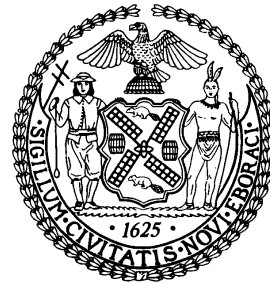


**The City Of New York
Office of the Comptroller
William C. Thompson, Jr.,
Comptroller**



QUARTERLY CASH REPORT

July-September 2009
First Quarter of FY 2010

November 2009

Summary

Overview

- The opening balance for the first quarter of FY 2010 was \$5.839 billion, \$851 million more than the opening balance for the first quarter of FY 2009. However, the gain in cash was short-lived. During the first quarter of FY 2010, cash expenditures exceeded cash receipts by \$1.243 billion compared with an excess of cash receipts of \$1.382 billion over cash expenditures during the first quarter of FY 2009. The trend of lower daily cash balances is expected to continue.
- The average daily cash balance for the first quarter of FY 2010 was \$6.348 billion, down \$78 million from the \$6.426 billion average daily cash balance for the first quarter of FY 2009. The level of daily cash balances during July and August in FY 2010 was very similar to the level of daily cash balances in July and August in FY 2009. In September of FY 2010, daily cash balances fell below daily cash balances during September of FY 2009. This was reflected by higher average daily cash balances for July and August in FY 2010 compared with July and August in FY 2009 and a lower average daily cash balance in September FY 2010 than in September FY 2009.
- At the close of the first quarter of FY 2010, the daily cash balance was \$4.596 billion, \$1.774 billion less than the closing balance for the first quarter of FY 2009.

Cash Receipts

- Cash receipts totaled \$17.332 billion and averaged \$271 million daily during the first quarter of FY 2010. In a reversal from the first quarter of FY 2009, only August had greater cash receipts, \$572 million more than in the same month of the previous fiscal year. July 2009 had \$833 million less in receipts than July 2008. September 2009 had \$2.157 billion less in receipts than September 2008 mainly due to a \$762 million decline in tax collections. Cash receipts during the first quarter of FY 2010 increased 5 percent over the first quarter of FY 2006 and declined 12 percent from the first quarter of FY 2009. Net of reimbursements for capital expenditures, cash receipts were lower in each month of FY 2010 than in FY 2009.
- During the first quarter of FY 2010, cash receipts declined \$2.418 billion from the first quarter of FY 2009. Real property tax cash receipts fell \$1.228 billion, other taxes fell \$1.050 billion, miscellaneous fell \$5 million, and other fell \$702 million, offset by a \$567 million increase in federal and state aid. The decrease in real property tax collections was primarily the result of timing in receipts between the months of June and July. From June 2009 through September 2009, real property tax collections of \$8.180 billion were \$335 million more than the \$7.845 billion collected from June 2008 through September 2008. This increase in collections reflects a real property tax rate increase, which began in mid-year FY 2009. The decline in total other taxes to the lowest first quarter level recorded since the first quarter of FY 2005 reflected the current economic and fiscal conditions facing the City. Personal income tax fell 12 percent, general corporation tax fell 11 percent, unincorporated business tax fell 11 percent, banking corporation tax fell 55 percent, and mortgage and real property transfer taxes declined 60 percent during the first quarter of FY 2010 compared with the first quarter of FY 2009. Sales tax increased 4 percent, inclusive of a local rate increase to 4.5 percent and repeal of the exemption on clothing and footwear costing more than \$110.

- Federal and state aid in the first quarter of FY 2010 was the only major category of receipts to increase over the first quarter of FY 2009. Federal aid totaled \$1.446 billion and state aid totaled \$2.833 billion during the first quarter of FY 2010 compared with \$1.355 billion in federal aid and \$2.357 billion received in state aid during the first quarter of FY 2009.
- Miscellaneous cash receipts decreased \$5 million between the first quarter of FY 2009 and the first quarter of FY 2010. During the first quarter of FY 2010 miscellaneous receipts included: senior college fees totaling \$167 million, community college fees of \$74 million, settlements with health plan carriers totaling \$91 million, and transfers in accordance with the 2009 Health Benefits Agreement from the Health Insurance Stabilization Fund to the City of \$255 million. Intergovernmental aid was comprised of state revenue sharing of \$63 million in both the first quarters of FY 2010 and FY 2009.
- During the first quarter of FY 2010, cash receipts totaling \$23 million were classified as federal stimulus funding.

Cash Expenditures

- Cash expenditures, including capital expenditures, totaled \$18.575 billion and averaged \$290 million daily during the first quarter of FY 2010. Total cash expenditures during the first quarter of FY 2010 increased 16 percent over the first quarter of FY 2006 and only 1 percent over the first quarter of FY 2009. Net of capital expenditures, cash expenditures declined \$13 million between the first quarter of FY 2009 and the first quarter of FY 2010. Daily cash expenditures as a percent of daily cash balances remained at 5 percent, the same level as the first quarter of FY 2009.
- Personal service expenditures totaling \$8.799 billion were 47 percent of total expenditures in the first quarter of FY 2010 and fell 2 percent from the first quarter of FY 2009. Gross payroll was \$402 million lower during the first quarter of FY 2010 than in the first quarter of FY 2009, when the Patrolmen's Benevolent Association members received approximately \$485 million in back pay for their 2004-2006 contract and other uniformed collective bargaining agreements were implemented. Headcount was only 35 less in the first quarter of FY 2010 compared with the first quarter of FY 2009. Other personal services increased \$248 million during the first quarter of FY 2010 over the first quarter of FY 2009 including a \$130 million increase in payments to the pension funds and \$110 million more in health plan costs.
- During the first quarter of FY 2010, other-than-personal-service expenditures were 35 percent of total expenditures and increased 4 percent over the first quarter of FY 2009. From the first quarter of FY 2009 to the first quarter of FY 2010, public assistance was \$201 million greater. The number of public assistance cash recipients in the first quarter of FY 2010 increased from the first quarter of the previous year for the first time since the first quarter of FY 2005. From the first quarter of FY 2009 to the first quarter of FY 2010, medical assistance was \$158 greater; federal stimulus funding reduced Medicaid payments offset by \$411 million in intergovernmental transfers. Other social services were \$44 million less and vendor and other fell \$74 million in the first quarter of FY 2010 compared with the first quarter of FY 2009.
- During the first quarter of FY 2010, \$118 million of expenditures were classified as eligible for funding under the federal stimulus program.

Capital Expenditures and Reimbursements

- During the first quarter of FY 2010, capital expenditures totaling \$2.528 billion were 13.6 percent of total cash expenditures compared with 12.6 percent in the first quarter of FY 2009, 10.8 percent in the first quarter of FY 2006, and 8.3 percent in the first quarter of FY 2001. Capital expenditures were \$220 million more during the first quarter of FY 2010 than during the first quarter of FY 2009, \$798 million greater than in the first quarter of FY 2006, and \$1.531 billion greater than during the first quarter of FY 2001. The City-funded component of capital expenditures was \$800 million higher during the first quarter of FY 2010 than during the first quarter of FY 2009, \$600 million greater than in the first quarter of FY 2006, and \$1.340 billion greater than during the first quarter of FY 2001. Payments to the School Construction Authority totaled \$800 million during the first quarter of FY 2010 compared with \$151 million, \$600 million, and \$800 million in the first quarters of FY 2001, FY 2006, and FY 2009, respectively. Beginning in FY 2007, capital expenditures for payments to the School Construction Authority were classified mainly as non City-funded state capital expenditures. School Construction Authority payments reverted to mostly City-funding during the first quarter of FY 2010.
- All capital expenditures are initially paid from the New York City Central Treasury and 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 \$1.940 billion during the first quarter of FY 2010 were \$442 million less than reimbursable expenditures, or 81 percent of reimbursable capital expenditures and 11 percent of total cash receipts. Over the last ten years, from the first quarter of FY 2001 to the first quarter of FY 2010, reimbursements were 86 percent of reimbursable expenditures and 8 percent of total cash receipts.
- General obligation bonds financed 27 percent of reimbursements in the first quarter of FY 2010, 45 percent from the first quarter of FY 2006 to the first quarter of FY 2010, and 41 percent from the first quarter of FY 2001 to the first quarter of FY 2010. New York City Municipal Water Finance Authority proceeds financed 31 percent of reimbursements in the first quarter of FY 2010, 29 percent from the first quarter of FY 2006 to the first quarter of FY 2010, and 30 percent from the first quarter of FY 2001 to the first quarter of FY 2010. In the first quarter of FY 2010, Transitional Finance Authority proceeds financed 31 percent of reimbursements compared with less than 1 percent of reimbursements in the first quarter of FY 2009, 11 percent from the first quarter of FY 2006 to the first quarter of FY 2010, and 18 percent from the first quarter of FY 2001 to the first quarter of FY 2010. Transitional Finance Authority Building Aid bonds and Dormitory Authority of the State of New York funding financed 10 percent of reimbursements in the first quarter of FY 2010, 15 percent from the first quarter of FY 2006 to the first quarter of FY 2010, and 9 percent from the first quarter of FY 2001 to the first quarter of FY 2010.

Financing

- The City did not issue general obligation debt during the first quarter of FY 2010.
- During the first quarter of FY 2010, the Transitional Finance Authority issued \$1.7 billion in bonds. The proceeds of \$800 million in tax-exempt bonds and \$100 million in taxable bonds funded capital projects. The balance of \$800 million in tax-exempt debt refunded outstanding debt and yielded \$66 million in budget savings over the life of the bonds.

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I. Cash Balances¹

OVERVIEW

Table 1 and Chart 1 show the cash position in the New York City Central Treasury during the 1QFY01-1QFY10. The opening balance for the 1QFY10 of \$5.839 billion was \$4.386 billion more than the opening balance for the 1QFY01 and \$851 million more than the opening balance for the 1QFY09. It was the third highest start for a FY during the ten year period. However, the gain in cash was short-lived. During the 1QFY10, expenditures exceeded receipts by \$1.243 billion. (In comparison, during the 1QFY02, the excess of expenditures over receipts was \$1.057 billion, during the 1QFY03 it was \$1.438 billion, during the 1QFY05 it was \$298 million, and during the 1QFY07 it was \$222 million. Receipts exceeded expenditures by \$343 million in the 1QFY01, \$36 million in the 1QFY04, \$466 million in the 1QFY06, \$1.213 billion in the 1QFY08, and \$1.382 billion in the 1QFY09.) The closing balance for the 1QFY10 was \$4.596 billion, \$2.8 billion greater than the closing balance for the 1QFY01, \$2.7 billion less than the closing balance for the 1QFY06, the highest closing balance in the ten year time frame, and \$1.774 billion less than the closing balance for the 1QFY09.

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

(\$ in millions)

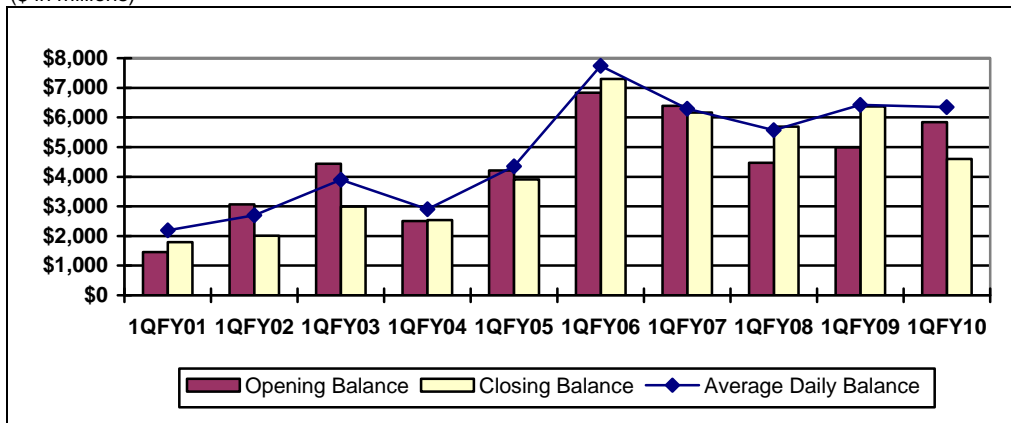
	1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10
Opening Balance ^a	\$ 1,453	\$ 3,066	\$ 4,433	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988	\$ 5,839
Total Receipts	12,326	11,343	13,628	14,144	14,575	16,537	15,170	16,821	19,750	17,332
Total Expenditures ^b	11,983	12,400	15,066	14,108	14,873	16,071	15,392	15,608	18,368	18,575
Closing Balance	\$ 1,796	\$ 2,009	\$ 2,995	\$ 2,538	\$ 3,910	\$ 7,296	\$ 6,164	\$ 5,686	\$ 6,370	\$ 4,596

a. Before City audits.

b. Total expenditures include capital expenditures.

Chart 1. Cash Position in the New York City Central Treasury, 1QFY01-1QFY10

(\$ in millions)



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.

As shown in Table 2, the average daily cash balances for July and August during the 1QFY10 were greater than in July and August during the 1QFY07, the 1QFY08, and the 1QFY09, after falling in the 1QFY07 and the 1QFY08. In September of FY10, the average daily cash balance was less than the average daily cash balance during September of FY06, FY07, and FY09. The average daily cash balance during the 1QFY10 was \$78 million less than the average daily cash balance in the 1QFY09. The trend of lower daily cash balances is expected to continue.

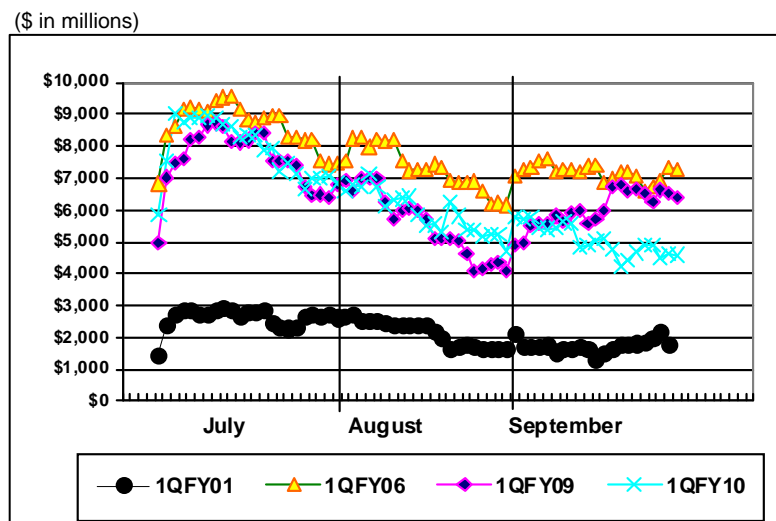
Table 2. Average Daily Cash Balances in the New York City Central Treasury, 1QFY01-1QFY10

(\$ in millions)

	1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10
July	\$2,669	\$3,457	\$4,748	\$3,270	\$5,233	\$8,809	\$7,509	\$6,513	\$7,676	\$7,975
August	2,184	2,318	3,549	2,507	3,939	7,319	5,891	5,211	5,529	5,936
September	1,739	2,314	3,330	2,904	3,891	7,177	5,539	4,952	6,012	5,056
1Q Total	\$2,197	\$2,696	\$3,893	\$2,900	\$4,348	\$7,738	\$6,293	\$5,567	\$6,426	\$6,348

Chart 2 depicts daily cash balances during the 1QFY01, the 1QFY06, the 1QFY09, and the 1QFY10. Daily cash balances during the 1QFY01 were much lower than during the 1QFY06, the 1QFY09, and the 1QFY10, and ranged from an opening balance low point of \$1.453 billion to a high of \$2.925 billion on July 13, 2000. The 1QFY06 had the highest daily cash balances ranging from a high of \$9.573 billion on July 14, 2005 to a low of \$6.162 billion on August 31, 2005. The high and low points during the 1QFY09 were \$8.729 billion on July 10, 2008 and \$4.071 billion on August 29, 2008. The daily cash balances during July and August of the 1QFY10 were very similar to the first two months of the 1QFY09, then in September of FY10 daily cash balances fell below daily cash balances during September of FY09. Daily cash balances during the 1QFY10 ranged from a low of \$4.222 billion on September 21, 2009 to a high of \$9.025 billion on July 2, 2009.

Chart 2. Daily Cash Balances in the New York City Central Treasury, 1QFY01, 1QFY06, 1QFY09, and 1QFY10



CASH RECEIPTS

Table 3 shows total cash receipts and average daily cash receipts during the 1QFY06-1QFY10. Total cash receipts during the 1QFY10 were 5 percent more than in the 1QFY06 and average daily cash receipts increased by \$13 million.

Table 3. Total and Average Daily Cash Receipts, 1QFY06-1QFY10

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
July	\$ 6,683	\$ 5,484	\$ 6,937	\$ 8,352	\$ 7,519	\$334	\$274	\$330	\$380	\$342
August	3,787	3,364	3,770	3,289	3,861	165	146	164	157	184
September	6,067	6,322	6,114	8,109	5,952	289	316	322	386	283
1Q Total	\$16,537	\$15,170	\$16,821	\$19,750	\$17,332	\$258	\$241	\$267	\$309	\$271

Cash receipts during the 1QFY10 were 12 percent less than cash receipts in the 1QFY09, a decrease of \$2.418 billion from the 1QFY09, which had increased \$2.929 billion over the 1QFY08. In a reversal from the 1QFY09, during the 1QFY10 only August had greater cash receipts than the same month in the previous year. August 2009 had \$572 million more in receipts than August 2008. July 2009 had \$833 million less in receipts than July 2008. September 2009 had \$2.157 billion less in receipts than September 2008 mainly due to a \$762 million decline in tax collections. Table 4 displays cash receipts each month by category during the 1QFY09 and the 1QFY10.

Table 4. Cash Receipts by Category, 1QFY09 and 1QFY10

(\$ in millions)

	July 2008	August 2008	Sept. 2008	Total 1QFY09	July 2009	August 2009	Sept. 2009	Total 1QFY10	Diff. Total 1QFY10/09
Real Property Tax	\$4,201	\$ 106	\$ 699	\$ 5,006	\$3,007	\$ 120	\$ 651	\$ 3,778	\$(1,228)
Other Taxes	1,043	1,279	3,234	5,556	955	1,031	2,520	4,506	(1,050)
Federal and State Aid	979	931	1,802	3,712	1,628	906	1,745	4,279	567
Miscellaneous	914	408	479	1,801	977	547	272	1,796	(5)
Intergovernmental Aid	0	0	63	63	0	0	63	63	0
Other	1,215	565	1,832	3,612	952	1,257	701	2,910	(702)
Total	\$8,352	\$3,289	\$8,109	\$19,750	\$7,519	\$3,861	\$5,952	\$17,332	\$(2,418)

Table 5 displays cash receipts by category from the 1QFY01-1QFY10.

Table 5. Cash Receipts by Category, 1QFY01-1QFY10

(\$ in millions)

	1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10
Real Property Tax	\$ 2,416	\$ 2,728	\$ 3,078	\$ 3,954	\$ 4,057	\$ 4,890	\$ 3,416	\$ 4,244	\$ 5,006	\$ 3,778
Other Taxes	3,405	2,764	3,139	3,263	3,905	4,507	5,326	5,640	5,556	4,506
Total Taxes	5,821	5,492	6,217	7,217	7,962	9,397	8,742	9,884	10,562	8,284
Federal and State Aid	2,633	3,048	3,350	3,762	3,184	3,136	3,303	2,990	3,712	4,279
Debt Service Funding	(192)	(179)	(1,036)	(1,402)	(663)	0	(281)	0	0	0
Miscellaneous	1,355	919	1,178	1,268	1,202	1,224	1,488	1,438	1,801	1,796
Intergovernmental Aid	180	328	1,089	1,316	805	226	63	6	63	63
Other	2,529	1,735	2,830	1,983	2,085	2,554	1,855	2,503	3,612	2,910
Total	\$12,326	\$11,343	\$13,628	\$14,144	\$14,575	\$16,537	\$15,170	\$16,821	\$19,750	\$17,332

Taxes

Total tax receipts² grew 42 percent from the 1QFY01 through the 1QFY10 and declined 12 percent from the 1QFY06 to the 1QFY10. Total tax receipts decreased 22 percent from \$10.562 billion during the 1QFY09 to \$8.284 billion in the 1QFY10. The \$8.284 billion was the lowest amount of total tax collections in the 1QFY since the 1QFY05.

Real property tax collections were 42 percent, 52 percent, 47 percent, and 46 percent of total tax receipts in the 1QFY01, the 1QFY06, the 1QFY09, and the 1QFY10, respectively. Real property tax receipts during the 1QFY10 were \$1.228 billion less than in the 1QFY09, when they were \$762 million more than in the 1QFY08. The swing in receipts is primarily the result of timing of collections between the months of June and July. From June 2009 through September 2009 real property tax collections of \$8.180 billion were \$335 million more than the \$7.845 billion collected from June 2008 through September 2008. This increase in collections reflects a real property tax rate increase, which began in mid-year FY09.

Tax Rate per \$100 of Assessed Value	FY09 Adopted Budget	FY09 Mid-Year	FY10 Adopted Budget
One, Two, and Three Family Residential	15.605%	16.787%	17.943%
All Other Residential	12.139%	13.053%	13.684%
Utility Real Property	11.698%	12.577%	11.971%
All Other	9.870%	10.612%	10.026%

Tax lien sales included in real property tax collections totaled \$7 million during the 1QFY09 and \$39 million in the 1QFY10.

In the 1QFY10, other taxes increased 32 percent from the 1QFY01. Collections began to reflect the current economic and fiscal crisis in the 1QFY09 decreasing \$84 million compared with the 1QFY08. Other taxes had not fallen since the 1QFY02 collections declined \$641 million. The erosion of tax receipts continued in the 1QFY10 with a steep decrease of \$1.050 billion from the 1QFY09 to the lowest collections since the 1QFY06.

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.

Table 6 shows the change in selected major taxes during the 1QFY01-1QFY10, the 1QFY06-1QFY10, and the 1QFY09-1QFY10.

Table 6. Major Tax Receipts, 1QFY01, 1QFY06, 1QFY09, and 1QFY10

(\$ in millions)

	1QFY01	1QFY06	1QFY09	1QFY10	% Change 1QFY10/ 1QFY01	% Change 1QFY10/ 1QFY06	% Change 1QFY10/ 1QFY09
Personal Income Tax	\$1,055	\$1,351	\$1,649	\$1,444	36.9%	6.9%	(12.4)%
General Corporation Tax	686	624	752	670	(2.3)	7.4	(10.9)
Unincorporated Business Tax	197	261	391	347	76.1	33.0	(11.3)
Banking Corporation Tax	165	147	407	182	10.3	23.8	(55.3)
Sales Tax ³	668	826	955	989	48.1	19.7	3.6
Mortgage and Real Property Transfer Taxes	201	657	581	233	15.9	(64.5)	(59.9)
STAR	127	198	343	221	74.0	11.6	(35.6)

Federal and State Aid

Federal and state aid receipts increased 63 percent from the 1QFY01 to the 1QFY10, 36 percent from the 1QFY06 to the 1QFY10, and 15 percent from the 1QFY09 to the 1QFY10. Federal aid totaled \$1.446 billion and state aid totaled \$2.833 billion during the 1QFY10 compared with \$1.355 billion in federal aid and \$2.357 billion received in state aid during the 1QFY09. Federal and state aid in the 1QFY10 was the only major category of receipts to increase over the 1QFY09.

During the 1QFY10, NYS education aid totaled \$1.298 billion, 46 percent of total NYS aid. NYS education aid included \$819 million in general and lottery aid, \$269 million in excess cost aid, \$115 million in building aid, and \$19 million of video lottery terminal (VLT) aid. During the 1QFY10, NYS aid also included \$582 million in NYS higher education aid for senior colleges and \$42 million for community colleges.

Miscellaneous

In the 1QFY10, miscellaneous receipts increased 33 percent over the 1QFY01 and 47 percent over the 1QFY06, and decreased less than 1 percent from the 1QFY09. The net decrease between the 1QFY09 and the 1QFY10 of \$5 million was the result of many offsetting items. These receipts included: senior college fees totaling \$167 million and community college fees of \$74 million during the 1QFY10 compared with \$173 million and \$56 million, respectively, in the 1QFY09; settlements with health plan carriers totaling \$91 million in the 1QFY10 and \$86 million in the 1QFY09; transfers from the Health Insurance Stabilization Fund to the City of \$255 million in accordance with the 2009 Health Benefits Agreement in the 1QFY10; \$125 million from the City's share of

3. From June 2003-May 2005 the New York City sales tax on clothing and footwear under \$110 was 4.125 percent. From June 2005-August 2005 the New York City sales tax on clothing and footwear under \$110 was 4 percent. From September 2005-August 2007 clothing and footwear under \$110 was exempt from the New York City sales tax. Effective September 1, 2007, all clothing and footwear were exempt from the New York City sales tax. Effective August 1, 2009, the New York City local sales tax rate increased to 4.5 percent, the exemption on clothing and footwear costing above \$110 was repealed, and the transportation of gas or electricity became subject to the 4.5 percent tax.

the settlement from the Internal Revenue Service for the refund of FICA payments for line of duty injury in the uniformed services in the 1QFY09; and the receipt of payments from the Health and Hospitals Corporation (HHC) of \$113 million during the 1QFY09 for malpractice and emergency medical service costs.

Intergovernmental Aid and Other

In the 1QFY10, intergovernmental aid decreased 65 percent from the 1QFY01 and 72 percent from the 1QFY06. The City received revenue sharing from the state of \$63 million in both the 1QFY09 and the 1QFY10.

From the 1QFY01 through the 1QFY10, other cash receipts ranged from a low of \$1.735 billion in the 1QFY02 to a high of \$3.612 billion in the 1QFY09. Other cash receipts decreased \$702 million between the 1QFY09 and the 1QFY10. The largest portion, 59 percent, of the decrease was a decline in the level of reimbursements for capital expenditures of \$416 million.

Table 7 shows the major cash sources in each month of the 1QFY10.

Table 7. Major Cash Sources, 1QFY10

(\$ in millions)

July 2009		August 2009		September 2009	
Real Property Tax	\$3,007	Personal Income Tax	\$429	NYS Education	\$1,087
NYS Higher Education	624	Sales Tax	367	Real Property Tax	651
Personal Income Tax	400	Federal Welfare	293	Personal Income Tax	615
Water and Sewer Fees	374	NYS Education	190	General Corporation Tax	507
NYS Welfare	329	Health Transfers	158	Sales Tax	371
Sales Tax	251	Water and Sewer Fees	104	Unincorporated Business Tax	310
Federal Welfare	238	NYS Welfare	98	STAR	221
Federal Education	177	Real Property Tax	82	Federal Welfare	185
Senior College Fees	166	Fines and Forfeitures	78	NYS Welfare	143
General Corporation Tax	98	General Corporation Tax	65	Commercial Rent Tax	142
Health Transfers	96	Licenses, etc.	57	Banking Corporation Tax	140
Fines and Forfeitures	78	Tax Lien Sales	38	Health Settlements	91
NYS Health	71			Hotel Tax	80
Community College Fees	57			Fines and Forfeitures	76
				Water and Sewer Fees	72
				NYS Revenue Sharing	63

Table 8 shows selected cash receipts from the 1QFY06-1QFY10. The five largest sources during the five year period were real property tax, personal income tax (PIT), NYS education aid, sales tax, and general corporation tax. From the 1QFY06 through the 1QFY10, real property tax receipts totaled \$21.334 billion and comprised 25 percent of total cash receipts. PIT totaled \$7.397 billion for a share of 9 percent of total cash receipts, NYS education aid totaled \$6.148 billion for a share of 7 percent, sales tax totaled \$4.482 billion for a share of 5 percent, and general corporation tax totaled \$4.007 billion for a 5 percent share.

Table 8. Selected Cash Receipts, 1QFY06-1QFY10

(\$ in millions)

	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10	5 Year Total	5 Year Average	% Change 1QFY10/1QFY06
Real Property Tax	\$4,890	\$3,416	\$4,244	\$5,006	\$3,778	\$21,334	\$4,267	(23)%
Personal Income Tax	1,351	1,403	1,550	1,649	1,444	7,397	1,479	7
NYS Education	1,221	1,209	1,166	1,254	1,298	6,148	1,230	6
Sales Tax	826	803	909	955	989	4,482	896	20
General Corporation Tax	624	1,184	777	752	670	4,007	801	7
Federal Welfare	665	548	550	536	716	3,015	603	8
NYS Welfare	418	538	457	428	570	2,411	482	36
Water and Sewer Fees	424	430	461	512	550	2,377	475	30
Unincorporated Business Tax	261	324	410	391	347	1,733	347	33
STAR	198	333	362	343	221	1,457	291	12
Federal Education	312	235	256	377	228	1,408	282	(27)
NYS Revenue Sharing	32	63	0	63	63	221	44	97

Net Cash Receipts

Table 9 compares total cash receipts, net of capital reimbursements, during the 1QFY09 and the 1QFY10. Receipts, net of capital reimbursements, were lower in each month and by \$2.002 billion for the 1Q during the 1QFY10 compared with the 1QFY09.

Table 9. Cash Receipts, Net of Reimbursements for Capital Expenditures, 1QFY09 and 1QFY10

(\$ 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)
1Q Total	\$17,394	\$15,392	\$(2,002)

Federal Stimulus Receipts

During the 1QFY10, cash receipts totaling \$23 million were classified as part of the federal stimulus package. The Department of Youth and Community Development received \$20 million of this funding.

CASH EXPENDITURES (INCLUDING CAPITAL)

Table 10 shows total cash expenditures and average daily cash expenditures from the 1QFY06-1QFY10. Total cash expenditures during the 1QFY10 were 16 percent higher than in the 1QFY06 and average daily expenditures increased \$39 million.

Table 10. Total and Average Daily Cash Expenditures, 1QFY06-1QFY10

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
July	\$ 5,982	\$ 5,692	\$ 5,827	\$ 6,522	\$ 6,523	\$299	\$285	\$277	\$296	\$297
August	5,156	4,808	5,081	6,037	5,971	224	209	221	287	284
September	4,933	4,892	4,700	5,809	6,081	235	245	247	277	290
1Q Total	\$16,071	\$15,392	\$15,608	\$18,368	\$18,575	\$251	\$244	\$248	\$287	\$290

Cash expenditures during the 1QFY10 increased \$207 million, only 1 percent, over cash expenditures in the 1QFY09. Cash expenditures in July 2008 and July 2009 were approximately equal. August 2009 had \$66 million less in expenditures than August 2008. September 2009 had \$272 million more expenditures than September 2008. Table 11 displays monthly cash expenditures by category during the 1QFY09 and the 1QFY10.

Table 11. Cash Expenditures by Category, 1QFY09 and 1QFY10

(\$ in millions)

	July 2008	August 2008	Sept. 2008	Total 1QFY09	July 2009	August 2009	Sept. 2009	Total 1QFY10	Diff. Total 1QFY10/09
Gross Payroll	\$2,093	\$2,256	\$1,812	\$ 6,161	\$2,089	\$1,876	\$1,794	\$ 5,759	\$(402)
Other Personal Services	959	925	908	2,792	1,026	999	1,015	3,040	248
Public Assistance	198	207	161	566	215	338	214	767	201
Medical Assistance	426	365	423	1,214	345	510	517	1,372	158
Other Social Services	271	253	201	725	241	213	227	681	(44)
Vendor and Other	1,320	1,199	1,209	3,728	1,350	1,222	1,082	3,654	(74)
All Other	1,255	832	1,095	3,182	1,257	813	1,232	3,302	120
Total	\$6,522	\$6,037	\$5,809	\$18,368	\$6,523	\$5,971	\$6,081	\$18,575	\$207

Personal Service Expenditures

Personal service (PS) expenditures are comprised of gross payroll and other personal services, including pensions, social security, health benefits, and supplemental welfare benefits.

Table 12 shows PS expenditures, headcount and the number of bi-weekly payrolls from the 1QFY01-1QFY10. PS increased 54 percent from the 1QFY01 to the 1QFY10 and 12 percent between the 1QFY06 and the 1QFY10. During the ten year time frame, PS expenditures were 48 percent of total cash expenditures.

Table 12. PS Expenditures, 1QFY01-1QFY10

(\$ in millions)

	1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10
Gross Payroll	\$4,708	\$4,916	\$5,561	\$4,756	\$4,901	\$5,330	\$5,042	\$5,200	\$6,161	\$5,759
Other Personal Services	1,018	1,580	1,726	1,856	2,104	2,499	2,419	2,486	2,792	3,040
Total PS	\$5,726	\$6,496	\$7,287	\$6,612	\$7,005	\$7,829	\$7,461	\$7,686	\$8,953	\$8,799
1Q PS as a % of Total 1Q Expenditures	48%	52%	48%	47%	47%	49%	48%	49%	49%	47%
Opening Headcount	250,856	249,824	247,681	239,616	262,206	264,061	266,624	270,839	280,649	280,614
# of Bi-weekly Payrolls	7	7	7	7	7	7	6	6	6	6

PS totaled \$8.799 billion during the 1QFY10, a decrease of 2 percent from the 1QFY09. Gross payroll was \$402 million lower during the 1QFY10 than in the 1QFY09. Both periods had six bi-weekly payrolls and the opening headcounts were approximately the same. The 1QFY09 included the implementation of costs associated with collective bargaining agreements. The Patrolmen’s Benevolent Association (PBA) received raises and retroactive payments of approximately \$485 million for the contract period (2004-2006). Other uniform employees receiving raises, increased benefits, or back pay beginning in September 2008 were the police lieutenants, correction officers, police sergeants, and fire officers. Holiday pay totaled \$78 million in the 1QFY09 and \$86 million in the 1QFY10. The agencies with the largest amounts of holiday pay during the 1QFY10 were the Police Department (\$52 million), the Fire Department (\$17 million), and the Department of Correction (\$12 million).

Other personal services expenditures increased \$248 million during the 1QFY10 over the 1QFY09, including \$130 million more in payments to the pension funds and a \$110 million increase in health plan expenditures.

Other-Than-Personal-Service Expenditures

As shown in Table 13, other-than-personal-service (OTPS) expenditures for public assistance (PA), medical assistance (MA) excluding HHC, other social services, and vendor and other increased 70 percent from the 1QFY01 to the 1QFY10 and 18 percent between the 1QFY06 and the 1QFY10. OTPS expenditures were 32 percent of total cash expenditures in the 1QFY01, 34 percent in the 1QFY06, 35 percent in the 1QFY10, and were 34 percent in the ten year time frame.

Table 13. OTPS Cash Expenditures, 1QFY01-1QFY10

(\$ in millions)

	1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10
Public Assistance	\$655	\$635	\$696	\$781	\$751	\$696	\$593	\$561	\$566	\$767
# of Cash Recipients*	572,872	497,113	430,419	421,546	437,453	416,164	393,764	360,738	341,329	346,106
Medical Assistance	\$660	\$767	\$882	\$906	\$1,128	\$1,085	\$1,094	\$1,112	\$1,214	\$1,372
# of Medicaid Enrollees*	1,593,490	1,608,707	2,028,133	2,219,172	2,458,087	2,591,289	2,563,488	2,559,977	2,563,819	2,704,947
Other Social Services	\$474	\$582	\$638	\$537	\$567	\$589	\$650	\$570	\$725	\$681
Vendor and Other	\$2,015	\$2,356	\$2,538	\$2,452	\$2,835	\$3,124	\$3,173	\$3,409	\$3,728	\$3,654
Total OTPS	\$3,804	\$4,340	\$4,754	\$4,676	\$5,281	\$5,494	\$5,510	\$5,652	\$6,233	\$6,474

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

OTPS totaled \$6.474 billion during the 1QFY10, an increase of 4 percent over the 1QFY09. PA expenditures were \$201 million greater. The number of PA cash recipients increased for the first time since the 1QFY05. MA increased by \$158 million and Medicaid enrollees rose by 141,128. MA increased due to payment by the City of \$411 million in additional Medicaid payments to the state for intergovernmental transfers (IGTs)⁴ offset by federal stimulus funding, which reduced the City's Medicaid payments. Other social services were \$44 million less and vendor and other fell \$74 million in the 1QFY10 from the 1QFY09.

Other

All other expenditures grew by \$120 million during the 1QFY10 over the 1QFY09. Capital expenditures, which are included in this category, increased \$220 million offset by a decline in tax refunds of \$79 million.

Table 14 shows the average of daily expenditures as a percent of daily cash balances during the 1QFY01-1QFY10. The relationship between the City's expenditures and daily cash balances improved by 4 percentage points in the 1QFY10 compared with the 1QFY01. It has been stable during the 1QFY08, the 1QFY09, and the 1QFY10 at 5 percent.

Table 14. Daily Expenditures as a Percent of Daily Cash Balances, 1QFY01-1QFY10

1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10
9%	8%	7%	8%	6%	3%	4%	5%	5%	5%

Federal Stimulus Expenditures

During the 1QFY10, \$118 million of expenditures were classified as eligible for funding under the federal stimulus program. PS expenditures totaling \$60 million, mostly in the Department of Education, OTPS expenditures totaling \$50 million, and capital expenditures totaling \$8 million were identified as federal stimulus expenditures.

Net Cash Expenditures

Table 15 compares total cash expenditures, net of capital expenditures, during the 1QFY09 and the 1QFY10. Net cash expenditures were \$13 million lower in the 1QFY10 than in the 1QFY09.

Table 15. Cash Expenditures, Net of Capital Expenditures 1QFY09 and 1QFY10

(\$ 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
1Q Total	\$16,060	\$16,047	\$ (13)

4. IGTs allow the HHC to receive matching federal funds under an enhancement to Medicaid paid to hospitals serving a large uninsured population.

II. Capital Expenditures

Table 16 compares capital expenditures in the 1QFY09 and the 1QFY10. Total capital expenditures, City and non City-funded, totaled \$2.528 billion during the 1QFY10; an increase of \$220 million in total capital expenditures and \$800 million in the City-funded portion of capital expenditures over the 1QFY09.

Table 16. Capital Expenditures, 1QFY09 and 1QFY10

(\$ 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
1Q Total	\$2,308	\$1,412	\$2,528	\$ 2,212	\$220	\$800

Chart 3 and Table 17 show capital expenditures as a percent of total expenditures from the 1QFY01-1QFY10. Total capital expenditures during the 1QFY10 were the highest percent of total expenditures during the time frame. Total capital expenditures as a percent of total expenditures in the 1QFY10 were 5.3 percentage points more than the level during the 1QFY01, 2.8 percentage points more than in the 1QFY06, and 1 percentage point more than in the 1QFY09.

Chart 3. Capital Expenditures as a Percent of Total Expenditures, 1QFY01-1QFY10

(\$ in millions)

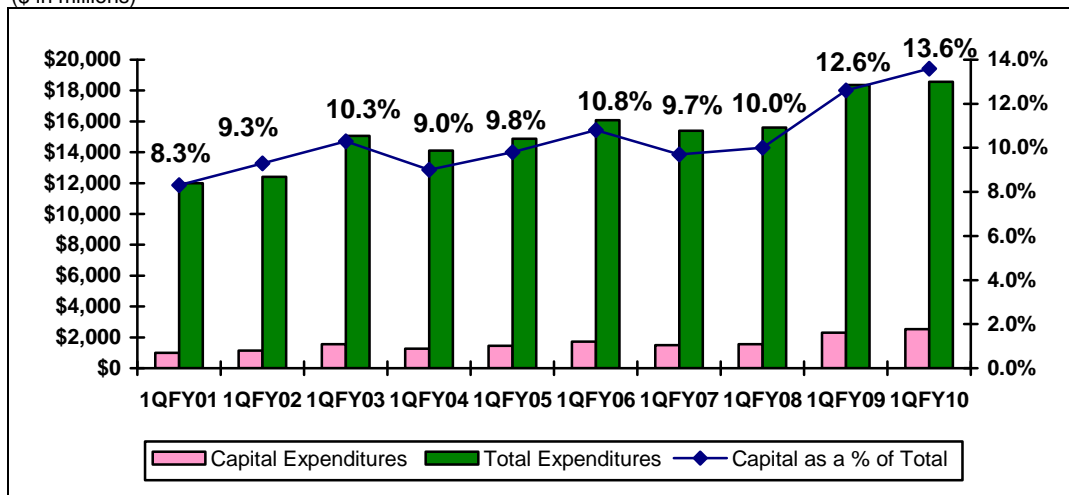


Table 17. Capital Expenditures as a Percent of Total Expenditures, 1QFY01-1QFY10

(\$ in millions)

	1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10
1Q City-funded Capital Expenditures	\$872	\$1,077	\$1,467	\$1,175	\$1,349	\$1,612	\$973	\$1,107	\$1,412	\$2,212
1Q City-funded Capital Expenditures as a % of 1Q Total Expenditures	7%	9%	10%	8%	9%	10%	6%	7%	8%	12%
1Q Total Capital Expenditures	\$997	\$1,148	\$1,550	\$1,264	\$1,462	\$1,730	\$1,499	\$1,562	\$2,308	\$2,528
1Q Total Capital Expenditures as a % of 1Q Total Expenditures	8%	9%	10%	9%	10%	11%	10%	10%	13%	14%
1Q Total Expenditures	\$11,983	\$12,400	\$15,066	\$14,108	\$14,873	\$16,071	\$15,392	\$15,608	\$18,368	\$18,575

Tables 18 and 19 show total and City-funded capital expenditures and average daily total and City-funded capital expenditures from the 1QFY06-1QFY10.

Table 18. Total Capital Expenditures and Average Daily Total Capital Expenditures, 1QFY06-1QFY10

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
July	\$ 680	\$ 404	\$ 809	\$ 935	\$ 921	\$34	\$20	\$39	\$43	\$42
August	394	792	401	506	600	17	34	17	24	29
September	656	303	352	867	1,007	31	15	19	41	48
1Q Total	\$1,730	\$1,499	\$1,562	\$2,308	\$2,528	\$27	\$24	\$25	\$36	\$40

Table 19. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, 1QFY06-1QFY10

(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
July	\$ 650	\$334	\$ 406	\$ 480	\$ 699	\$32	\$17	\$19	\$22	\$32
August	357	362	373	479	549	16	16	16	23	26
September	605	277	328	453	964	29	14	17	22	46
1Q Total	\$1,612	\$973	\$1,107	\$1,412	\$2,212	\$25	\$15	\$18	\$22	\$35

Payments to the School Construction Authority

Beginning in FY07, payments to the School Construction Authority (SCA) in the Five-Year Educational Facilities Capital Plan (FY05-FY09 Plan) were classified mainly as non City-funded capital expenditures to be reimbursed from the proceeds of Transitional Finance Authority (TFA) Building Aid debt and Dormitory Authority of the State of New York (DASNY) funding. The remaining capital spending included in the FY05-FY09 Plan is mostly City-funded. TFA Building Aid bonds totaling only \$250 million are planned for FY10 and DASNY funding was completed with the receipt of \$6 million in July 2009. As shown in Table 20, 78 percent of SCA payments were City-funded during the 1QFY10.

Table 20. Payments to the SCA, 1QFY01-1QFY10

(\$ in millions)

	1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10
City-funded	\$151	\$300	\$525	\$300	\$300	\$596	\$ 0	\$ 22	\$ 29	\$627
TFA & DASNY	0	0	0	0	0	0	400	378	751	170
Other	0	0	0	0	0	4	0	0	20	3
Total	\$151	\$300	\$525	\$300	\$300	\$600	\$400	\$400	\$800	\$800
1Q SCA as a % of 1Q Total Capital Expenditures	15%	26%	34%	24%	21%	35%	27%	26%	35%	32%

Reimbursements to the Central Treasury

Capital expenditures are initially paid from the New York City Central Treasury. The Central Treasury is reimbursed for City-funded capital expenditures from the proceeds of general obligation (GO), New York City Municipal Water Finance Authority (NY Water), and TFA debt. State non City-funded expenditures for the Five-Year Educational Facilities Capital Plan are reimbursed from the proceeds of TFA Building Aid debt and funding from Expanding Our Children's Education and Learning (EXCEL) capital grants from the DASNY. Table 21 shows reimbursements during the 1QFY10.

Table 21. Reimbursements to the New York City Central Treasury for Capital Expenditures, 1QFY10

(\$ in millions)

	July 2009	Aug. 2009	Sept. 2009	1QFY10
GO	\$247	\$219	\$ 66	\$ 532
NY Water	116	298	197	611
TFA	0	445	164	609
Sub-total	363	962	427	1,752
TFA Building Aid	182	0	0	182
DASNY	6	0	0	6
Sub-total	188	0	0	188
Total	\$551	\$962	\$427	\$1,940

Table 22 shows reimbursements during the 1QFY01-1QFY10. Reimbursements in the 1QFY01 to the 1QFY10 were less than reimbursable capital expenditures in seven of the ten time frames; draining the Central Treasury.

Table 22. Reimbursements to the New York City Central Treasury for Capital Expenditures, 1QFY01-1QFY10

(\$ in millions)

	1QFY01	1QFY02	1QFY03	1QFY04	1QFY05	1QFY06	1QFY07	1QFY08	1QFY09	1QFY10	Total
GO	\$218	\$ 95	\$204	\$ 487	\$ 777	\$1,230	\$352	\$ 282	\$1,129	\$ 532	\$ 5,306
NY Water	255	216	311	323	470	243	473	248	684	611	3,834
TFA	388	765	1	229	0	0	0	286	5	609	2,283
Sub-total	861	1,076	516	1,039	1,247	1,473	825	816	1,818	1,752	11,423
TFA Building Aid	0	0	0	0	0	0	0	278	211	182	671
DASNY	0	0	0	0	0	0	0	188	327	6	521
Sub-total	0	0	0	0	0	0	0	466	538	188	1,192
Other	35	15	150	8	18	0	0	0	0	0	226
Total	\$896	\$1,091	\$666	\$1,047	\$1,265	\$1,473	\$825	\$1,282	\$2,356	\$1,940	\$12,841
1Q Reimbursable Capital Expenditures	\$872	\$1,077	\$1,467	\$1,175	\$1,349	\$1,612	\$1,373	\$1,485	\$2,163	\$2,382	\$14,955
1Q Reimbursements Less 1Q Reimbursable Capital Expenditures	\$24	\$14	\$(801)	\$(128)	\$(84)	\$(139)	\$(548)	\$(203)	\$193	\$(442)	\$(2,114)
1Q Reimbursements as a % of 1Q Reimbursable Capital Expenditures	103%	101%	45%	89%	94%	91%	60%	86%	109%	81%	86%
1Q Reimbursements as a % of 1Q Total Receipts	7%	10%	5%	7%	9%	9%	5%	8%	12%	11%	8%

Table 23 shows the percent of reimbursements by debt category from the 1QFY01-1QFY10, from the 1QFY06-1QFY10, and in the 1QFY10.

Table 23. Percent of Reimbursements by Debt Category, 1QFY01-1QFY10, 1QFY06-1QFY10, and 1QFY10

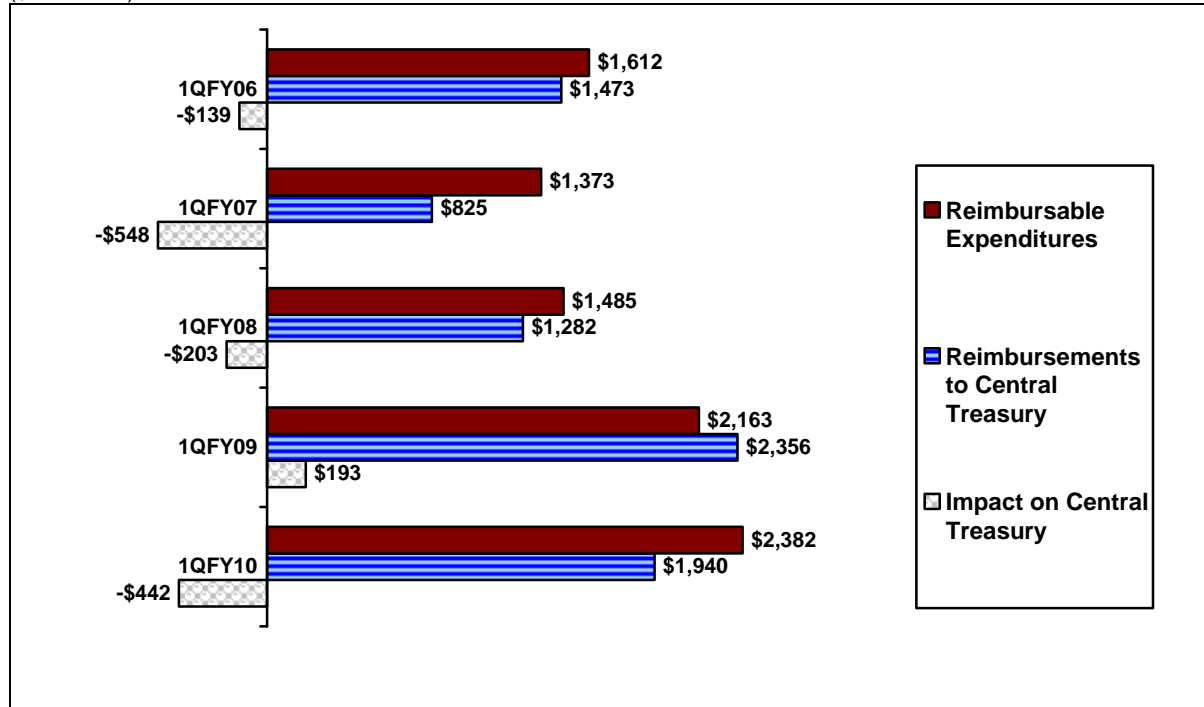
(percent)

	1QFY01-1QFY10	1QFY06-1QFY10	1QFY10
GO	41%	45%	27%
NY Water	30	29	31
TFA	18	11	31
TFA Building Aid and DASNY	9	15	10

As shown in Chart 4, 1Q reimbursable expenditures for City-funded capital and SCA payments funded by TFA Building Aid bonds and DASNY have exceeded 1Q reimbursements in four of the last five years.

Chart 4. Reimbursements and Expenditures for City-funded Capital and Payments to the SCA Funded by TFA Building Aid Bonds and DASNY, 1QFY06-1QFY10

(\$ in millions)



FINANCINGS

The City did not issue GO debt during the 1QFY10.

TFA

During the 1QFY10, the TFA issued \$1.7 billion in bonds. The proceeds of \$800 million in tax-exempt bonds and \$100 million in taxable bonds funded capital projects. The balance of \$800 million in tax-exempt debt refunded outstanding debt and yielded \$66 million in budget savings over the life of the bonds.