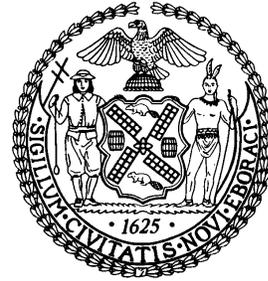


**The City Of New York
Office of the Comptroller
John C. Liu,
Comptroller**



QUARTERLY CASH REPORT

October-December 2009
Second Quarter of FY 2010

February 2010

Summary

Overview

- During the second quarter of FY 2010, daily cash book balances in the New York City Central Treasury averaged \$3.046 billion. This was the lowest average daily cash balance for a second quarter since FY 2005. In addition to the economy, several factors affected daily cash balances during the second quarter of FY 2010. The City implemented an upgrade of its Financial Management System (FMS). From December 21, 2009 to December 31, 2009, FMS was not available for daily operations. Agencies were encouraged to make all expenditures normally paid during the last two weeks of December 2009 and in some cases January 2010 by December 18, 2009. State aid was reduced and delayed due to the state's cash flow problems. The January 2010 statement of account for real property tax semi-annual and third quarter bills was distributed at the end of November 2009 accelerating collections.
- Typically, the lowest daily cash balance of a fiscal year occurs during the second quarter. In FY 2010, the lowest daily cash balance was \$449 million on December 14, 2009. In FY 2006, when the City experienced its most robust second quarter daily cash balances, the lowest daily cash balance was \$4.084 billion on December 2, 2005.
- The average daily cash balance of \$4.737 billion during the first half of FY 2010 was down from the average daily cash balance of \$5.412 billion in the first half of FY 2009. For the sixth consecutive year, the City had sufficient operating cash without issuing short-term notes.

Cash Receipts

- Cash receipts totaled \$19.233 billion and averaged \$315 million daily during the second quarter of FY 2010. This total was \$3.769 billion greater than in the second quarter of FY 2006 and \$4.172 billion greater than in the same period in FY 2009. Average daily receipts grew \$57 million and \$68 million compared with the second quarters of FY 2006 and FY 2009.
- In the second quarter of FY 2010, total tax collections were 45 percent greater than in the second quarter of FY 2009. Increased real property tax collections of \$3.151 billion were partly offset by \$185 million of lower collections for all other taxes. This was a much slower rate of decrease for all other taxes than the \$1.035 billion decrease in the second quarter of FY 2009. The change in total taxes accounted for 71 percent of the increase in total cash receipts. Federal and state aid increased \$293 million in the second quarter of FY 2010 over the second quarter of FY 2009. Federal aid included \$69 million of federal stimulus funding. State aid was reduced \$69 million in December 2009 by the Governor who withheld a portion of certain payments to localities to keep the state solvent. In addition, state payments for Aid and Incentives for Municipalities (AIM) were reduced by \$24 million. Miscellaneous revenue was \$436 million more in the second quarter of FY 2010 than in the second quarter of FY 2009. This increase included the receipt of \$130 million from a settlement with Credit Suisse bank from sanctions for its dealings with Iran and other countries. Other increases in the second quarter of FY 2010 over the second quarter of FY 2009 include a \$397 million increase in reimbursements for capital expenditures.
- Cash receipts for the first half of FY 2010 totaled \$36.565 billion and averaged \$293 million daily. They increased 14 percent over the first half of FY 2006 and 5 percent from the first half of FY 2009. The decline in cash receipts of \$2.418 billion in the first quarter of FY 2010 from the first quarter of FY 2009 was offset by the increase in the second quarter of FY 2010 over the second quarter of FY 2009. In the last five years, real property tax, personal income tax, NYS education, sales tax, general corporation tax, federal welfare, and NYS welfare were the most important sources of receipts in the first half of the fiscal year. The five-year

first-half averages of these seven receipts were 56 percent of the five-year average of total receipts. Excluding reimbursements for capital expenditures, cash receipts were \$1.773 billion more in the first half of FY 2010 than during the first half of FY 2009.

Cash Expenditures

- Cash expenditures, including capital expenditures, totaled \$18.737 billion and averaged \$307 million daily during the second quarter of FY 2010. Cash expenditures were \$3.722 billion greater than in the second quarter of FY 2006 and \$126 million greater than the second quarter of FY 2009. Average daily expenditures grew \$57 million and \$2 million compared with the second quarters of FY 2006 and FY 2009. Personal service expenditures totaled \$9.360 billion during the second quarter of FY 2010, an increase of 20 percent over the second quarter of FY 2006 and 4 percent from the second quarter of FY 2009. Gross payroll accounted for 65 percent of personal service costs in the second quarter of FY 2010 and was 12 percent more than the second quarter of FY 2006 and 1 percent less than the second quarter of FY 2009. Other personal services have grown at a much faster rate than gross payroll. Other personal service costs were 38 percent greater and 14 percent greater in the second quarter of FY 2010 than during the second quarters of FY 2006 and FY 2009. Other-than-personal-service expenditures totaled \$5.784 billion during the second quarter of FY 2010, 15 percent greater than the second quarter of FY 2006 and approximately the same level as the second quarter of FY 2009. Public assistance increased \$43 million and \$3 million, medical assistance decreased \$17 million and \$100 million, other social services increased \$284 million and \$157 million, and vendor and other increased \$424 million and decreased \$64 million in the second quarter of FY 2010 from the second quarters of FY 2006 and FY 2009. Tax refunds were \$366 million less in the second quarter of FY 2010 compared with the second quarter of FY 2009, which included payment of the \$400 real property tax rebate.
- Cash expenditures, including capital expenditures, totaled \$37.312 billion and averaged \$298 million daily during the first half of FY 2010. Cash expenditures were \$6.226 billion greater than in the first half of FY 2006 and \$333 million greater than the first half of FY 2009. Average daily expenditures grew \$47 million and \$2 million compared with the second quarters of FY 2006 and FY 2009. Personal service costs increased 16 percent from the first half of FY 2006 to the first half of FY 2010 and were 49 percent of total expenditures in the five-year period. Other-than-personal-service expenditures also increased 16 percent in the same time frame and were 34 percent of total expenditures. Daily expenditures were 10 percent of daily cash balances during the first half of FY 2010, 6 percentage points above the first half of FY 2006 and 3 percentage points more than in the first half of FY 2009. Without capital expenditures, cash expenditures were \$129 million less in the first half of FY 2010 than during the first half of FY 2009.

Capital Expenditures and Reimbursements

- Capital expenditures totaling \$2.7 billion were 14 percent of total expenditures during the second quarter of FY 2010. This was the highest level of capital expenditures as a percent of total expenditures during the second quarter in the last ten years. Capital expenditures were \$1.298 billion more than during the second quarter of FY 2006, and \$242 million more than in the second quarter of FY 2009. Payments to the School Construction Authority totaled \$400 million and \$650 million in the second quarters of FY 2006 and FY 2010, respectively.
- In the first half of FY 2010, total capital expenditures were 67 percent more than in the first half of FY 2006 and \$462 million greater than in the first half of FY 2009. The City paid the School Construction Authority \$1 billion, or 32 percent of capital expenditures, in the first half of FY 2006, \$1.6 billion, or 34 percent of capital expenditures, in the first half of FY 2009, and \$1.45 billion, or 28 percent of capital expenditures during the first half of

FY 2010.

- Capital expenditures are paid from the New York City Central Treasury, which is reimbursed mostly from the proceeds of general obligation, Transitional Finance Authority, New York City Municipal Water Finance Authority, and the Dormitory Authority of the State of New York financings. During the second quarter of FY 2010, reimbursements of \$3.121 billion were 16 percent of total cash receipts and \$632 million more than reimbursable expenditures. In the first half of FY 2010, reimbursements were \$190 million more than reimbursable expenditures. This catch-up in reimbursements helped the City maintain adequate daily cash balances.

Financing

- In the 1HFY10, general obligation debt issued for capital projects totaled \$1.618 billion in taxable debt of which \$1.361 billion was Build America Bonds. The Build America Bond program enables state and local governments to issue taxable bonds, enlarging the market, and to receive a federal reimbursement for 35 percent of interest, thereby lowering net interest costs. Refunding sales in the 1HFY10 totaled \$2 billion, yielding \$209 million in budget savings over the life of the bonds.
- The Transitional Finance Authority sold \$2.556 billion in debt in the 1HFY10. In the 1QFY10, \$1.6 billion in tax-exempt revenue bonds (\$800 million for capital projects and \$800 million in refundings) and \$100 million in taxable revenue bonds for capital projects were issued. In the 2QFY10, \$85 million in tax-exempt revenue bonds and \$690 million in taxable Build America Bonds for capital purposes was issued and \$81 million in New York City Recovery Bonds reoffered.

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I. Cash Balances¹

OVERVIEW

October-December 2009, Second Quarter of FY 2010 (2QFY10)

Tables 1 and 2 show the City's cash position during the 2QFY01-2QFY10. In FY06, the City's cash position reached its most robust 2Q levels.

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

(\$ in millions)

Central Treasury	2QFY01	2QFY02	2QFY03	2QFY04	2QFY05	2QFY06	2QFY07	2QFY08	2QFY09	2QFY10
Opening Balance	\$ 1,796	\$ 2,009	\$ 2,995	\$ 2,538	\$ 3,910	\$ 7,296	\$ 6,164	\$ 5,686	\$ 6,370	\$ 4,596
Total Receipts	11,257	12,220	12,630	13,996	15,491	15,464	16,545	18,712	15,061	19,233
Total Expenditures ^a	11,258	12,461	12,906	12,392	14,442	15,015	15,853	17,648	18,611	18,737
Closing Balance	\$ 1,795	\$ 1,768	\$ 2,719	\$ 4,142	\$ 4,959	\$ 7,745	\$ 6,856	\$ 6,750	\$ 2,820	\$ 5,092

a. Total expenditures include capital expenditures.

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

(\$ in millions)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
October	\$1,414	\$1,665	\$3,689	\$3,390	\$3,508	\$7,156	\$5,293	\$4,739	\$6,198	\$4,253
November	997	1,988	2,513	2,805	2,660	5,410	3,712	3,645	4,010	2,927
December	969	1,463	1,476	2,268	2,802	4,934	4,047	3,404	2,760	1,992
2Q Total	\$1,134	\$1,700	\$2,580	\$2,822	\$2,992	\$5,825	\$4,377	\$3,960	\$4,348	\$3,046

The opening daily cash balance for the 2QFY10 was the lowest 2Q opening balance since the 2QFY05. Receipts were greater than expenditures by \$1.604 billion in the 2QFY04, \$1.049 billion in the 2QFY05, \$449 million in the 2QFY06, \$692 million in the 2QFY07, \$1.064 billion in the 2QFY08, and \$496 million in the 2QFY10. Expenditures exceeded receipts by \$1 million during the 2QFY01, \$241 million during the 2QFY02, \$276 million during the 2QFY03, and \$3.550 billion during the 2QFY09. The closing daily cash balance for the 2QFY10 was \$2.272 billion more than the 2QFY09 closing balance. However, it was the second lowest since the 2QFY05. The 2QFY10 closing daily cash balance reflected the acceleration of real property tax collections that resulted from the distribution of the January 2010 statement of account for real property tax semi-annual and third quarter bills at the end of November 2009 compared with the 2QFY09 when the billing and collections were delayed to the second part of January 2009.

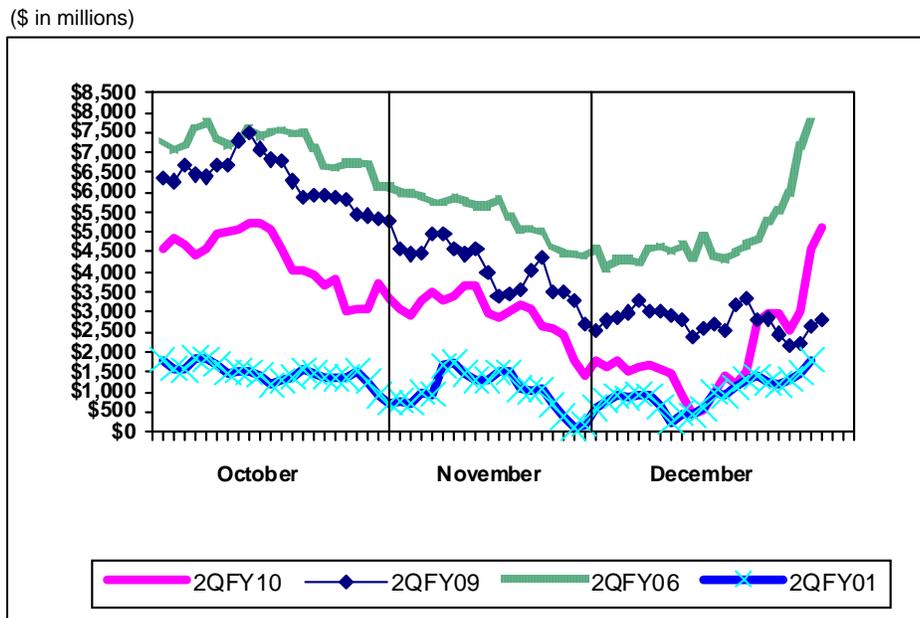
The average daily cash balance of \$3.046 billion during the 2QFY10 was the lowest in the last five 2Qs. The average daily cash balance in October 2009 was \$1.945 billion less than October 2008 and \$2.903 billion below October 2005. The average daily cash balance in November 2009 was \$1.083 billion less than November 2008 and \$2.483 billion below November 2005. In addition to the economy, several factors

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. Receipts and expenditures are net of debt service funding. Expenditures are reported on warrants issued.

affected daily cash balances during December 2009. The City implemented an upgrade of its Financial Management System (FMS). From December 21, 2009-December 31, 2009, FMS was not available for daily operations. Agencies were encouraged to make all expenditures normally paid during the last two weeks of December 2009 and in some cases January 2010 by December 18, 2009. State aid was reduced and delayed due to the state's cash flow problems. The average daily cash balance in December 2009 was \$768 billion less than December 2008 and \$2.942 billion below December 2005.

The lowest daily cash balances typically occur in the 2QFY. Chart 1 depicts cash-on-hand in the 2QFY01, the 2QFY06, the 2QFY09, and the 2QFY10. The lowest daily cash book balances were \$112 million on November 28, 2000 (FY01), \$4.084 billion on December 2, 2005 (FY06), \$2.173 billion on December 26, 2008 (FY09), and \$449 million on December 14, 2009 (FY10). Cash balances varied by \$1.741 billion, \$3.681 billion, \$5.312 billion, and \$4.790 billion during the 2QFY01, the 2QFY06, the 2QFY09, and the 2QFY10, respectively.

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



July-December 2009, First Half of FY 2010 (1HFY10)

Tables 3 and 4 and Chart 2 summarize the cash position in the New York City Central Treasury during the 1HFY01-1HFY10. During the ten-year period, total receipts increased 55 percent and total expenditures rose 61 percent. Beginning in FY05, the City's cash position was strong enough to maintain sufficient cash for operations without issuing short-term notes. During the 1HFY06, the City's average daily cash balance reached \$6.812 billion. The average daily cash balance declined in the 1HFY07 and the 1HFY08 before increasing in the 1HFY09 to \$5.412 billion. The average daily cash balance in the 1HFY10 of \$4.737 billion was the lowest since the 1HFY05.

Table 3. Cash Position in the New York City Central Treasury, 1HFY01-1HFY10

(\$ in millions)

Central Treasury	1HFY01	1HFY02	1HFY03	1HFY04	1HFY05	1HFY06	1HFY07	1HFY08	1HFY09	1HFY10
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	23,583	23,564	26,258	28,141	30,067	32,001	31,715	35,533	34,811	36,565
Total Expenditures ^b	23,241	24,862	27,972	26,501	29,316	31,086	31,245	33,256	36,979	37,312
Closing Balance	\$ 1,795	\$ 1,768	\$ 2,719	\$ 4,142	\$ 4,959	\$ 7,745	\$ 6,856	\$ 6,750	\$ 2,820	\$ 5,092

a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

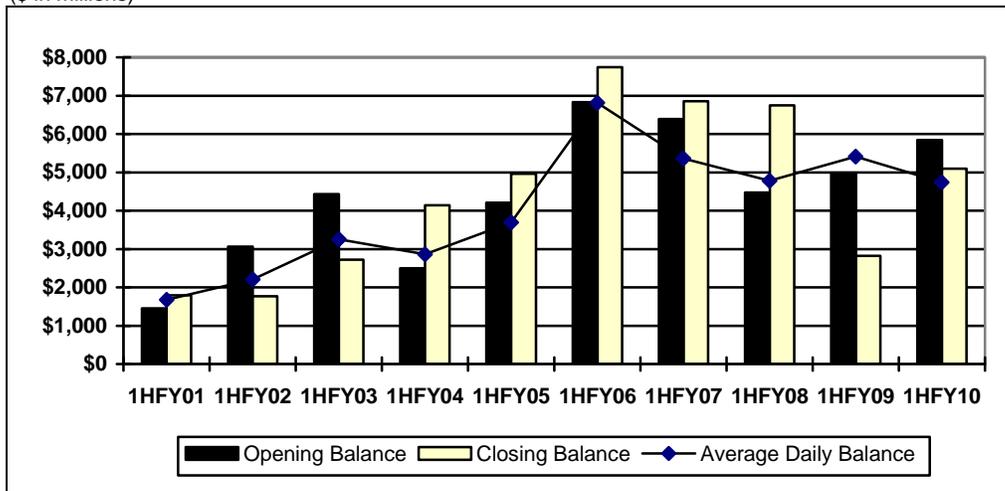
Table 4. Average Daily Cash Balances in the New York City Central Treasury, 1HFY01-1HFY10

(\$ in millions)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
1Q Total	\$2,197	\$2,696	\$3,893	\$2,900	\$4,348	\$7,738	\$6,293	\$5,567	\$6,426	\$6,348
2Q Total	1,134	1,700	2,580	2,822	2,992	5,825	4,377	3,960	4,348	3,046
1H Total	\$1,678	\$2,206	\$3,252	\$2,862	\$3,692	\$6,812	\$5,358	\$4,777	\$5,412	\$4,737

Chart 2. Cash Position in the New York City Central Treasury, 1HFY01-1HFY10

(\$ in millions)



CASH RECEIPTS

October-December 2009, 2QFY10

Table 5 shows total cash receipts and average daily cash receipts during the 2QFY06-2QFY10. Total cash receipts increased 24 percent and average daily cash receipts increased \$57 million from the 2QFY06 through the 2QFY10.

Table 5. Total and Average Daily Cash Receipts, 2QFY06-2QFY10

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
October	\$ 3,506	\$ 3,400	\$ 4,167	\$ 4,404	\$ 5,184	\$175	\$162	\$189	\$200	\$247
November	3,293	4,609	4,764	3,959	4,135	173	243	251	233	230
December	8,665	8,536	9,781	6,698	9,914	413	427	489	304	451
2Q Total	\$15,464	\$16,545	\$18,712	\$15,061	\$19,233	\$258	\$276	\$307	\$247	\$315

Table 6 shows monthly cash receipts during the 2QFY09 and the 2QFY10 by category. Cash receipts were \$4.172 billion more during the 2QFY10 than in the 2QFY09. Cash receipts were greater in each month of the 2QFY10 compared with the 2QFY09. October 2009 cash receipts were \$780 million greater than in October 2008, November 2009 receipts were \$176 million more than in November 2008, and December 2009 receipts exceeded December 2008 by \$3.216 billion.

Table 6. Cash Receipts by Category, 2QFY09 and 2QFY10

(\$ in millions)

Receipts	Oct. 2008	Nov. 2008	Dec. 2008	Total 2QFY09	Oct. 2009	Nov. 2009	Dec. 2009	Total 2QFY10	Diff. Total 2QFY10/09
Real Property Tax	\$ 254	\$ 51	\$1,156	\$ 1,461	\$ 719	\$ 91	\$3,802	\$ 4,612	\$3,151
Other Taxes	1,414	1,188	2,506	5,108	1,440	1,173	2,310	4,923	(185)
Federal and State Aid	877	1,317	1,413	3,607	1,226	897	1,777	3,900	293
Miscellaneous	375	367	285	1,027	447	582	434	1,463	436
Intergovernmental Aid	0	0	165	165	0	0	193	193	28
Other	1,484	1,036	1,173	3,693	1,352	1,392	1,398	4,142	449
Total	\$4,404	\$3,959	\$6,698	\$15,061	\$5,184	\$4,135	\$9,914	\$19,233	\$4,172

Table 7 displays cash receipts by major category during the 2QFY01-2QFY10.

Table 7. Cash Receipts by Category, 2QFY01-2QFY10

(\$ in millions)

	2QFY01	2QFY02	2QFY03	2QFY04	2QFY05	2QFY06	2QFY07	2QFY08	2QFY09	2QFY10
Real Property Tax	\$ 1,438	\$ 1,112	\$ 1,912	\$ 2,749	\$ 2,227	\$ 3,688	\$ 3,608	\$ 3,734	\$ 1,461	\$ 4,612
Other Taxes	3,886	3,679	3,611	3,861	4,995	5,437	5,968	6,143	5,108	4,923
<i>Total taxes</i>	<i>5,324</i>	<i>4,791</i>	<i>5,523</i>	<i>6,610</i>	<i>7,222</i>	<i>9,125</i>	<i>9,576</i>	<i>9,877</i>	<i>6,569</i>	<i>9,535</i>
Federal and State Aid	2,350	2,711	2,748	2,830	2,829	2,566	2,837	3,339	3,607	3,900
Debt Service Funding	(7)	(65)	(216)	(185)	(425)	(1)	(147)	0	0	0
Miscellaneous	949	818	897	922	2,411	1,112	1,200	1,696	1,027	1,463
Intergovernmental Aid	364	308	516	477	1,242	383	265	4	165	193
Other	2,277	3,657	3,162	3,342	2,212	2,279	2,814	3,796	3,693	4,142
Total	\$11,257	\$12,220	\$12,630	\$13,996	\$15,491	\$15,464	\$16,545	\$18,712	\$15,061	\$19,233

Taxes²

Total tax receipts were \$9.535 billion during the 2QFY10. This was 45 percent more than the \$6.569 billion in tax receipts collected during the 2QFY09. The \$2.966 billion change in tax receipts accounted for 71 percent of the increase in total cash receipts in the 2QFY10 over the 2QFY09.

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 any debt service funding.

During the 2QFY10, real property tax collections were \$3.151 billion greater than in the 2QFY09 primarily due to the timing of tax bills for the 3QFY10 and the 2HFY10. In FY09, the bills were delayed and the deadlines for payments extended. In FY10, the billing occurred at the end of November 2009, accelerating collections.

Tax collections, excluding real property tax, decreased \$185 million in the 2QFY10 from the 2QFY09. This was a much slower rate of decrease than in the 2QFY09, when collections fell \$1.035 billion from the 2QFY08. Table 8 shows changes in major tax receipts in the 2QFY01, the 2QFY06, the 2QFY09, and the 2QFY10. These taxes all increased from the 2QFY01 to the 2QFY10; however, personal income tax (PIT) and the mortgage and real property transfer taxes declined from the 2QFY06 to the 2QFY10. From the 2QFY09 to the 2QFY10, PIT, general corporation tax (GCT), unincorporated business tax (UBT), sales tax, and the mortgage and real property transfer taxes decreased, while the banking corporation tax (BCT) increased. During the 2QFY10, GCT included \$251 million and BCT \$108 million from audits.

Table 8. Major Tax Receipts, 2QFY01, 2QFY06, 2QFY09, and 2QFY10

(\$ in millions)

	2QFY01	2QFY06	2QFY09	2QFY10	% Change 2QFY10/ 2QFY01	% Change 2QFY10/ 2QFY06	% Change 2QFY10/ 2QFY09
Personal Income Tax	\$1,249	\$1,767	\$1,707	\$1,507	21%	(15)%	(12)%
General Corporation Tax	515	576	811	785	52	36	(3)
Unincorporated Business Tax	85	149	209	204	140	37	(2)
Banking Corporation Tax	181	225	184	450	149	100	145
Sales Tax	1,053	1,267	1,401	1,318	25	4	(6)
Mortgage and Real Property Transfer Taxes	181	688	377	240	33	(65)	(36)

Federal and State Aid

Federal aid totaled \$1.426 billion and NYS aid totaled \$2.474 billion during the 2QFY10, increases of \$221 million and \$72 million over federal and NYS aid in the 2QFY09.

Federal aid included \$69 million of federal stimulus funding in December 2009 from the Federal Medical Assistance Percentage (FMAP) program.

NYS aid was reduced in December 2009 by the Governor who withheld a portion of certain payments to localities to keep the state from running out of cash. The City's NYS education aid was reduced \$69 million. These funds were restored in January 2010.

NYS education aid of \$1.332 billion accounted for 54 percent of NYS aid in the 2QFY10 compared with 56 percent in the 2QFY09. During the 2QFY10, NYS education aid included general aid of \$512 million, excess cost aid of \$281 million, building aid of \$115 million, and video lottery terminal (VLT) aid of \$61 million.

The City received NYS higher education aid of \$347 million in the 2QFY10.

Miscellaneous

Miscellaneous revenue during the 2QFY10 was \$436 million higher than in the 2QFY09. Senior college fees were \$153 million higher and community college fees \$57 million more in the 2QFY10 compared with the 2QFY09. During the 2QFY10, the City received \$87 million for reimbursement of FY09 emergency medical service expenditures from the Health and Hospitals Corporation. The City also received \$130 million from a settlement with Credit Suisse bank from sanctions for its dealings with Iran and other countries.

Other

The City received \$193 million of Aid and Incentives for Municipalities (AIM) aid during the 2QFY10, \$28 million more than during the 2QFY09. This payment was reduced \$24 million in December 2009 by the Governor and restored in January 2010.

Table 9 shows the major sources of cash each month during the 2QFY10.

Table 9. Major Cash Sources by Month, 2QFY10

(\$ in millions)

October 2009		November 2009		December 2009	
Real Property Tax	\$719	NYS Education	\$485	Real Property Tax	\$3,802
Personal Income Tax	599	Sales Tax	398	NYS Education	617
Sales Tax	377	Personal Income Tax	388	Sales Tax	543
Federal Welfare	334	General Corporation Tax	201	Personal Income Tax	520
NYS Welfare	268	Senior College Fees	154	General Corporation Tax	457
NYS Education	230	NYS Welfare	139	Banking Corporation Tax	294
Banking Corporation Tax	143	Real Property Tax	91	NYS Higher Education	282
General Corporation Tax	127	Licenses, etc.	87	Federal Welfare	262
Federal Education	97	Fines and Forfeitures	76	AIM	193
Emergency Medical Services	87	Water and Sewer Fees	63	Commercial Rent Tax	138
Fines and Forfeitures	80	Community College Fees	52	Credit Suisse Restitution	130
Water and Sewer Fees	69			Federal Education	129
Unincorporated Business Tax	61			NYS Welfare	127
NYS Higher Education	51			Unincorporated Business Tax	125
NYS Health	47			Hotel Tax	105
				Fines and Forfeitures	81
				Federal Stimulus Funding	69
				Water and Sewer Fees	68
				NYS Health	46

Selected cash receipts during the 2QFY06-2QFY10 are shown in Table 10.

Table 10. Selected Cash Receipts, 2QFY06-2QFY10

(\$ in millions)

	2QFY06	2QFY07	2QFY08	2QFY09	2QFY10	5 Year Average	% Change 2QFY10/2QFY06
Real Property Tax	\$3,688	\$3,608	\$3,734	\$1,461	\$4,612	\$3,421	25%
Personal Income Tax	1,767	1,789	1,821	1,707	1,507	1,718	(15)
Sales Tax	1,267	1,360	1,406	1,401	1,318	1,350	4
NYS Education	685	869	1,166	1,350	1,332	1,080	94
General Corporation Tax	576	853	953	811	785	796	36
Federal Welfare	637	518	439	532	686	562	8
NYS Welfare	319	286	581	392	534	422	67
NYS Higher Education	225	190	313	332	347	281	54
AIM	241	265	4	165	193	174	(20)
Banking Corporation Tax	225	383	161	184	450	281	100
Unincorporated Business Tax	149	176	187	209	204	185	37
Commercial Rent Tax	116	137	136	144	152	137	31
Federal Education	261	484	212	343	240	308	(8)
Fines and Forfeitures	180	191	227	229	237	213	32
Water and Sewer Fees	171	178	191	199	200	188	17
STAR	364	165	504	0	0	207	(100)

July-December 2009, 1HFY10

Table 11 shows total daily cash receipts increased 14 percent and average daily cash receipts \$35 million from the 1HFY06-1HFY10. Between the 1HFY09 and the 1HFY10, total receipts were 5 percent greater and average daily cash receipts increased \$15 million.

Table 11. Total and Average Daily Cash Receipts, 1HFY06-1HFY10

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
1Q Total	\$16,537	\$15,170	\$16,821	\$19,750	\$17,332	\$258	\$241	\$267	\$309	\$271
2Q Total	15,464	16,545	18,712	15,061	19,233	258	276	307	247	315
1H Total	\$32,001	\$31,715	\$35,533	\$34,811	\$36,565	\$258	\$258	\$287	\$278	\$293

The main sources of cash receipts in the 1HFY06-1HFY10 as shown in Table 12 were real property tax, PIT, NYS education, sales tax, GCT, federal welfare, and NYS welfare. These seven sources comprised 59 percent, 58 percent, 56 percent, 52 percent, and 55 percent of total receipts in the 1HFY06, the 1HFY07, the 1HFY08, the 1HFY09, and the 1HFY10, respectively. The-five year averages of these seven sources as a percentage of the five-year average of total receipts was 56 percent.

Table 12. Selected Cash Receipts, 1HFY06-1HFY10

(\$ in millions)

	1HFY06	1HFY07	1HFY08	1HFY09	1HFY10	5 Year Average	% Change 1HFY10/1HFY06	5 Yr. Aver. as a % of Aver. Total Receipts 1HFY10/1HFY06
Real Property Tax	\$8,578	\$7,024	\$7,978	\$6,467	\$8,390	\$7,687	(2)%	23%
Personal Income Tax	3,118	3,192	3,371	3,356	2,951	3,198	(5)	9
NYS Education	1,906	2,078	2,332	2,604	2,630	2,310	38	7
Sales Tax	2,092	2,163	2,316	2,356	2,307	2,247	10	7
General Corporation Tax	1,200	2,037	1,729	1,563	1,455	1,597	21	5
Federal Welfare	1,302	1,066	989	1,068	1,402	1,165	8	3
NYS Welfare	737	824	1,038	820	1,104	905	50	3
Water and Sewer Fees	595	608	652	711	750	663	26	2
Federal Education	573	719	468	720	468	590	(18)	2
Unincorporated Business Tax	410	500	597	600	551	532	34	2
STAR	562	498	866	343	221	498	(61)	1
AIM	273	328	4	228	256	218	(6)	1

Net Cash Receipts

Table 13 shows cash receipts, net of reimbursements for capital expenditures, during the 1HFY09 and the 1HFY10.

Table 13. Cash Receipts, Net of Reimbursements for Capital Expenditures, 1HFY09 and 1HFY10

(\$ 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)
October	3,283	4,140	857
November	3,013	3,109	96
December	6,041	8,863	2,822
2Q Total	12,337	16,112	3,775
1H Total	\$29,731	\$31,504	\$1,773

CASH EXPENDITURES (INCLUDING CAPITAL)

October-December 2009, 2QFY10

Table 14 shows total expenditures and average daily cash expenditures, including capital expenditures, during the 2QFY06-2QFY10. Total cash expenditures increased 25 percent and average daily expenditures grew \$57 million during the five-year period.

Table 14. Total and Average Daily Cash Expenditures, 2QFY06-2QFY10

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
October	\$ 4,669	\$ 5,307	\$ 6,214	\$ 6,193	\$ 6,439	\$233	\$253	\$282	\$281	\$307
November	5,025	5,374	5,840	5,861	6,052	265	283	307	345	336
December	5,321	5,172	5,594	6,557	6,246	253	259	280	298	284
2Q Total	\$15,015	\$15,853	\$17,648	\$18,611	\$18,737	\$250	\$264	\$289	\$305	\$307

Table 15 shows monthly cash expenditures during the 2QFY09 and the 2QFY10 by category. Cash expenditures during the 2QFY10 increased by \$126 million over the 2QFY09. On a year-over-year basis, the increase in expenditures between October 2008 and October 2009 was \$246 million and between November 2008 and November 2009 \$191 million. Cash expenditures fell \$311 million between December 2008 and December 2009. During the 2QFY09, the growth in gross payroll accounted for 34 percent and the growth in all other and capital accounted for 48 percent of the total increase over the 2QFY08 compared with the 2QFY10, when other personal service accounted for the majority of the increase over the 2QFY09.

Table 15. Cash Expenditures by Category, 2QFY09 and 2QFY10

(\$ in millions)

Expenditures	Oct. 2008	Nov. 2008	Dec. 2008	Total 2QFY09	Oct. 2009	Nov. 2009	Dec. 2009	Total 2QFY10	Diff. Total 2QFY10/09
Gross Payroll	\$2,124	\$2,055	\$1,945	\$ 6,124	\$2,043	\$2,059	\$1,969	\$ 6,071	\$ (53)
Other Personal Services	1,057	811	1,018	2,886	1,197	1,028	1,064	3,289	403
Public Assistance	264	180	199	643	211	208	227	646	3
Medical Assistance	354	386	426	1,166	379	377	310	1,066	(100)
Other Social Services	162	195	228	585	201	269	272	742	157
Vendor and Other	1,185	1,120	1,089	3,394	1,078	1,076	1,176	3,330	(64)
All Other	1,047	1,114	1,652	3,813	1,330	1,035	1,228	3,593	(220)
Total	\$6,193	\$5,861	\$6,557	\$18,611	\$6,439	\$6,052	\$6,246	\$18,737	\$126

Personal Service Expenditures

Personal service (PS) expenditures are comprised of gross payroll, social security, health benefits, pensions, and other fringe benefits. Table 16 shows PS cash expenditures and headcount during the 2QFY01-2QFY10. Total PS in the 2QFY10 increased 81 percent over the 2QFY01, 20 percent since the 2QFY06, and 4 percent over the 2QFY09.

Gross payroll accounted for 81 percent of total PS costs in the 2QFY01, 69 percent in the 2QFY06, and 65 percent in the 2QFY10. The 2QFY01-2QFY04 had six bi-weekly payrolls. The 2QFY05-2QFY10 each had seven bi-weekly payrolls. Gross payroll for the 2QFY10 increased 45 percent over the 2QFY01 and 12 percent over the 2QFY06. In the same time frames, headcount rose 27,359 and 12,250.

Table 16. PS Cash Expenditures and Headcount, 2QFY01-2QFY10

(\$ in millions)

	2QFY01	2QFY02	2QFY03	2QFY04	2QFY05	2QFY06	2QFY07	2QFY08	2QFY09	2QFY10
Gross Payroll	\$4,189	\$4,446	\$4,741	\$4,307	\$4,755	\$5,397	\$5,330	\$5,799	\$6,124	\$6,071
Other Personal Service	982	1,346	1,662	1,839	1,982	2,383	2,423	2,806	2,886	3,289
Total PS	\$5,171	\$5,792	\$6,403	\$6,146	\$6,737	\$7,780	\$7,753	\$8,605	\$9,010	\$9,360
Opening Headcount	251,000	252,266	248,812	256,519	264,660	266,109	270,334	274,983	282,437	278,359
# of Bi-weekly Payrolls	6	6	6	6	7	7	7	7	7	7

Gross payroll during the 2QFY10 was 1 percent less than in the 2QFY09. The number of employees fell 4,078. Also, in November 2008 (FY09), police officers received approximately \$175 million in retroactive pay associated with 4 percent increases effective August 1, 2006, August 1, 2007, and August 1, 2008.

During December, payments are made for uniform allowances. Uniform allowances were \$59 million, \$62 million, \$64 million, \$64 million, and \$65 million in December 2005, December 2006, December 2007, December 2008, and December 2009, respectively. Uniform allowances paid in December 2009 included \$41 million in the Police Department, \$10 million in the Correction Department, \$6 million in the Sanitation Department, and \$6 million in the Fire Department.

Other personal services accounted for 19 percent of total PS costs in the 2QFY01, 31 percent in the 2QFY06, and 35 percent in the 2QFY10. Other personal service expenditures have grown much faster than gross payroll, increasing by 235 percent over the ten years, 38 percent from the 2QFY06 to the 2QFY10, and 14 percent from the 2QFY09 to the 2QFY10.

Pensions, social security, and health plan payments are included in other personal services. Pension payments during the 2QFY10 were \$1.619 billion greater than in the 2QFY01, \$672 million more than the 2QFY06, and \$130 million more than in the 2QFY09. In the same time frames, social security payments rose \$114 million, \$68 million, and \$34 million. Health plan payments in the 2QFY10 increased \$467 million, \$134 million, and \$166 million compared with the 2QFY01, the 2QFY06, and the 2QFY09. The 2QFY10 included a transfer of \$125 million to the Health Insurance Stabilization Fund for the FY09 equalization rate settlement.

Other-Than-Personal-Service Expenditures

As shown in Table 17, total other-than-personal-service (OTPS) expenditures in the 2QFY10 increased 58 percent over the 2QFY01 and 15 percent since the 2QFY06 and were approximately equal to the 2QFY09.

Table 17. OTPS Cash Expenditure, 2QFY01-2QFY10

(\$ in millions)

	2QFY01	2QFY02	2QFY03	2QFY04	2QFY05	2QFY06	2QFY07	2QFY08	2QFY09	2QFY10
Public Assistance	\$483	\$593	\$529	\$573	\$592	\$603	\$519	\$543	\$643	\$646
# of Cash Recipients*	556,087	463,603	421,783	424,862	433,471	413,737	382,896	349,936	334,329	348,190
Medical Assistance	\$693	\$811	\$858	\$936	\$1,083	\$1,083	\$1,065	\$1,172	\$1,166	\$1,066
# of Medicaid Enrollees*	1,605,472	1,617,392	2,077,650	2,321,278	2,506,314	2,639,955	2,582,171	2,587,153	2,596,233	2,769,517
Other Social Services	\$546	\$486	\$460	\$459	\$504	\$458	\$610	\$600	\$585	\$742
Vendor and Other	\$1,948	\$2,400	\$2,269	\$2,323	\$2,672	\$2,906	\$3,212	\$3,381	\$3,394	\$3,330
Total OTPS	\$3,670	\$4,290	\$4,116	\$4,291	\$4,851	\$5,050	\$5,406	\$5,696	\$5,788	\$5,784

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

In the last ten years, public assistance (PA) was highest during the 2QFY10, increasing \$3 million over the 2QFY09. Medical assistance (MA) decreased \$100 million in the 2QFY10 from the 2QFY09. MA in the 2QFY10 included \$86 million in intergovernmental transfer payments offset by reductions for federal stimulus funding. Other social services increased \$157 million in the 2QFY10 compared with the 2QFY09 reflecting the acceleration of expenditures due to the implementation of FMS. Vendor and other declined \$64 million in the 2QFY10 from the 2QFY09.

All Other

This category was \$220 million lower in the 2QFY10 than in the 2QFY09. Other expenditures include tax refunds, which declined \$366 million. The 2QFY09 included \$220 million for the \$400 real property tax rebate.

July-December 2009, 1HFY10

Table 18 shows cash expenditures during the 1HFY06-1HFY10. Cash expenditures for the 1HFY10 increased 20 percent over the 1HFY06 and 1 percent compared with the 1HFY09.

Table 18. Total and Average Daily Cash Expenditures, 1HFY06-1HFY10

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
1Q Total	\$16,071	\$15,392	\$15,608	\$18,368	\$18,575	\$251	\$244	\$248	\$287	\$290
2Q Total	15,015	15,853	17,648	18,611	18,737	250	264	289	305	307
1H Total	\$31,086	\$31,245	\$33,256	\$36,979	\$37,312	\$251	\$254	\$268	\$296	\$298

Table 19 and Chart 3 show the ten-year trend of daily expenditures as a percent of daily cash balances. The relationship between the City’s expenditures and daily cash balances during a fiscal year improved steadily between the 1HFY01 and the 1HFY06, falling by 13 percentage points. Daily expenditures as a percent of daily cash balances then increased from 4 percent in the 1HFY06 to 10 percent, the third highest level in the past ten years, in the 1HFY10.

Table 19. Daily Expenditures as a Percent of Daily Cash Balances, 1HFY01-1HFY10

Daily Expenditures as a Percent of Daily Cash Balances									
1HFY01	1HFY02	1HFY03	1HFY04	1HFY05	1HFY06	1HFY07	1HFY08	1HFY09	1HFY10
17%	11%	9%	8%	7%	4%	5%	6%	7%	10%

Chart 3. Daily Expenditures as a Percent of Daily Cash Balances, 1HFY01-1HFY10

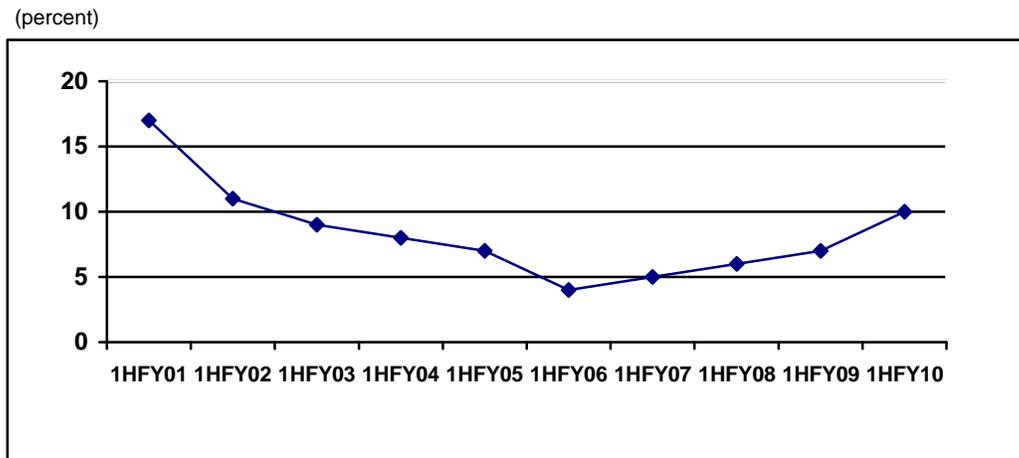


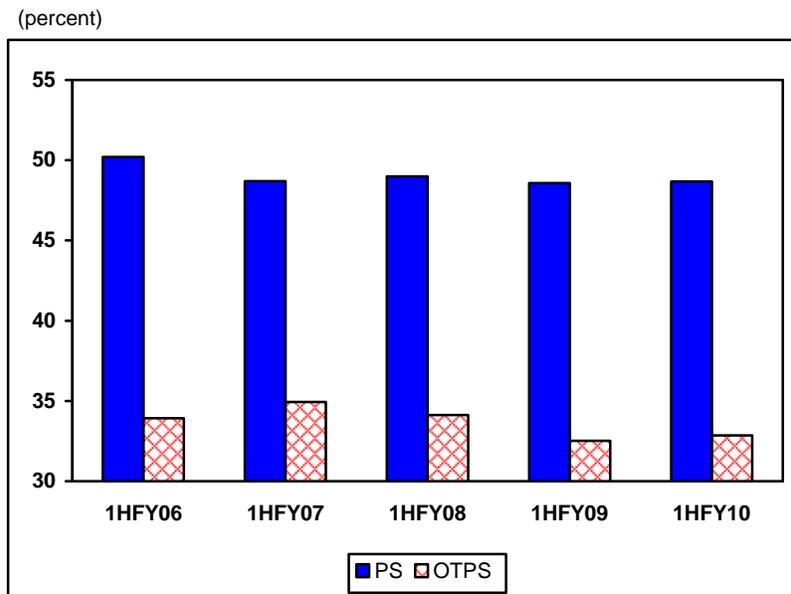
Table 20 and Chart 4 show PS and OTPS expenditures during the 1HFY06-1HFY10. PS grew 16 percent from the 1HFY06 to the 1HFY10 and was 49 percent of total expenditures over the five years. OTPS also increased 16 percent between the 1HFY06 and the 1HFY10. OTPS expenditures were 34 percent of total expenditures during the last five years.

Table 20. PS and OTPS Expenditures, 1HFY06-1HFY10

(\$ in millions)

	1HFY06	1HFY07	1HFY08	1HFY09	1HFY10	Total
PS	\$15,609	\$15,214	\$16,291	\$17,963	\$18,159	\$83,236
% of Total Expenditures	50%	49%	49%	49%	49%	49%
OTPS	\$10,544	\$10,916	\$11,348	\$12,021	\$12,258	\$57,087
% of Total Expenditures	34%	35%	34%	33%	33%	34%
Total 1H Expenditures	\$31,086	\$31,245	\$33,256	\$36,979	\$37,312	\$169,878

Chart 4. PS and OTPS as a Percent of Total Expenditures, 1HFY06-1HFY10



Net Cash Expenditures

Table 21 compares total cash expenditures, net of capital expenditures, during the 1HFY09 and the 1HFY10.

Table 21. Cash Expenditures, Net of Capital Expenditures, 1HFY09 and 1HFY10

(\$ 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)
October	5,659	5,516	(143)
November	5,005	5,264	259
December	5,489	5,257	(232)
2Q Total	16,153	16,037	(116)
1H Total	\$32,213	\$32,084	\$(129)

Federal Stimulus Cash Receipts and Expenditures

During the 1HFY10, cash receipts totaling \$122 million were classified as part of the federal stimulus package. The Departments of Social Services and Youth and Community Development received \$81 million and \$29 million in funding.

Federal stimulus cash expenditures in the 1HFY10 totaled \$420 million. PS expenditures totaled \$248 million, OTPS \$146 million, and capital expenditures \$26 million. In addition, weekly MA transfers to the state were reduced for federal stimulus funding.

II. Capital Expenditures

October-December 2009, 2QFY10

Total capital expenditures were \$2.7 billion, 14 percent of total cash expenditures during the 2QFY10. As shown in Chart 5 and Table 22, this was the highest level of capital expenditures as a percent of total expenditures during the 2Q in the last ten years. The lowest percent was 9.3 percent for the 2QFY06.

Chart 5. Total Capital Expenditures as a Percent of Total Expenditures, 2QFY01-2QFY10

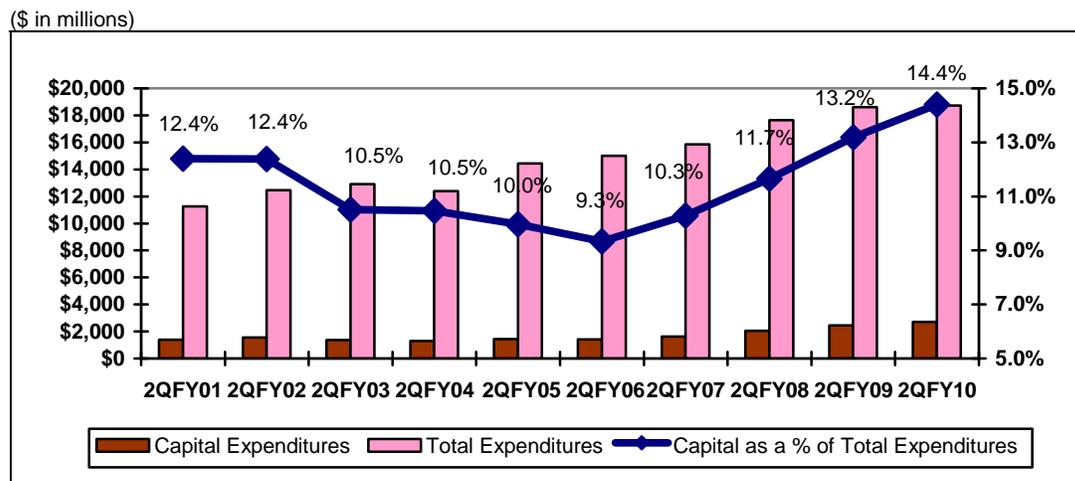


Table 22. Capital Expenditures as a Percent of Total Expenditures, 2QFY01-2QFY10

(\$ in millions)

	2QFY01	2QFY02	2QFY03	2QFY04	2QFY05	2QFY06	2QFY07	2QFY08	2QFY09	2QFY10
2Q City-funded Capital Expenditures	\$1,162	\$1,467	\$1,254	\$1,152	\$1,321	\$1,284	\$1,124	\$1,205	\$1,547	\$2,489
2Q City-funded Capital Expenditures as a % of 2Q Total Expenditures	10.3%	11.8%	9.7%	9.3%	9.1%	8.6%	7.1%	6.8%	8.3%	13.3%
2Q Total Capital Expenditures	\$1,398	\$1,543	\$1,357	\$1,297	\$1,440	\$1,402	\$1,634	\$2,057	\$2,458	\$2,700
2Q Total Capital Expenditures as a % of 2Q Total Expenditures	12.4%	12.4%	10.5%	10.5%	10.0%	9.3%	10.3%	11.7%	13.2%	14.4%
2Q Total Expenditures	\$11,258	\$12,461	\$12,906	\$12,392	\$14,442	\$15,015	\$15,853	\$17,648	\$18,611	\$18,737

Tables 23 and 24 show total and City-funded capital expenditures and average daily total and City-funded capital expenditures during the 2QFY06-2QFY10.

Table 23. Total Capital Expenditures and Average Daily Total Capital Expenditures, 2QFY06-2QFY10

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
October	\$ 298	\$ 431	\$ 828	\$ 534	\$ 923	\$15	\$21	\$38	\$24	\$44
November	766	796	796	856	788	40	42	42	50	44
December	338	407	433	1,068	989	16	20	22	49	45
2Q Total	\$1,402	\$1,634	\$2,057	\$2,458	\$2,700	\$23	\$27	\$34	\$40	\$44

Table 24. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, 2QFY06-2QFY10

(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
October	\$ 270	\$ 385	\$ 429	\$ 494	\$ 860	\$14	\$18	\$20	\$22	\$41
November	711	396	380	449	730	37	21	20	26	41
December	303	343	396	604	899	14	17	20	27	41
2Q Total	\$1,284	\$1,124	\$1,205	\$1,547	\$2,489	\$21	\$19	\$20	\$25	\$41

Payments to the School Construction Authority

Table 25 shows payments by the City to the School Construction Authority (SCA) and funding sources for capital expenditures for education during the 2QFY01-2QFY10.

Table 25. Payments to the SCA, 2QFY01-2QFY10

(\$ in millions)

	SCA Capital Expenditures									
	2QFY01	2QFY02	2QFY03	2QFY04	2QFY05	2QFY06	2QFY07	2QFY08	2QFY09	2QFY10
City-funded	\$534	\$600	\$300	\$249	\$296	\$400	\$ 31	\$ 35	\$ 30	\$642
TFA & DASNY	0	0	0	0	0	0	369	763	756	0
Other	0	0	0	51	4	0	0	2	14	8
Total	\$534	\$600	\$300	\$300	\$300	\$400	\$400	\$800	\$800	\$650
2Q SCA as a % of 2Q Total Capital Expenditures	38%	39%	22%	23%	21%	29%	24%	39%	33%	24%

Reimbursements for Capital Expenditures to the New York City Central Treasury

City-funded capital expenditures are primarily financed from the proceeds of general obligation (GO), New York City Transitional Finance Authority (TFA), and New York City Municipal Water Finance Authority (NY Water) debt. Beginning in the 2QFY07, non City-funded capital expenditures for education were financed by TFA Building Aid bonds and Expanding Our Children's Education and Learning (EXCEL) capital grant funding from the Dormitory Authority of the State of New York (DASNY).

Capital expenditures are initially paid from the Central Treasury. Table 26 shows the reimbursements during the 2QFY10 to the Central Treasury from the proceeds of financings. Total reimbursements were \$3.121 billion. GO proceeds funded \$1.399 billion, NY Water financings \$785 million, and the TFA \$937 million of reimbursements. TFA Building Aid bonds and DASNY did not provide any funding.

Table 26. Reimbursements to the New York City Central Treasury for Capital Expenditures, 2QFY10

(\$ in millions)

	Oct. 2009	Nov. 2009	Dec. 2009	2QFY10
GO	\$ 710	\$ 218	\$ 471	\$1,399
NY Water	85	500	200	785
TFA	249	308	380	937
Sub-total	1,044	1,026	1,051	3,121
TFA Building Aid	0	0	0	0
DASNY	0	0	0	0
Sub-total	0	0	0	0
Total	\$1,044	\$1,026	\$1,051	\$3,121

Table 27 shows reimbursements during the 2QFY01-2QFY10.

Table 27. Reimbursements to the New York City Central Treasury for Capital Expenditures, 2QFY01-2QFY10

(\$ in millions)

	2QFY01	2QFY02	2QFY03	2QFY04	2QFY05	2QFY06	2QFY07	2QFY08	2QFY09	2QFY10	Total
GO	\$523	\$ 962	\$ 22	\$ 765	\$1,032	\$ 836	\$ 40	\$1,144	\$1,412	\$1,399	\$ 8,135
NY Water	165	225	192	265	328	361	219	674	659	785	3,873
TFA	203	249	515	53	0	0	761	208	2	937	2,928
Sub-total	891	1,436	729	1,083	1,360	1,197	1,020	2,026	2,073	3,121	14,936
TFA Building Aid	0	0	0	0	0	0	300	372	610	0	1,282
DASNY	0	0	0	0	0	0	213	132	41	0	386
Sub-total	0	0	0	0	0	0	513	504	651	0	1,668
Other	0	56	153	24	13	0	0	0	0	0	246
Total	\$891	\$1,492	\$882	\$1,107	\$1,373	\$1,197	\$1,533	\$2,530	\$2,724	\$3,121	\$16,850

2Q Reimbursable Capital Expenditures	\$1,162	\$1,467	\$1,254	\$1,152	\$1,321	\$1,284	\$1,493	\$1,968	\$2,303	\$2,489	\$15,893
2Q Reimbursements Less 2Q Reimbursable Capital Expenditures	\$(271)	\$25	\$(372)	\$(45)	\$52	\$(87)	\$40	\$562	\$421	\$632	\$957
2Q Reimbursements as a % of 2Q Reimbursable Capital Expenditures	76.7%	101.7%	70.3%	96.1%	103.9%	93.2%	102.7%	128.6%	118.3%	125.4%	106.0%
2Q Reimbursements as a % of 2Q Total Receipts	7.9%	12.2%	7.0%	7.9%	8.9%	7.7%	9.3%	13.5%	18.1%	16.2%	11.2%

The 2QFY07 had the first reimbursement of education expenditures from TFA Building Aid bonds and DASNY, and the first reimbursement since FY04 for City-funded capital expenditures from TFA debt. During the 2QFY10, reimbursements to the Central Treasury were \$632 million more than reimbursable expenditures and made up 16 percent of total receipts. In the ten year period, reimbursements exceeded reimbursable expenditures by \$957 million and accounted for 11 percent of total receipts.

Table 28 shows the percent of reimbursements for capital expenditures by debt category during the 2QFY01-2QFY10.

Table 28. Percent of Reimbursements by Debt Category, 2QFY01-2QFY10, 2QFY06-2QFY10, and 2QFY10

(percent)

	2QFY01-2QFY10	2QFY06-2QFY10	2QFY10
GO	48%	44%	45%
NY Water	23	24	25
TFA	17	17	30
TFA Building Aid and DASNY	10	15	0

July-December 2009, 1HFY10

Table 29 summarizes capital expenditures during the 1HFY09 and the 1HFY10. Total capital expenditures increased \$462 million in the 1HFY10 over the 1HFY09. The City-funded portion of these capital expenditures increased \$1.742 billion. The increase in City-funded capital expenditures was mainly due to the classification of payments to the SCA. In the 1HFY09, SCA payments were classified mostly as non City-funded capital expenditures to be reimbursed from the proceeds of TFA Building Aid debt and DASNY funding. During the 1HFY10, SCA expenditures were related to the remainder of the Five-Year Educational Facilities Capital Plan for FY05-FY09 and were mostly City-funded.

Table 29. Capital Expenditures, 1HFY09 and 1HFY10

(\$ 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
October	534	494	923	860	389	366
November	856	449	788	730	(68)	281
December	1,068	604	989	899	(79)	295
2Q Total	2,458	1,547	2,700	2,489	242	942
1H Total	\$4,766	\$2,959	\$5,228	\$4,701	\$462	\$1,742

Tables 30 and 31 show total and City-funded capital expenditures and average daily expenditures during the 1HFY06-1HFY10.

Table 30. Total Capital Expenditures and Average Daily Total Capital Expenditures, 1HFY06-1HFY10

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
1Q Total	\$1,730	\$1,499	\$1,562	\$2,308	\$2,528	\$27	\$24	\$25	\$36	\$40
2Q Total	1,402	1,634	2,057	2,458	2,700	23	27	34	40	44
1H Total	\$3,132	\$3,133	\$3,619	\$4,766	\$5,228	\$25	\$25	\$29	\$38	\$42

Table 31. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, 1HFY06-1HFY10

(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY06	FY07	FY08	FY09	FY10	FY06	FY07	FY08	FY09	FY10
1Q Total	\$1,612	\$ 973	\$1,107	\$1,412	\$2,212	\$25	\$15	\$18	\$22	\$35
2Q Total	1,284	1,124	1,205	1,547	2,489	21	19	20	25	41
1H Total	\$2,896	\$2,097	\$2,312	\$2,959	\$4,701	\$23	\$17	\$19	\$24	\$38

Payments to the School Construction Authority

Table 32 shows payments to the SCA and the funding for these expenditures during the 1HFY01-1HFY10. These payments have averaged 29 percent of total capital expenditures during the ten year time frame.

Table 32. Payments to the SCA, 1HFY01-1HFY10

(\$ in millions)

	1HFY01	1HFY02	1HFY03	1HFY04	1HFY05	1HFY06	1HFY07	1HFY08	1HFY09	1HFY10
City-funded	\$685	\$900	\$825	\$549	\$596	\$ 996	\$ 31	\$ 57	\$ 59	\$1,268
TFA & DASNY	0	0	0	0	0	0	769	1,141	1,507	170
Other	0	0	0	51	4	4	0	2	34	12
Total	\$685	\$900	\$825	\$600	\$600	\$1,000	\$800	\$1,200	\$1,600	\$1,450
1H SCA as a % of 1H Total Capital Expenditures	29%	33%	28%	23%	21%	32%	26%	33%	34%	28%

Reimbursements for Capital Expenditures to the New York City Central Treasury

Table 33 shows reimbursements totaling \$30 billion to the Central Treasury for capital expenditures during the 1HFY01-1HFY10.

Table 33. Reimbursements to the New York City Central Treasury, 1HFY01-1HFY10

(\$ in millions)

	1HFY01	1HFY02	1HFY03	1HFY04	1HFY05	1HFY06	1HFY07	1HFY08	1HFY09	1HFY10	Total
GO	\$ 741	\$1,057	\$ 227	\$1,252	\$1,809	\$2,066	\$ 392	\$1,426	\$2,541	\$1,932	\$13,443
NY Water	420	441	504	589	798	604	692	922	1,343	1,396	7,709
TFA	591	1,013	516	281	0	0	761	494	7	1,545	5,208
Sub-total	1,752	2,511	1,247	2,122	2,607	2,670	1,845	2,842	3,891	4,873	26,360
TFA Building Aid	0	0	0	0	0	0	300	650	820	182	1,952
DASNY	0	0	0	0	0	0	213	320	367	6	906
Sub-total	0	0	0	0	0	0	513	970	1,187	188	2,858
Other	35	72	302	32	31	0	0	0	0	0	472
Total	\$1,787	\$2,583	\$1,549	\$2,154	\$2,638	\$2,670	\$2,358	\$3,812	\$5,078	\$5,061	\$29,690

Table 34 shows the percent of reimbursements for capital expenditures by debt category during the 1HFY01-1HFY10.

Table 34. Percent of Reimbursements by Debt Category, 1HFY01-1HFY10, 1HFY06-1HFY10, and 1HFY10

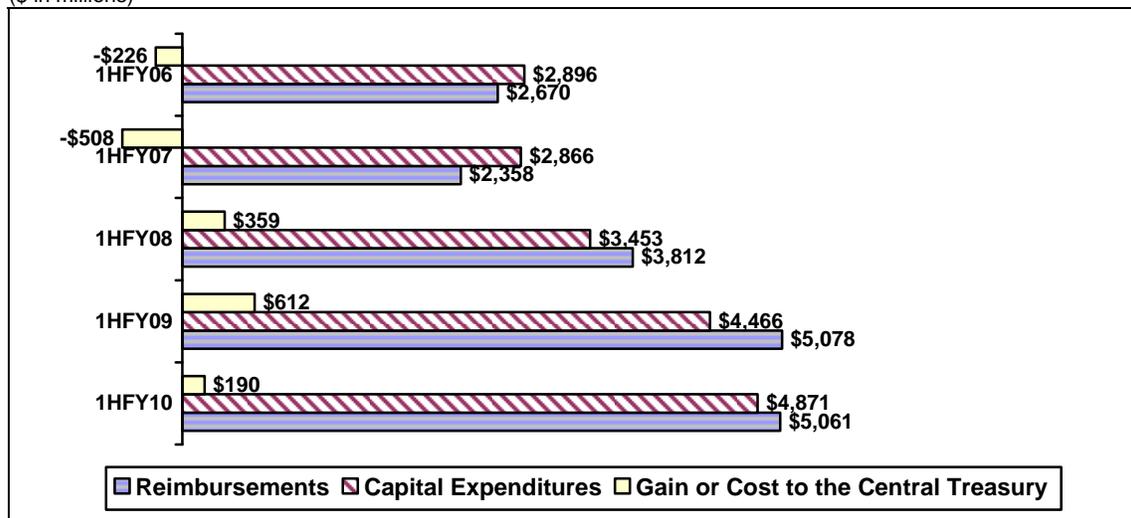
(percent)

	1HFY01-1HFY10	1HFY06-1HFY10	1HFY10
GO	45%	44%	38%
NY Water	26	26	28
TFA	18	15	31
TFA Building Aid and DASNY	10	15	4

Chart 6 compares reimbursements to the Central Treasury during the 1HFY06-1HFY10 for City-funded capital expenditures and non City-funded SCA capital expenditures reimbursed by TFA and DASNY proceeds. Capital expenditures were a drain on cash in the 1HFY06 and the 1HFY07. During the 1HFY08, the 1HFY09, and the 1HFY10, reimbursements were \$359 million, \$612 million, and \$190 million more than reimbursable capital expenditures. This catch-up in reimbursements helped the City maintain its cash position.

Chart 6. Reimbursements for City-funded Capital Expenditures and TFA Building Aid & DASNY funded SCA Expenditures, 1HFY06-1HFY10

(\$ in millions)



FINANCINGS

GO

Table 35 shows GO debt issuances during the 1HFY09 and the 1HFY10.

Table 35. GO Bond Issues, 1HFY09 and 1HFY10

(\$ in millions)

Month Sale Closed	FY09			FY10		
	Tax-Exempt	Taxable	Total	Tax-Exempt	Taxable	Total
July	\$ 75	\$ 0	\$ 75	\$ 0	\$ 0	\$ 0
August	833	165	998	0	0	0
September	1,050	90	1,140	0	0	0
1Q Total	1,958	255	2,213	0	0	0
October	500	50	550	1,100	970	2,070
November	400	25	425	0	0	0
December	300	8	308	900	648	1,548
2Q Total	1,200	83	1,283	2,000	1,618	3,618
1H Total	\$3,158	\$338	\$3,496	\$2,000	\$1,618	\$3,618

In the 1HFY10, GO debt for capital projects, all sold in the 2QFY10, totaled \$1.618 billion, of which \$1.361 billion was taxable Build America Bonds. The Build America Bond program allows state and local governments to issue taxable bonds, enlarging the market, and receive a federal reimbursement for 35 percent of interest thereby lowering net interest costs.

Table 36 compares the budget savings over the life of the bonds from GO refunding sales during the 1HFY06-1HFY10. The refunding sales in the 1HFY10 totaled \$2 billion, yielding \$209 million in budget savings over the life of the bonds.

Table 36. Budget Savings from GO Refundings, 1HFY06-1HFY10

(\$ in millions)

	1HFY06	1HFY07	1HFY08	1HFY09	1HFY10	Total
Budget Savings	\$ 113	\$ 59	\$ 130	\$ 19	\$ 209	\$ 530
GO Refundings	1,422	850	1,596	250	2,000	6,118

TFA

The TFA sold \$2.556 billion in debt in the 1HFY10. In the 1QFY10, \$1.6 billion in tax-exempt (\$800 million for capital projects and \$800 million in refunding) and \$100 million in taxable debt for capital projects in revenue bonds were issued. In the 2QFY10, \$85 million in tax-exempt revenue bonds and \$690 million in taxable Build America Bonds for capital purposes was issued and \$81 million in New York City Recovery Bonds reoffered.

The TFA issued \$620 million in Building Aid bonds during the 1HFY09. No Building Aid bonds were sold in the 1HFY10.