daily cash balance reached a record high in FY07 of \$12.101 billion on May 1, 2007. The average daily cash balance increased \$1.842 billion between FY00 and FY04 to \$3.689 billion. The average daily balance continued to increase reaching \$7.293 billion in FY07; however, it declined to \$6.849 billion during FY08 and fell further to \$5.663 billion during FY09. The impact of the economic and budgetary problems facing the City began to be reflected in the level of daily cash balances during the second half of FY 2009 (2HFY09). The average daily cash balance for the first half of FY09 (1HFY09) was \$54 million and \$635 million greater than the average daily cash balances in the 1Hs of FY07 and FY08. During the 2HFY09, the average daily cash balance was \$3.268 billion and \$2.975 billion less than the 2Hs of FY07 and FY08.

B. CASH RECEIPTS

April-June 2009, (4QFY09)

Cash receipts totaled \$20.119 billion during the 4QFY09 and averaged \$314 million daily. Table 5 shows total receipts and average daily cash receipts during the 4QFY05-4QFY09. Receipts increased \$4.888 billion from the 4QFY05 through the 4QFY08 and fell \$385 million in the 4QFY09 from the 4QFY08. Total receipts and average daily receipts in the 4QFY08 were the highest in the past five years. During the 4QFY09, total receipts were 29 percent greater than in the 4QFY05 and 2 percent less than during the 4QFY08. Average daily receipts for the 4QFY09 were \$70 million greater than during the 4QFY05 and \$6 million less than during the 4QFY08.

Table 5. Total and Average Daily Cash Receipts, 4QFY05-4QFY09

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY05	FY06	FY07	FY08	FY09	FY05	FY06	FY07	FY08	FY09
April	\$ 4,055	\$ 4,587	\$ 5,400	\$ 5,911	\$ 4,417	\$193	\$229	\$257	\$269	\$201
May	4,119	3,772	4,479	3,928	4,210	196	171	204	187	211
June	7,442	9,831	9,158	10,665	11,492	338	447	436	508	522
4Q Total	\$15,616	\$18,190	\$19,037	\$20,504	\$20,119	\$244	\$284	\$297	\$320	\$314

Table 6 shows cash receipts for each month during the 4QFY08 and the 4QFY09 by category. The decline in April 2009 receipts of \$1.494 billion from April 2008 receipts was not fully offset by greater receipts in May 2009 than in May 2008 of \$282 million and in June 2009 over June 2008 of \$827 million. Real property tax collections and federal and state aid were greater during the 4QFY09 compared with the 4QFY08. Other taxes declined steeply, miscellaneous receipts were lower, and debt service funding was higher.

Table 6. Cash Receipts by Category, 4QFY08 and 4QFY09

(\$ in millions)

	April 2008	May 2008	June 2008	4QFY08 Total	April 2009	May 2009	June 2009	4QFY09 Total	Diff. 4Q Total FY08/09
Real Property Tax	\$ 260	\$ 53	\$ 2,839	\$ 3,152	\$ 365	\$ 40	\$ 4,402	\$ 4,807	\$ 1,655
Other Taxes	3,056	1,186	3,318	7,560	1,850	704	3,252	5,806	(1,754)
Federal and State Aid	415	1,841	2,000	4,256	933	2,072	1,466	4,471	215
Debt Funding	(84)	(84)	(83)	(251)	(119)	(87)	(76)	(282)	(31)
Miscellaneous	774	482	632	1,888	395	582	633	1,610	(278)
Other	1,490	450	1,959	3,899	993	899	1,815	3,707	(192)
Total	\$5,911	\$3,928	\$10,665	\$20,504	\$4,417	\$4,210	\$11,492	\$20,119	\$ (385)

Table 7 displays cash receipts by major category from the 4QFY00-4QFY09. Total tax receipts² were \$10.613 billion in the 4QFY09, \$99 million less than during the 4QFY08, \$1.966 billion higher than in the 4QFY05, and \$4.264 billion more than in the 4QFY00.

Table 7. Cash Receipts by Category, 4QFY00-4QFY09

(\$ in millions)

	4QFY00	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09
Real Property Tax	\$ 1,904	\$ 1,910	\$ 1,729	\$ 2,064	\$ 2,264	\$ 2,649	\$ 3,714	\$ 2,805	\$ 3,152	\$ 4,807
Other Taxes	4,445	4,560	3,713	3,998	4,709	5,998	6,573	7,095	7,560	5,806
Sub-total Taxes	6,349	6,470	5,442	6,062	6,973	8,647	10,287	9,900	10,712	10,613
Federal and State Aid	3,366	2,909	5,163	4,222	3,359	3,669	3,744	4,623	4,256	4,471
Debt Funding	(209)	(253)	(265)	(719)	(278)	(363)	(646)	(166)	(251)	(282)
Note Funding	(750)	0	(1,029)	0	0	0	0	0	0	0
Miscellaneous	1,259	1,569	2,117	1,398	1,575	1,447	2,070	1,807	1,888	1,610
Intergovernmental Aid	152	232	115	143	87	10	0	0	0	0
Other	3,595	1,707	2,351	2,811	2,200	2,206	2,735	2,873	3,899	3,707
Total	\$13,762	\$12,634	\$13,894	\$13,917	\$13,916	\$15,616	\$18,190	\$19,037	\$20,504	\$20,119

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

Real property tax collections were \$1.655 billion greater in the 4QFY09 than during the 4QFY08 and accounted for 45 percent of tax receipts compared with 29 percent in the 4QFY08. Real property tax receipts during June vary due to the level of advance payments of the next FY's revenue. The June 2009 real property collections in advance of FY10 included a 7.5 percent rate increase over the 1HFY09 rate.

Taxes, other than the real property tax, were subject to negative economic and financial pressure and declined steeply during the 4QFY09 to the lowest level since the 4QFY04. The banking corporation tax, however, increased. Table 8 shows the change in selected major taxes from the 4QFY00-4QFY09, the 4QFY05-4QFY09, and the 4QFY08-4QFY09. In addition to fiscal conditions in the 4QFY09, the state reviewed past personal income tax (PIT) distributions to the City and reduced the current distribution by \$420 million to correct for overpayments.

Table 8. Major Tax Receipts, 4QFY00, 4QFY05, 4QFY08, and 4QFY09

(\$ in millions)

	4QFY00	4QFY05	4QFY08	4QFY09	% Change 4QFY00/ 4QFY09	% Change 4QFY05/ 4QFY09	% Change 4QFY08/ 4QFY09
Personal Income Tax	\$1,606	\$1,822	\$2,758	\$1,141	(29)%	(37)%	(59)%
General Corporation Tax	548	732	719	650	19	(11)	(10)
Unincorporated Business Tax	393	528	843	733	87	39	(13)
Banking Corporation Tax	172	255	163	561	226	120	244
Sales Tax	1,101	1,403	1,520	1,209	10	(14)	(20)
Mortgage and Real Property Transfer Taxes	233	729	495	200	(14)	(73)	(60)

Other taxes include payments in lieu of taxes (PILOTs) and School Tax Relief (STAR). During the 4QFY09, PILOTs were received from the Industrial Development Authority (IDA) of \$67 million and from the Battery Park City Authority (BPCA) of \$93 million. STAR receipts totaled \$696 million.

Tax receipts during the 4QFY09 were reduced by \$282 million for debt service funding. General obligation (GO) debt service funding of \$161 million was withheld from real property tax and Transitional Finance Authority (TFA) revenue bond debt service of \$121 million was withheld from PIT.

Federal aid totaled \$1.448 billion and state aid totaled \$3.023 billion during the 4QFY09. During the 4QFY08, federal aid was \$1.361 billion and state aid was \$2.895 billion. Federal aid during the 4QFY09 included \$135 million in stimulus funding for Medicaid relief. NYS education aid totaling \$2.668 billion was 88 percent of state aid in the 4QFY09 and included \$2.069 billion in general aid, \$246 million in building aid, and \$177 million in excess cost aid. In addition, the state retained \$39 million of building aid for debt service funding of TFA Building Aid bonds.

Miscellaneous revenue was \$278 million less during the 4QFY09 than collected in the 4QFY08. Senior and community college fees were \$216 million less than during the 4QFY09 compared with the 4QFY08. The City received \$146 million from tobacco settlement funds in the 4QFY09, slightly more than the \$133 million received in the 4QFY08.

Table 9 shows the major cash sources each month during the 4QFY09.

Table 9. Major Cash Sources, 4QFY09

(\$ in millions)

April 2009		May 2009		June 2009	
Personal Income Tax	\$660	NYS Education	\$1,486	Real Property Tax	\$4,402
Unincorporated Business Tax	447	Sales Tax	335	NYS Education	829
Sales Tax	390	Federal Welfare	182	STAR	696
Real Property Tax	365	Personal Income Tax	175	General Corporation Tax	505
NYS Education	354	Federal Education	174	Banking Corporation Tax	484
Federal Welfare	179	Water and Sewer Fees	157	Sales Tax	484
Federal Education	156	Tobacco Settlement	146	Personal Income Tax	306
Water and Sewer Fees	112	Fines and Forfeitures	69	Unincorporated Business Tax	267
General Corporation Tax	100	Licenses, etc.	47	Federal Welfare	205
Fines and Forfeitures	77	General Corporation Tax	46	Federal Education	152
Banking Corporation Tax	69	Real Property Tax	40	Senior College Fees	144
Utility Tax	68			Commercial Rent Tax	139
NYS Welfare	65			Water and Sewer Fees	106
				NYS Welfare	97
				BPCA PILOT	93
				Fines and Forfeitures	79
				Hotel Tax	75
				IDA PILOT	67
				Community College Fees	43

Table 10 shows selected cash receipts during the 4QFY05-4QFY09.

Table 10. Selected Cash Receipts, 4QFY05-4QFY09

(\$ in millions)

	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09
Real Property Tax	\$2,649	\$3,714	\$2,805	\$3,152	\$4,807
Personal Income Tax	1,822	2,245	2,091	2,758	1,141
NYS Education	1,835	1,983	2,208	2,242	2,668
Sales Tax	1,404	1,381	1,413	1,520	1,209
General Corporation Tax	732	650	746	719	650
Federal Welfare	425	354	414	475	566
NYS Higher Education	100	30	566	0	0
Federal Education	484	492	422	493	482
NYS Welfare	257	319	485	493	200
Unincorporated Business Tax	528	668	795	843	733
Water and Sewer Fees	162	178	322	373	375
Banking Corporation Tax	255	281	387	163	561
Fines and Forfeitures	197	202	227	236	225
Commercial Rent Tax	142	138	175	154	149
Senior College Fees	257	510	299	307	145
Community College Fees	92	118	105	103	49
Tobacco Settlement	65	0	0	133	146
BPCA PILOT	101	107	111	83	93
IDA PILOT	0	78	58	59	67
Hotel Tax	74	80	80	115	77
Licenses, etc.	106	112	116	122	106
STAR	0	0	232	390	696

July 2008-June 2009, (FY09)

Table 11 shows the upward trend in total cash receipts and average daily receipts during FY05-FY09. Total receipts increased steadily, rising 23 percent. Average daily receipts increased \$58 million over the five years. Total receipts during FY09 were 1 percent greater than in FY08 and average daily receipts \$4 million greater.

Table 11. Total and Average Daily Receipts, FY05-FY09

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY05	FY06	FY07	FY08	FY09	FY05	FY06	FY07	FY08	FY09
1Q	\$14,576	\$16,537	\$15,170	\$16,821	\$19,750	\$228	\$258	\$241	\$267	\$309
2Q	15,491	15,464	16,545	18,712	15,061	258	258	276	307	247
3Q	17,204	16,378	20,031	20,539	22,492	277	264	323	331	369
4Q	15,616	18,190	19,037	20,504	20,119	244	284	297	320	314
FY Total	\$62,887	*\$66,570	*\$70,782	\$76,576	\$77,422	\$252	\$266	\$284	\$306	\$310

*Data may not add due to rounding.

Table 12 shows selected cash receipts during FY05-FY09. During FY09, the five largest sources of cash receipts were real property tax of \$16.427 billion, or 21 percent of total cash receipts; NYS education of \$8.459 billion, or 11 percent of total cash receipts; PIT of \$6.614 billion, or 9 percent of total cash receipts; sales tax of \$4.585 billion, or 6 percent of total cash receipts; and general corporation tax of \$3.393 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 12. Selected Cash Receipts, FY05-FY09

(\$ in millions)

	FY05	FY06	FY07	FY08	FY09	Total FY05- FY09	% Change FY05- FY09	5 Year Average	5 Year Average As a % of Total Receipts FY05- FY09
Real Property Tax	\$12,523	\$14,413	\$12,649	\$13,867	\$16,427	\$ 69,879	31%	\$13,976	20%
Personal Income Tax	6,539	7,330	7,714	8,836	6,614	37,033	1	7,407	10
NYS Education	6,448	6,687	7,273	7,857	8,459	36,724	31	7,345	10
Sales Tax	4,252	4,459	4,586	4,891	4,585	22,773	8	4,555	6
General Corporation Tax	2,589	2,859	4,166	4,077	3,393	17,084	31	3,417	5
Federal Welfare	2,229	2,393	2,290	2,115	2,505	11,532	12	2,306	3
NYS Welfare	1,895	1,812	1,895	2,181	1,717	9,500	(9)	1,900	3
Federal Education	1,714	1,855	1,859	1,734	1,782	8,944	4	1,789	3
Unincorporated Business Tax	1,186	1,416	1,775	1,974	1,944	8,295	64	1,659	2
Water and Sewer Fees	936	973	1,093	1,211	1,274	5,487	36	1,097	2
STAR	784	857	1,093	1,256	1,188	5,178	52	1,036	1
Banking Corporation Tax	752	964	1,438	1,008	1,616	5,778	115	1,156	2
Total FY Receipts	\$62,887	\$66,570	\$70,782	\$76,576	\$77,422	\$354,237	23%	\$70,847	100%

Table 13 compares receipts, net of reimbursements for capital expenditures, during FY08 and FY09. Net receipts totaled \$1.435 billion less in FY09 than during FY08. The receipt of approximately \$1.4 billion more in real property tax collections in advance of the next FY was not sufficient to offset the decline in other tax receipts.

Table 13. Cash Receipts, Net of Reimbursements for Capital Expenditures, FY08 and FY09

(\$ in millions)

	FY08	FY09	Diff. FY08/ FY09
July	\$ 6,391	\$ 7,588	\$1,197
August	3,274	2,968	(306)
September	5,874	6,838	964
1Q	15,539	17,394	1,855
October	3,371	3,283	(88)
November	3,584	3,013	(571)
December	9,227	6,041	(3,186)
2Q	16,182	12,337	(3,845)
1H	31,721	29,731	(1,990)
January	6,885	8,139	1,254
February	3,639	3,112	(527)
March	8,460	8,790	330
3Q	18,984	20,041	1,057
April	4,791	3,642	(1,149)
May	3,706	3,497	(209)
June	9,173	10,029	856
4Q	17,670	17,168	(502)
2H	36,654	37,209	555
FY Total	\$68,375	\$66,940	\$(1,435)

C. CASH EXPENDITURES

April-June 2009, (4QFY09)

Cash expenditures, including capital, totaled \$22.042 billion during the 4QFY09 and averaged \$344 million daily. As shown in Table 14, total expenditures during the 4QFY09 were 29 percent greater than in the 4QFY05 and average daily cash expenditures were \$76 million higher. Between the 4QFY05 and the 4QFY08, expenditures increased \$8.437 billion and then fell \$3.531 billion in the 4QFY09 compared with the 4QFY08.

Table 14. Total and Average Daily Cash Expenditures, 4QFY05-4QFY09

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY05	FY06	FY07	FY08	FY09	FY05	FY06	FY07	FY08	FY09
April	\$ 4,372	\$ 4,257	\$ 5,254	\$ 5,810	\$ 5,884	\$208	\$213	\$250	\$264	\$267
May	4,612	5,642	6,294	6,057	5,313	220	256	286	288	266
June	8,152	10,527	13,950	13,706	10,845	371	479	664	653	493
4Q Total	\$17,136	\$20,426	\$25,498	\$25,573	\$22,042	\$268	\$319	\$398	\$400	\$344

Table 15 shows monthly cash expenditures by major category during the 4QFY08 and the 4QFY09. April 2009 expenditures exceeded April 2008 expenditures by \$74 million. May 2009 expenditures were \$744 million less than May 2008 expenditures. June 2009 expenditures were \$2.861 billion less than June 2008 expenditures.

Table 15. Cash Expenditures by Category, 4QFY08 and 4QFY09

(\$ in millions)

	April 2008	May 2008	June 2008	4QFY08 Total	April 2009	May 2009	June 2009	4QFY09 Total	Diff. 4Q Total FY08/09
Gross Payroll	\$1,693	\$2,053	\$ 1,738	\$ 5,484	\$1,832	\$1,876	\$ 1,996	\$ 5,704	\$ 220
Other Personal Services	902	894	2,384	4,180	963	952	2,286	4,201	21
Public Assistance	180	211	161	552	203	187	178	568	16
Medical Assistance	359	341	330	1,030	301	299	371	971	(59)
Other Social Services	130	201	170	501	188	166	184	538	37
Vendor and Other	1,175	1,134	1,294	3,603	1,098	1,032	1,316	3,446	(157)
All Other	1,371	1,223	7,629	10,223	1,299	801	4,514	6,614	(3,609)
Total	\$5,810	\$6,057	\$13,706	\$25,573	\$5,884	\$5,313	\$10,845	\$22,042	\$(3,531)

Personal service (PS) expenditures include payroll, pensions, social security, health plan, and supplemental welfare benefits. Table 16 shows PS expenditures during the 4QFY00-4QFY09. Salaries and benefits increased throughout the period. Headcount was greater by 30,819 at the start of the 4QFY09 compared with the opening of the 4QFY00. The number of bi-weekly payrolls was six from the 4QFY00 to the 4QFY05 and seven from the 4QFY06 to the 4QFY09. PS expenditures increased 87 percent from the 4QFY00 through the 4QFY09, 50 percent from the 4QFY05 through the 4QFY09, and 2 percent in the 4QFY09 over the 4QFY08. PS expenditures were 35 percent of total expenditures during the 4QFY00, 39 percent in the 4QFY05, and 45 percent in the 4QFY09. From the 4QFY00 through the 4QFY09, PS expenditures were 41 percent of total expenditures.

Table 16. PS Expenditures, 4QFY00-4QFY09

(\$ in millions)

	4QFY00	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09
Gross Payroll	\$4,070	\$4,309	\$4,376	\$4,462	\$4,311	\$4,354	\$5,198	\$ 5,402	\$5,484	\$5,704
Other Personal Services	1,228	1,396	1,422	1,491	1,639	2,246	3,550	5,334	4,180	4,201
Total PS	\$5,298	\$5,705	\$5,798	\$5,953	\$5,950	\$6,600	\$8,748	\$10,736	\$9,664	\$9,905
PS as a % of 4Q Total Expenditures	35%	40%	47%	42%	40%	39%	43%	42%	38%	45%
Opening 4Q Headcount	250,789	250,161	248,472	242,354	258,659	263,803	266,710	270,811	276,107	281,608
# of 4Q Bi-weekly Payrolls	6	6	6	6	6	6	7	7	7	7

Gross payroll increased 40 percent from the 4QFY00 through the 4QFY09, 31 percent from the 4QFY05 through the 4QFY09, and 4 percent in the 4QFY09 over the 4QFY08. Gross payroll was 77 percent of total PS during the 4QFY00, 66 percent in the 4QFY05, and 58 percent in the 4QFY09. From the 4QFY00 through the 4QFY09, gross payroll was 64 percent of total PS expenditures. Other personal services increased 242 percent from the 4QFY00 through the 4QFY09, 87 percent from the 4QFY05 through the 4QFY09, and 1 percent in the 4QFY09 over the 4QFY08. Other personal services were 23 percent of

total PS during the 4QFY00, 34 percent in the 4QFY05, and 42 percent in the 4QFY09. From the 4QFY00 through the 4QFY09, other personal services were 36 percent of total PS expenditures. Other personal services in the 4QFY07 included payment to the Retiree Health Benefits Trust Fund (RHBTF) 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 the RHBTF \$1.383 billion in PAYGO and in the 4QFY09 \$1.007 billion. Health plan payments, net of payments to the RHBTF, were \$438 million, in the 4QFY00, \$646 million in the 4QFY05, \$684 million in the 4QFY08, and \$736 million in the 4QFY09. Payments to the pension funds increased to \$1.783 billion during the 4QFY09 from \$231 million, \$1.019 billion, and \$1.453 billion in the 4QFY00, the 4QFY05, and the 4QFY08.

As shown in Table 17, other-than-personal-service (OTPS) expenditures for public assistance (PA), medical assistance (MA), other social services, and vendor and other payments increased 63 percent from the 4QFY00 through the 4QFY09 and 10 percent from the 4QFY05 through the 3QFY09 and decreased 3 percent in the 4QFY09 from the 4QFY08. OTPS expenditures were 23 percent of total expenditures during the 4QFY00, 29 percent in the 4QFY05, and 25 percent in the 4QFY09. From the 4QFY00 through the 4QFY09, OTPS expenditures were 26 percent of total expenditures.

Table 17. OTPS Expenditures, 4QFY00-4QFY09

(\$ in millions)

	4QFY00	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09
Public Assistance	\$416	\$435	\$393	\$419	\$484	\$533	\$582	\$529	\$552	\$568
# of Cash Recipients *	596,193	518,823	446,985	421,429	438,012	419,825	402,281	368,892	344,834	343,384
Medical Assistance	\$626	\$730	\$874	\$903	\$1,020	\$1,142	\$1,108	\$1,140	\$1,030	\$971
# of Medicaid Enrollees*	1,611,359	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
Other Social Services	\$360	\$421	\$424	\$402	\$396	\$376	\$426	\$629	\$501	\$538
Vendor and Other	\$1,987	\$2,258	\$2,389	\$2,642	\$2,650	\$2,957	\$3,281	\$3,753	\$3,603	\$3,446
Total OTPS	\$3,389	\$3,844	\$4,080	\$4,366	\$4,550	\$5,008	\$5,397	\$6,051	\$5,686	\$5,523

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

PA increased \$16 million, \$35 million, and \$152 million during the 4QFY09 over the 4QFY08, the 4QFY05, and the 4QFY00. In the 4QFY09, MA decreased \$59 million and \$171 million from the 4QFY08 and the 4QFY05 and increased \$345 million over the 4QFY00. Other social services gained \$37 million, \$162 million, and \$178 million in the 4QFY09 compared with the 4QFY08, the 4QFY05, and the 4QFY00. Vendor and other payments increased steadily from the 4QFY00 through the 4QFY07, before declining \$150 million in the 4QFY08 and \$157 million in the 4QFY09.

The decrease in all other expenditures of \$3.609 billion was the main component of the decline in cash expenditures during the 4QFY09 compared with the 4QFY08. When a fiscal year has a budget surplus, June expenditures can include cash prepayments of future

years' expenditures.³ Table 18 shows the cash prepayments made during June from the 4QFY05-4QFY09. Cash prepayments increased \$2.883 billion from \$3.728 billion in the 4QFY05 to \$6.611 billion in the 4QFY08. Compared with the 4QFY08, prepayments were \$3.701 billion less during the 4QFY09. The 4QFY09 prepayment of \$2.910 billion was the lowest since the \$2.120 billion prepayment in the 4QFY04.

Table 18. Cash Payments of Future Years' Expenditures, 4QFY05-4QFY09

(\$ in millions)

	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09
General Obligation Debt Service	\$1,848	\$3,204	\$3,313	\$3,073	\$1,287
NYCTFA Debt Service	947	0	546	546	646
Lease Payments	88	74	165	46	110
Payments to the Transit Authority	138	138	137	137	137
Payments to the Metropolitan Transportation Authority	110	110	138	138	156
Payments to the Libraries	225	225	273	225	264
Payments to the Health and Hospitals Corporation	172	0	91	0	85
Prepayments of Outstanding Debt	200	0	0	1,986	0
Defeasement Debt	0	0	1,254	0	0
Payments to the Retiree Health Benefits Trust Fund	0	0	0	460	225
Total	\$3,728	\$3,751	\$5,917	\$6,611	\$2,910

Tax refunds are also included in all other expenditures. Tax refunds decreased \$117 million to \$254 million in the 4QFY09 from \$371 million in the 4QFY08.

July 2008-June 2009, (FY09)

Table 19 summarizes expenditures during FY05-FY09. From FY05 through FY09, total expenditures grew 27 percent and average daily expenditures \$65 million. Total expenditures during FY09 were only 1 percent greater than during FY08 and average daily expenditures \$2 million more. The \$3.723 billion increase in total expenditures in the 1HFY09 over the 1HFY08 was offset by a \$3.213 billion decrease in the 2HFY09 from the 2HFY08.

Table 19. Total and Average Daily Cash Expenditures, FY05-FY09

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY05	FY06	FY07	FY08	FY09	FY05	FY06	FY07	FY08	FY09
1Q	\$14,874	\$16,071	\$15,392	\$15,608	\$18,368	\$232	\$251	\$244	\$248	\$287
2Q	14,442	15,015	15,853	17,648	18,611	241	250	264	289	305
3Q	13,813	15,501	15,953	17,232	17,550	223	250	257	278	288
4Q	17,136	20,426	25,498	25,573	22,042	268	319	398	400	344
FY Total	\$60,265	*\$67,014	\$72,696	\$76,061	\$76,571	\$241	\$268	\$292	\$304	\$306

*Data may not add due to rounding.

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.

Table 20 and Chart 3 show the relationship between the City's expenditures and daily cash balances from FY00-FY09. FY09 had the highest level of daily expenditures as a percent of daily cash balances since FY04. Daily expenditures as a percent of daily cash balances averaged 15 percentage points less in FY09 than in FY00.

Table 20. Daily Expenditures as a Percent of Daily Cash Balances, FY00-FY09

FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
21%	12%	9%	10%	7%	5%	4%	5%	5%	6%

Chart 3. Daily Expenditures as a Percent of Daily Cash Balances, FY00-FY09

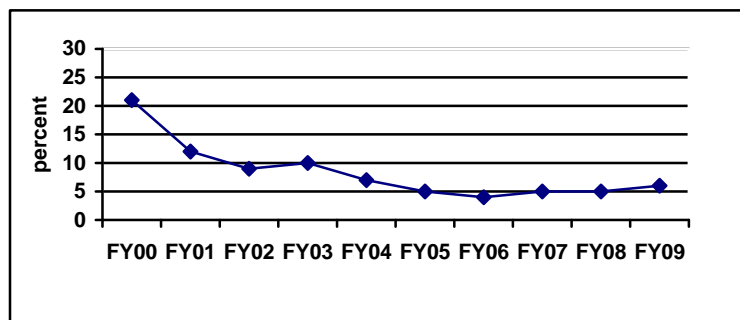


Table 21 shows PS and OTPS expenditures during FY05-FY09.

Table 21. PS and OTPS Expenditures, FY05-FY09

(\$ in millions)

	FY05	FY06	FY07	FY08	FY09
PS	\$26,741	\$32,187	\$33,408	\$33,870	\$36,569
PS as a % of FY Total Expenditures	44%	48%	46%	45%	48%
OTPS	\$20,026	\$21,220	\$22,443	22,880	23,389
OTPS as a % of FY Total Expenditures	33%	32%	31%	30%	31%

In FY09, PS expenditures increased \$2.699 billion over FY08 and were 48 percent of total expenditures. OTPS expenditures increased \$509 million and were 31 percent of total expenditures. PS outlays increased 37 percent from FY05-FY09 and accounted for 46 percent of total expenditures. Other personal services increased at a faster pace than gross payroll growing more than 50 percent over the five years. In the same time frame, OTPS expenditures increased 17 percent and were 31 percent of total expenditures. PA fell 7 percent from FY05 through FY09. Other social services increased 25 percent, vendor and other rose 24 percent, and MA grew 7 percent during the five years.

Tax refunds in FY09 totaled \$1.697 billion compared with \$1.258 billion in FY08.

Table 22 compares expenditures, net of capital expenditures, during FY08 and FY09. Expenditures, net of capital, were \$607 million less in FY09 than during FY08. The decrease in 2H net expenditures more than offset the increase in 1H net expenditures.

Table 22. Cash Expenditures, Net of Capital Expenditures, FY08 and FY09

(\$ in millions)

	FY08	FY09	Diff. FY08/ FY09
July	\$ 5,018	\$ 5,587	\$ 569
August	4,680	5,531	851
September	4,348	4,942	594
1Q	14,046	16,060	2,014
October	5,386	5,659	273
November	5,044	5,005	(39)
December	5,161	5,489	328
2Q	15,591	16,153	562
1H	29,637	32,213	2,576
January	5,028	4,953	(75)
February	4,706	5,322	616
March	5,384	5,333	(51)
3Q	15,118	15,608	490
April	4,845	4,958	113
May	5,168	4,766	(402)
June	12,977	9,593	(3,384)
4Q	22,990	19,317	(3,673)
2H	38,108	34,925	(3,183)
FY Total	\$67,745	\$67,138	\$ (607)

II. Capital Expenditures

April-June 2009, (4QFY09)

Capital expenditures are included in total cash expenditures. Tables 23 and 24 show total and City-funded capital expenditures and average daily total and City-funded capital expenditures in each month during the 4QFY05-4QFY09. Capital expenditures in the 4QFY09 were the highest in the five year period, including the 4QFY08, when the City purchased the assets of the Jay Street Development Corporation for \$499 million.

Table 23. Total Capital Expenditures and Average Daily Total Capital Expenditures, 4QFY05-4QFY09

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY05	FY06	FY07	FY08	FY09	FY05	FY06	FY07	FY08	FY09
April	\$ 294	\$ 284	\$ 781	\$ 965	\$ 926	\$14	\$14	\$37	\$44	\$42
May	448	836	480	889	547	21	38	22	42	27
June	375	470	548	729	1,252	17	21	26	35	57
4Q Total	\$1,117	\$1,590	\$1,809	\$2,583	\$2,725	\$17	\$25	\$28	\$40	\$43

Table 24. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, 4QFY05-4QFY09

(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY05	FY06	FY07	FY08	FY09	FY05	FY06	FY07	FY08	FY09
April	\$ 265	\$ 253	\$ 365	\$ 927	\$ 888	\$13	\$13	\$17	\$42	\$40
May	399	799	440	462	517	19	36	20	22	26
June	345	426	459	646	879	16	19	22	31	40
4Q Total	\$1,009	\$1,478	\$1,264	\$2,035	\$2,284	\$16	\$23	\$20	\$32	\$36

Table 25 shows capital expenditures as a percent of total expenditures during the 4QFY00-4QFY09. From the 4QFY00-4QFY09, City-funded capital expenditures increased \$1.230 billion and were 8 percent of total 4Q cash expenditures, while capital expenditures increased \$1.570 billion and were 9 percent of total 4Q cash expenditures. City-funded capital expenditures in the 4QFY09 increased \$249 million from the 4QFY08 and total capital expenditures grew \$142 million. In the 4QFY09, City-funded capital expenditures were 10 percent of total cash expenditures and total capital expenditures were 12 percent of total cash expenditures.

Table 25. Capital Expenditures as a Percent of Total Expenditures, 4QFY00-4QFY09

(\$ in millions)

	4QFY00	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09
4Q City-funded Capital Expenditures	\$1,054	\$998	\$1,228	\$1,227	\$1,202	\$1,009	\$1,478	\$1,264	\$2,035	\$2,284
4Q City-funded Capital Expenditures as a % of 4Q Total Expenditures	7%	7%	10%	9%	8%	6%	7%	5%	8%	10%
4Q Total Capital Expenditures	\$1,155	\$1,131	\$1,369	\$1,416	\$1,358	\$1,117	\$1,590	\$1,809	\$2,583	\$2,725
4Q Total Capital Expenditures as a % of 4Q Total Expenditures	8%	8%	11%	10%	9%	7%	8%	7%	10%	12%
4Q Total Expenditures	\$14,963	\$14,388	\$12,227	\$14,016	\$14,764	\$17,136	\$20,426	\$25,498	\$25,573	\$22,042

Capital expenditures include payments to the School Construction Authority (SCA). Table 26 shows payments to the SCA during the 4QFY00-4QFY09 amounted to 22 percent of total 4Q capital expenditures. The 4QFY09 was the first time since TFA and the Dormitory Authority of the State of New York (DASNY) began funding SCA payments that the City-funded portion of the payment was the largest portion of the funding. Payments to the SCA in the 4QFY09 were double payments in the 4QFY08 and accounted for 29 percent of total 4Q capital expenditures.

Table 26. Payments to the SCA, 4QFY00-4QFY09

(\$ in millions)

	4QFY00	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	Total 4QFY00- 4QFY09
City-funded	\$299	\$300	\$300	\$247	\$263	\$0	\$400	\$ 15	\$ 16	\$523	\$2,363
TFA & DASNY	0	0	0	0	0	0	0	385	384	269	1,038
Other	0	0	0	53	37	0	0	0	0	8	98
Total	\$299	\$300	\$300	\$300	\$300	\$0	\$400	\$400	\$400	\$800	\$3,499
4Q SCA as a % of 4Q Total Capital Expenditures	26%	27%	22%	21%	22%	0%	25%	22%	15%	29%	22%

City-funded capital expenditures are financed primarily from the proceeds of GO, New York City Municipal Water Finance Authority (New York 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 27 shows the reimbursements for capital expenditures during the 4QFY09 to the New York City Central Treasury.

Table 27. Reimbursements to the New York City Central Treasury for Capital Expenditures, 4QFY09

(\$ in millions)

	April 2009	May 2009	June 2009	Total
GO	\$565	\$327	\$ 853	\$1,745
New York Water	0	386	195	581
Sub-total	565	713	1,048	2,326
TFA Building Aid	207	0	415	622
DASNY	3	0	0	3
Sub-total	210	0	415	625
Total	\$775	\$713	\$1,463	\$2,951

Table 28 shows the reimbursements for capital expenditures during the 4QFY00-4QFY09. Reimbursements in the 4QFY09 totaling \$2.951 billion were 15 percent of total 4QFY09 cash receipts and exceeded 4QFY09 reimbursable expenditures (City-funded expenditures and state funded SCA expenditures), increasing cash balances by \$398 million. From the 4QFY00 through the 4QFY09, reimbursements totaled \$18 billion and were 11 percent of total 4Q receipts.

Table 28. Reimbursements to the New York City Central Treasury for Capital Expenditures, 4QFY00-4QFY09

(\$ in millions)

	4QFY00	4QFY01	4QFY02	4QFY03	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	4QFY09	Total 4QFY00- 4QFY09
GO	\$ 0	\$ 463	\$ 835	\$ 651	\$1,007	\$ 718	\$1,219	\$ 389	\$1,160	\$1,745	\$ 8,187
New York Water	404	214	281	400	376	598	645	955	690	581	5,144
TFA	625	382	236	472	0	0	0	272	7	0	1,994
Sub-total	1,029	1,059	1,352	1,523	1,383	1,316	1,864	1,616	1,857	2,326	15,325
TFA Building Aid	0	0	0	0	0	0	0	87	490	622	1,199
DASNY	0	0	0	0	0	0	0	173	487	3	663
Sub-total	0	0	0	0	0	0	0	260	977	625	1,862
Other	599	7	50	33	42	9	11	0	0	0	751
Total	\$1,628	\$1,066	\$1,402	\$1,556	\$1,425	\$1,325	\$1,875	\$1,876	\$2,834	\$2,951	\$17,938
4Q Reimbursable Capital Expenditures	\$1,054	\$998	\$1,228	\$1,227	\$1,202	\$1,009	\$1,478	\$1,649	\$2,419	\$2,553	\$14,817
4Q Reimbursements Less 4Q Reimbursable Capital Expenditures	\$574	\$68	\$174	\$329	\$223	\$316	\$397	\$227	\$415	\$398	\$3,121
4Q Reimbursements as a % of 4Q Reimbursable Capital Expenditures	154%	107%	114%	127%	119%	131%	127%	114%	117%	116%	121%
4Q Reimbursements as a % of 4Q Total Receipts	12%	8%	10%	11%	10%	8%	10%	10%	14%	15%	11%

July 2008-June 2009, (FY09)

As shown in Table 29, total capital expenditures increased \$1.117 billion during FY09 over FY08. The City-funded portion of capital expenditures rose \$1.083 billion. The majority of the growth occurred in the 1HFY09 compared with the 1HFY08. An increase in total capital expenditures of \$1.147 billion in the 1HFY09 was offset by a \$30 million decrease in the 2HFY09. City-funded capital expenditures increased \$647 million and \$436 million in the 1HFY09 and the 2HFY09.

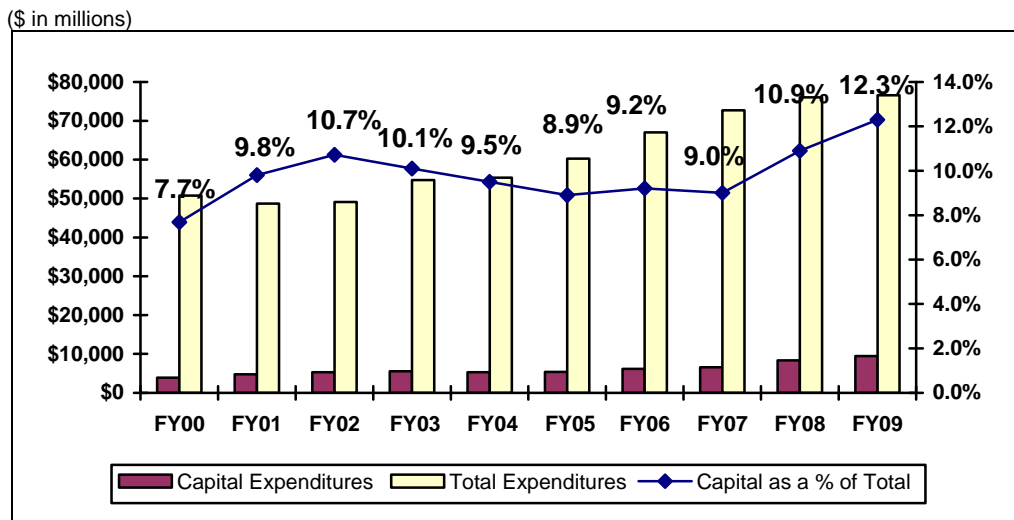
Table 29. Capital Expenditures, FY08 and FY09

(\$ in millions)

	FY08		FY09		Diff. FY08/FY09	
	Total Capital	City-Funded Capital	Total Capital	City-Funded Capital	Total Capital	City-funded Capital
July	\$ 809	\$ 406	\$ 935	\$ 480	\$ 126	\$ 74
August	401	373	506	479	105	106
September	352	328	867	453	515	125
1Q	1,562	1,107	2,308	1,412	746	305
October	828	429	534	494	(294)	65
November	796	380	856	449	60	69
December	433	396	1,068	604	635	208
2Q	2,057	1,205	2,458	1,547	401	342
1H	3,619	2,312	4,766	2,959	1,147	647
January	827	393	520	477	(307)	84
February	507	475	873	440	366	(35)
March	780	372	549	510	(231)	138
3Q	2,114	1,240	1,942	1,427	(172)	187
April	965	927	926	888	(39)	(39)
May	889	462	547	517	(342)	55
June	729	646	1,252	879	523	233
4Q	2,583	2,035	2,725	2,284	142	249
2H	4,697	3,275	4,667	3,711	(30)	436
FY Total	\$8,316	\$5,587	\$9,433	\$6,670	\$1,117	\$1,083

Chart 4 displays capital expenditures as a percent of total expenditures during the past ten years. Capital expenditures ranged from a low of 7.7 percent of total expenditures in FY00 to a high of 12.3 percent of total expenditures in FY09 and averaged 9.8 percent from FY00-FY09.

Chart 4. Total Capital Expenditures as a Percent of Total Expenditures, FY00-FY09



Tables 30 and 31 show capital expenditures during FY05-FY09. Total expenditures increased 76 percent from FY05 through FY09. The City-funded portion of total capital expenditures was 35 percent greater in the same time frame.

Table 30. Total Capital Expenditures and Average Daily Total Capital Expenditures, FY05-FY09

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY05	FY06	FY07	FY08	FY09	FY05	FY06	FY07	FY08	FY09
1Q	\$1,462	\$1,730	\$1,499	\$1,562	\$2,308	\$23	\$27	\$24	\$25	\$36
2Q	1,440	1,402	1,634	2,057	2,458	24	23	27	34	40
3Q	1,341	1,420	1,606	2,114	1,942	22	23	26	34	32
4Q	1,117	1,590	1,809	2,583	2,725	17	25	28	40	43
FY Total	\$5,360	\$6,142	\$6,548	\$8,316	\$9,433	\$21	\$25	\$26	\$33	\$38

Table 31. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, FY05-FY09

(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY05	FY06	FY07	FY08	FY09	FY05	FY06	FY07	FY08	FY09
1Q	\$1,349	\$1,612	\$ 973	\$1,107	\$1,412	\$21	\$25	\$15	\$18	\$22
2Q	1,321	1,284	1,124	1,205	1,547	22	21	19	20	25
3Q	1,255	1,314	1,130	1,240	1,427	20	21	18	20	23
4Q	1,009	1,478	1,264	2,035	2,284	16	23	20	32	36
FY Total	\$4,934	\$5,688	\$4,491	\$5,587	\$6,670	\$20	\$23	\$18	\$22	\$27

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 32 and Chart 5, during the last ten years, payments by the City totaling \$16 billion, 26 percent of total capital expenditures, to the SCA ranged from a low of \$900 million in FY05 to a high of \$2.8 billion in FY09. The City-funded portion in FY09 was the highest since FY06 before TFA Building Aid bonds and DASNY provided funding for the education capital program.

Table 32. Payments to the SCA, FY00-FY09

(\$ in millions)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	Total FY00- FY09
City-funded	\$1,022	\$1,178	\$1,500	\$1,372	\$1,112	\$896	\$1,796	\$ 83	\$ 89	\$ 593	\$ 9,641
TFA & DASNY	0	0	0	0	0	0	0	1,487	2,289	2,161	5,937
Other	0	199	0	53	88	4	4	30	22	46	446
Total	\$1,022	\$1,377	\$1,500	\$1,425	\$1,200	\$900	\$1,800	\$1,600	\$2,400	\$2,800	\$16,024
SCA as a % of FY Total Capital Expenditures	26%	29%	28%	26%	23%	17%	29%	24%	29%	30%	26%

Chart 5. Payments to the SCA, FY00-FY09

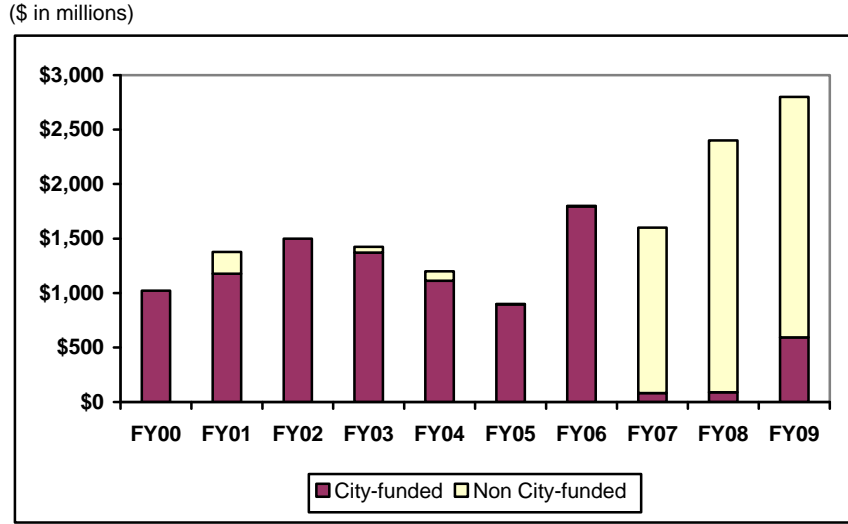


Table 33 shows reimbursements for capital expenditures to the New York City Central Treasury during FY00-FY09. Reimbursements accounted for 10 percent of total receipts in the ten years. During FY09, the greatest amount of prior year capital expenditures were reimbursed increasing cash in the Central Treasury by \$1.649 billion.

Table 33. Reimbursements to the New York City Central Treasury for Capital Expenditures, FY00-FY09

(\$ in millions)

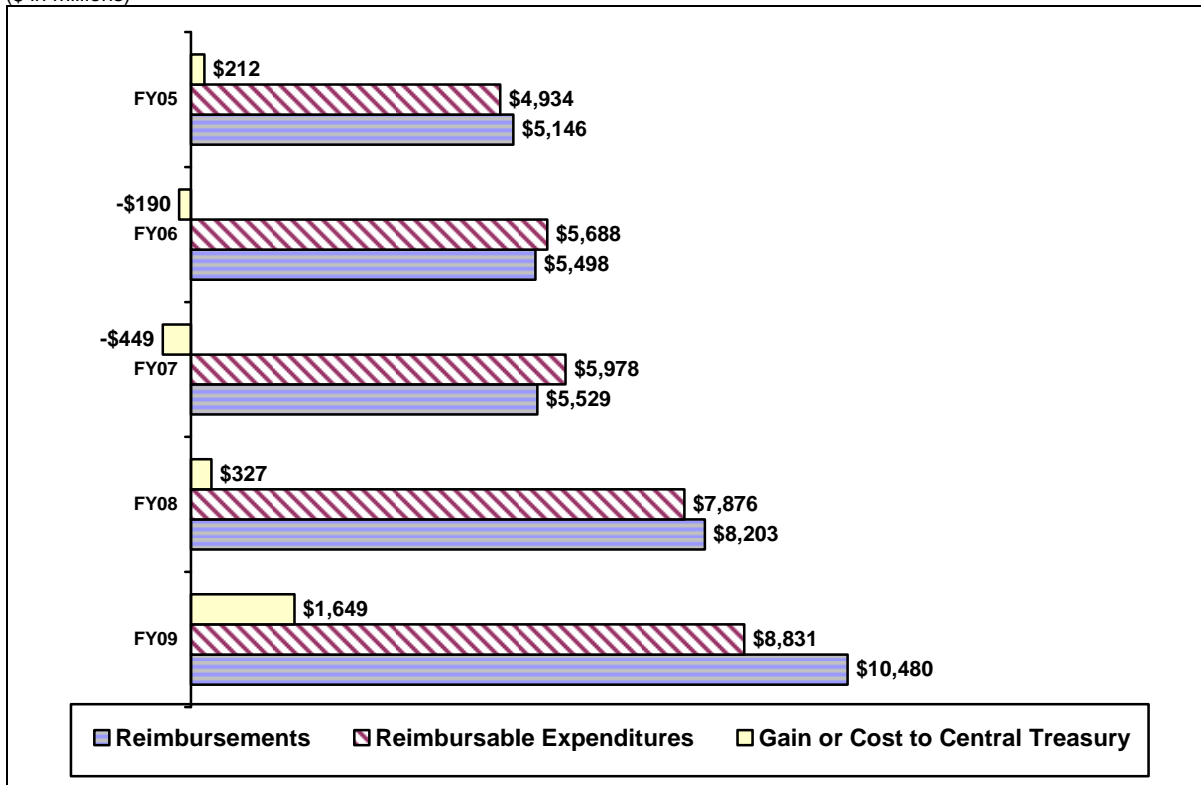
	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	Total FY00-FY09
GO	\$ 268	\$1,726	\$2,512	\$1,882	\$3,342	\$3,385	\$3,832	\$1,059	\$3,339	\$ 5,254	\$26,599
New York Water	721	891	938	1,218	1,238	1,697	1,653	1,866	2,149	2,571	14,942
TFA	2,133	1,629	2,184	1,607	281	0	0	1,513	532	14	9,893
Other	614	55	125	350	87	64	13	0	0	0	1,308
Sub-total	3,736	4,301	5,759	5,057	4,948	5,146	5,498	4,438	6,020	7,839	52,742
TFA Building Aid	0	0	0	0	0	0	0	621	1,230	2,270	4,121
DASNY	0	0	0	0	0	0	0	470	953	371	1,794
Sub-total	0	0	0	0	0	0	0	1,091	2,183	2,641	5,915
Total	\$3,736	\$4,301	\$5,759	\$5,057	\$4,948	\$5,146	\$5,498	\$5,529	\$8,203	\$10,480	\$58,657
FY Reimbursable Capital Expenditures	\$3,527	\$4,134	\$4,882	\$5,043	\$4,766	\$4,934	\$5,688	\$5,978	\$7,876	\$8,831	\$55,659
FY Reimbursements Less FY Reimbursable Capital Expenditures	\$209	\$167	\$877	\$14	\$182	\$212	\$(190)	\$(449)	\$327	\$1,649	\$2,998
FY Reimbursements as a % of FY Reimbursable Capital Expenditures	106%	104%	118%	100%	104%	104%	97%	92%	104%	119%	105%
FY Reimbursements as a % of FY Total Receipts	7%	9%	11%	10%	9%	8%	8%	8%	11%	14%	10%

From FY00 through FY09, reimbursements totaling \$59 billion were financed 45 percent from GO proceeds, 25 percent from New York Water debt, 17 percent from TFA revenue bonds, and 10 percent from TFA Building Aid bonds and DASNY.

Chart 6 compares reimbursements to reimbursable capital expenditures during FY05-FY09. During the last five years, reimbursements exceeded expenditures by \$1.549 billion.

Chart 6. Reimbursements Compared to Reimbursable Expenditures, FY05-FY09

(\$ in millions)



III. Financing

Table 34 shows GO and TFA debt issued during FY00-FY09. During the last ten years, the City sold \$46 billion in GO debt to fund the capital program and refund outstanding debt and the TFA issued \$19 billion in bonds and bond anticipation notes (BANs) and \$4 billion in Building Aid bonds. During FY07, the City issued less in GO bonds than in any year except FY00. This lower level of GO debt was offset by the TFA issuing debt to fund capital projects for the first time since FY04.

Table 34. GO and TFA Debt, FY00-FY09

(\$ in billions)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	Total FY00- FY09
GO Capital Program	\$0.6	\$1.2	\$2.7	\$ 2.2	\$3.0	\$3.9	\$3.4	\$0.8	\$3.4	\$5.5	\$26.7
GO Refundings and Conversions	0.1	1.1	1.0	2.7	3.9	2.9	1.4	1.1	4.0	0.6	18.8
GO Sub-total	0.7	2.3	3.7	4.9	6.9	6.8	4.8	1.9	7.4	6.1	45.5
TFA Bonds & BANs	2.9	2.0	2.8	5.2	1.9	0.9	0.6	2.7	0.0	0.2	19.2
TFA Building Aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.7	2.3	4.3
Total	\$3.6	\$4.3	\$6.5	\$10.1	\$8.8	\$7.7	\$5.4	\$5.9	\$8.1	\$8.6	\$69.0

GO Debt

As shown in Table 35, GO debt issuances in FY09 totaled \$6 billion, a decrease of \$1.3 billion from FY08. In the 4QFY09, \$1.65 billion in fixed rate tax-exempt and \$223 million fixed rate taxable GO debt was issued.

Table 35. GO Bonds, FY08 and FY09

(\$ in millions)

Month of Closing	FY08			FY09		
	Tax- Exempt	Taxable	Total	Tax- Exempt	Taxable	Total
July	\$ 0	\$ 0	\$ 0	\$ 75	\$ 0	\$ 75
August	1,245	0	1,245	833	165	998
September	0	0	0	1,050	90	1,140
1Q	1,245	0	1,245	1,958	255	2,213
October	800	250	1,050	500	50	550
November	0	0	0	400	25	425
December	1,050	125	1,175	300	8	308
2Q	1,850	375	2,225	1,200	83	1,283
1H	3,095	375	3,470	3,158	338	3,496
January	605	0	605	19	0	19
February	475	75	550	0	0	0
March	0	0	0	600	120	720
3Q	1,080	75	1,155	619	120	739
April	2,282	475	2,757	850	33	883
May	0	0	0	0	0	0
June	0	0	0	800	190	990
4Q	2,282	475	2,757	1,650	223	1,873
2H	3,362	550	3,912	2,269	343	2,612
FY Total	\$6,457	\$925	\$7,382	\$5,427	\$681	\$6,108

Turmoil in the financial markets during FY09 limited the municipal credit market's capacity to absorb new debt issuances, leading the City to prioritize new money sales to fund the capital program over refundings.

Chart 7 shows the amount of GO proceeds funding the capital program, refundings, and conversions (the restructure of a portion of outstanding floating rate debt) in FY08 and FY09. In FY09, 90 percent of the proceeds were for capital projects compared with 46 percent in FY08. During FY09, refundings of outstanding debt yielded \$39 million in budget savings over the life of the bonds compared with \$176 million in FY08.

Chart 7. Purposes of GO Debt, FY08 and FY09

(\$ in millions)



TFA

The TFA sold \$600 million in Building Aid bonds in June 2009, bringing the total of TFA Building Aid bonds sold during FY09 to \$2.27 billion. The TFA also sold \$219 million in revenue bonds to refund outstanding debt yielding savings of \$11 million over the life of the bonds.

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