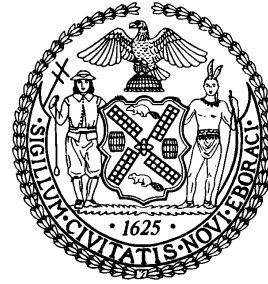


**The City Of New York  
Office of the Comptroller  
John C. Liu,  
Comptroller**



# QUARTERLY CASH REPORT

January-March 2010  
Third Quarter of FY 2010

May 2010

# Summary

## Overview

- The opening daily cash balance for the third quarter of FY 2010 was \$5.092 billion, or \$2.272 billion more than the \$2.820 billion of cash-on-hand at the start of the third quarter of FY 2009. It was, however, the lowest third quarter level in all other years since the opening balance of the third quarter of FY 2005. Opening balances for the third quarter of the City's fiscal year are affected by the timing of real property tax collections. The opening balance for the third quarter of FY 2010 also included the impact of the implementation of an upgrade to the City's Financial Management System (FMS3) and a delay in state aid. The third quarter of FY 2010 closing daily cash balance of \$6.188 billion was the lowest closing balance since the third quarter of FY 2004. The closing balances for the third quarter of the City's fiscal year include state aid received by the City due to the end of the state's fiscal year.
- The average daily cash balance of \$5.426 billion for the third quarter of FY 2010 was \$110 million less than the average daily cash balance for the third quarter of FY 2009. Daily cash balances during the third quarter of FY 2010 were above the levels in the third quarter of FY 2009 until mid-January when they dipped under and then remained lower, with a few exceptions, through the end of the quarter. The average daily cash balance during the third quarter of FY 2010 was the lowest since the third quarter of FY 2004.
- Daily cash balances during the first nine months of FY 2001-FY 2004, inclusive of short-term borrowings, were well below the levels of daily cash balances during the first nine months of FY 2005-FY 2010 when short-term borrowing was not required to meet operating needs. Total cash receipts exceeded total cash expenditures during the first nine months of eight of the last ten years. The average daily cash balance increased during the first nine months of each year from \$2.102 billion in the first nine months of FY 2001 to \$6.882 billion in the first nine months of FY 2006 and then decreased each year to \$4.963 billion during the first nine months of FY 2010.

## Cash Receipts

- Cash receipts totaled \$18.439 billion and averaged \$302 million daily during the third quarter of FY 2010. This was an increase of \$2.061 billion in total receipts and \$38 million in average daily cash receipts compared with the third quarter of FY 2006, and a decrease of \$4.053 billion in total receipts and \$67 million in average daily receipts from the third quarter of FY 2009.
- The decrease of \$4.053 billion in cash receipts during the third quarter of FY 2010 from the third quarter of FY 2009 was mostly attributable to lower real property taxes (\$1.977 billion), federal and state aid (\$1.057 billion), miscellaneous (\$107 million), and other receipts (\$1.029 billion). The tax bills for semi-annual and third quarter real property tax collections were available in November of FY 2010 compared with FY 2009 when delayed billing resulted in higher collections in the third quarter. Federal aid in the third quarter of FY 2010 was \$310 million more than in the third quarter of FY 2009. This was offset by \$1.367 billion in lower state aid in the third quarter of FY 2010 mostly due to the state's cash flow problems. During the third quarter of FY 2010, NYS education aid did not include a June advance payment. In the third quarter of FY 2009, the City received a June education advance of \$772 million. Miscellaneous receipts included \$134 million from the Battery Park City Authority during the third quarter of FY 2010. This increase was offset by lower senior and community college fees than in the third quarter of FY 2009 and the receipt in the third quarter of FY 2009 of \$175 million in restitution settlements. The decrease in other receipts during the third quarter of FY 2010 compared with the same period in FY 2009, included lower

reimbursements to the New York City Central Treasury for capital expenditures.

- Total daily cash receipts of \$55.004 billion for the first nine months of FY 2010 were \$6.625 billion, or 14 percent, more than in the first nine months of FY 2006 and \$2.299 billion, or 4 percent, less than in the first nine months of FY 2009. Average daily cash receipts increased \$36 million in the first nine months of FY 2010 compared with the first nine months of FY 2006 and decreased \$12 million from the first nine months of FY 2009. The three largest sources of cash receipts, real property tax, personal income tax, and NYS education aid, accounted for 39 percent of total receipts in the first nine months of FY 2010 and 40 percent during the first nine months of the last five years. Excluding reimbursements for capital expenditures daily cash receipts were \$1.170 billion less during the first nine months of FY 2010 than in the same months of FY 2009.
- In the first nine months of FY 2010, the City received \$592 million identified as federal stimulus funding, excluding capital. The largest portion of funding was \$413 million for education.

### **Cash Expenditures**

- Cash expenditures, including capital expenditures, totaled \$17.343 billion and averaged \$284 million daily during the third quarter of FY 2010. Total cash expenditures and average daily cash expenditures increased \$1.842 billion and \$34 million compared with the third quarter of FY 2006, and decreased \$207 million and \$4 million from the third quarter of FY 2009.
- Personal service expenditures include gross payroll and other personal services. Personal service expenditures totaling \$8.586 billion in the third quarter of FY 2010 were \$756 million more than in the third quarter of FY 2006 and \$115 million less than in the third quarter of FY 2009. Fluctuations in personal service expenditures include changes to salaries and headcount. Gross payroll was \$5.603 billion and accounted for 65 percent of personal services in the third quarter of FY 2010, increasing 4 percent over the third quarter of FY 2006 and decreasing 4 percent from the third quarter of FY 2009. The third quarter of FY 2009 included collective bargaining increases and 4,565 more employees. Other personal services have been growing at a faster pace than gross payroll. Other personal services were \$2.983 billion and accounted for 35 percent of personal services in the third quarter of FY 2010, increasing 23 percent and 4 percent over the third quarters of FY 2006 and FY 2009.
- Other-than-personal-service expenditures totaling \$5.391 billion in the third quarter of FY 2010 increased \$112 million, or 2 percent, and decreased \$454 million, or 8 percent, compared with the third quarters of FY 2006 and FY 2009. The components of other-than-personal-services are public assistance, medical assistance, other social services, and vendor and other. In the five-year period from the third quarter of FY 2006 to the third quarter of FY 2010, public assistance increased 4 percent, medical assistance decreased 2 percent, other social services decreased 11 percent, and vendor and other increased 5 percent. The implementation of FMS3 moved payments from the third quarter of FY 2010 to the second quarter of FY 2010. In the third quarter of FY 2010 compared with the third quarter of FY 2009, public assistance was \$30 million greater, medical assistance was \$272 million less after reduction for federal stimulus funding, other social services were \$109 million less, and vendor and other was \$103 million less.
- Cash expenditures of \$54.655 billion in the first nine months of FY 2010 were \$8.068 billion, or 17 percent, more than in the first nine months of FY 2006 and \$126 million, or less than 1 percent, more than in the first nine months of FY 2009. Average daily cash expenditures increased \$44 million during the first nine months of FY 2010 compared with the first nine months of FY 2006 and \$1 million over the first nine months of FY 2009. Daily expenditures

as a percent of daily cash balances during the first nine months of FY 2010 increased by 5 percentage points over the first nine months of FY 2006 and 3 percentage points over the same nine months of FY 2009. During the first nine months of FY 2006-FY 2010, personal service expenditures grew 14 percent and were 49 percent of total expenditures, and other-than-personal-service expenditures grew 12 percent and were 34 percent of total expenditures. Excluding capital expenditures, cash expenditures were \$654 million less in the first nine months of FY 2010 than in the first nine months of FY 2009.

- Through the first nine months of FY 2010, \$756 million in cash expenditures have been identified as eligible for federal stimulus funding as follows: \$489 million in personal service expenditures, \$229 million in other-than-personal-service expenditures, and \$38 million in capital expenditures.

### **Capital Expenditures and Reimbursements**

- During the third quarter of FY 2010, total capital expenditures of \$2.260 billion, inclusive of City-funded capital expenditures, were 13 percent of total cash expenditures compared with 9 percent in the third quarter of FY 2006 and 11 percent in the third quarter of FY 2009. Total capital expenditures were \$840 million and \$318 million greater than during the third quarters of FY 2006 and FY 2009. In the third quarter of FY 2010, the City-funded portion of capital expenditures totaled \$2.108 billion, \$794 million and \$681 million more than during the third quarters of FY 2006 and FY 2009. Payments to the School Construction Authority totaled \$800 million (\$742 million were City-funded) in the third quarter of FY 2010 compared with \$400 million (all City-funded) in the third quarter of FY 2006 and \$400 million (\$11 million were City-funded) in the third quarter of FY 2009.
- In the first nine months of FY 2010, total capital expenditures of \$7.488 billion were \$2.936 billion and \$780 million greater than in the first nine months of FY 2006 and FY 2009. The City-funded portion of these expenditures was \$2.599 billion and \$2.423 billion greater than in FY 2006 and FY 2009. The City paid the School Construction Authority \$1.4 billion, \$2 billion, and \$2.250 billion in the first nine months of FY 2006, FY 2009, and FY 2010. These payments were 31 percent, 30 percent, and 30 percent of total capital expenditures in the first nine months of FY 2006, FY 2009, and FY 2010. In FY 2007, capital expenditures in the City's Five-Year Educational Facilities Capital Plan were reclassified in the most part from City to non City-funded capital expenditures. However, in the first nine months of FY 2010, School Construction Authority payments relating to the remainder of this Plan were City-funded.
- All capital expenditures are initially paid from the New York City Central Treasury and then reimbursed mostly from the proceeds of general obligation, Transitional Finance Authority, and New York City Municipal Water Finance Authority debt and Expanding Our Children's Education and Learning (EXCEL) capital grant funds from the Dormitory Authority of the State of New York. During the third quarter of FY 2010, reimbursements of \$1.341 billion were 62 percent of reimbursable capital expenditures and 7 percent of total cash receipts. This compares with reimbursements of \$953 million in the third quarter of FY 2006 that were 73 percent of reimbursable capital expenditures and 6 percent of total cash receipts and \$2.451 billion in the third quarter of FY 2009 that were 135 percent of reimbursable capital expenditures and 11 percent of total cash receipts. Reimbursements during the first nine months of FY 2010 were \$6.402 billion, \$2.779 billion more and \$1.127 billion less than in the first nine months of FY 2006 and FY 2009. During the first nine months of FY 2006 and FY 2010, reimbursements were \$587 million and \$634 million less than reimbursable capital expenditures, while in the first nine months of FY 2009, they were \$1.252 billion greater. In the first nine months of FYs 2006 through FY 2010, general obligation bonds funded 42 percent, New York City Municipal Water Finance Authority proceeds 28 percent, Transitional Finance Authority debt 14 percent, and

Transitional Finance Authority Building Aid bonds and the Dormitory Authority of the State of New York funding 16 percent of reimbursements. In the first nine months of FY 2010, general obligation debt funded 35 percent, New York City Municipal Finance Authority proceeds 32 percent, Transitional Finance Authority debt 30 percent, and Transitional Finance Authority Building Aid bonds and the Dormitory Authority of the State of New York funding 3 percent of reimbursements.

### **Financings**

- The City issued \$900 million of general obligation bonds during the third quarter of FY 2010, bringing the total for the first nine months of FY 2010 to \$4.518 billion. The \$900 million funded the City's capital program and consisted of \$31 million of tax-exempt fixed rate, \$150 million of tax-exempt adjustable rate, \$75 million of taxable fixed rate, and \$644 million of taxable fixed rate Build America Bonds.
- In the third quarter of FY 2010, the Transitional Finance Authority sold \$1.4 billion in debt as follows: \$148 million of tax-exempt adjustable rate, \$130 million of taxable fixed rate, and \$622 million of taxable fixed rate Build America Bonds to fund the City's capital program and \$500 million of tax-exempt fixed rate bonds to refund outstanding debt yielding \$39 million in budget savings over the life of the bonds. The total debt issued by the Transitional Finance Authority in the first nine months of FY 2010 was \$3.956 billion.

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

## **A. OVERVIEW**

### **1. January-March 2010, Third Quarter of FY 2010 (3QFY10)**

The cash position in the New York City Central Treasury during the 3QFY01-3QFY10 is shown in Tables 1 and 2.

**Table 1. Cash Position in the New York City Central Treasury, 3QFY01-3QFY10**

(\$ in millions)

|                                 | 3QFY01   | 3QFY02   | 3QFY03   | 3QFY04   | 3QFY05   | 3QFY06   | 3QFY07   | 3QFY08   | 3QFY09   | 3QFY10   |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Opening Balance                 | \$ 1,795 | \$ 1,768 | \$ 2,719 | \$ 4,142 | \$ 4,959 | \$ 7,745 | \$ 6,856 | \$ 6,750 | \$ 2,820 | \$ 5,092 |
| Total Receipts                  | 14,121   | 13,035   | 12,648   | 15,006   | 17,204   | 16,378   | 20,031   | 20,539   | 22,492   | 18,439   |
| Total Expenditures <sup>a</sup> | 11,096   | 12,037   | 12,766   | 14,092   | 13,813   | 15,501   | 15,953   | 17,232   | 17,550   | 17,343   |
| Closing Balance                 | \$ 4,820 | \$ 2,766 | \$ 2,601 | \$ 5,056 | \$ 8,350 | \$ 8,622 | \$10,934 | \$10,057 | \$ 7,762 | \$ 6,188 |

a. Total expenditures include capital expenditures.

**Table 2. Average Daily Cash Balances in the New York City Central Treasury, 3QFY01-3QFY10**

(\$ in millions)

|                 | 3QFY01         | 3QFY02         | 3QFY03         | 3QFY04         | 3QFY05         | 3QFY06         | 3QFY07         | 3QFY08         | 3QFY09         | 3QFY10         |
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| January         | \$3,248        | \$3,602        | \$3,812        | \$5,805        | \$6,563        | \$8,258        | \$9,293        | \$8,768        | \$5,916        | \$7,004        |
| February        | 2,720          | 2,709          | 2,857          | 4,728          | 6,025          | 6,826          | 8,466          | 8,340          | 5,625          | 5,280          |
| March           | 2,842          | 2,390          | 2,410          | 3,673          | 5,698          | 6,107          | 8,022          | 7,847          | 5,112          | 4,244          |
| <b>3Q Total</b> | <b>\$2,942</b> | <b>\$2,907</b> | <b>\$3,032</b> | <b>\$4,684</b> | <b>\$6,077</b> | <b>\$7,021</b> | <b>\$8,588</b> | <b>\$8,318</b> | <b>\$5,536</b> | <b>\$5,426</b> |

Receipts exceeded expenditures from the 3QFY01 to the 3QFY10, with the exception of the 3QFY03 when state payments were delayed. Third quarter opening balances are affected by the timing of real property collections and closing balances include state aid received by the City due to the end of the state's fiscal year. The opening balance for the 3QFY10 also included the impact of the implementation of an upgrade to the City's Financial Management System (FMS3) and a delay in state aid. The 3QFY10 closing daily cash balance of \$6.188 billion was the lowest closing balance since the 3QFY04.

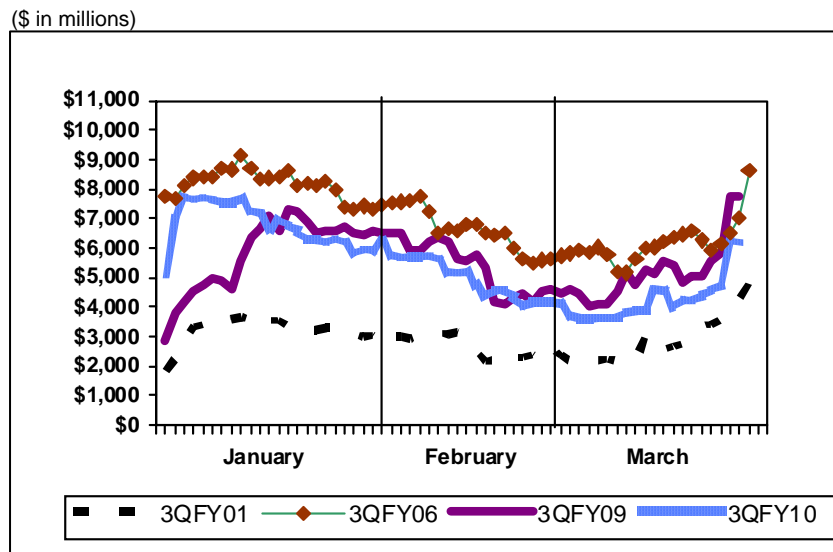
The average daily cash balance during the 3QFY10 of \$5.426 billion was \$2.484 billion more than in the 3QFY01 and \$1.595 billion and \$110 million less than in the 3QFY06 and the 3QFY09, respectively.

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



Chart 1 depicts daily cash balances during the 3QFY01, the 3QFY06, the 3QFY09, and the 3QFY10. Closing daily cash balances varied by \$2.665 billion in the 3QFY01, \$3.969 billion in the 3QFY06, \$3.993 billion in the 3QFY09, and \$4.154 billion in the 3QFY10. Daily cash balances during the 3QFY10 were above the levels in the 3QFY09 until mid-January when they dipped under and then remained lower, with a few exceptions, through the end of the quarter.

**Chart 1. Daily Cash Balances in the New York City Central Treasury, 3QFY01, 3QFY06, 3QFY09, and 3QFY10**



**2. July 2009-March 2010, Year-to-Date FY 2010 (YTDFY10)**

Tables 3 and 4 show the cash position in the Central Treasury YTDFY01-YTDFY10.

**Table 3. Cash Position in the New York City Central Treasury, YTDFY01-YTDFY10**

(\$ in millions)

| YTD                             | FY01     | FY02     | FY03     | FY04     | FY05     | FY06     | FY07     | FY08     | FY09     | FY10     |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Opening Balance <sup>a</sup>    | \$ 1,453 | \$ 3,066 | \$ 4,433 | \$ 2,502 | \$ 4,208 | \$ 6,830 | \$ 6,386 | \$ 4,473 | \$ 4,988 | \$ 5,839 |
| Total Receipts                  | 37,704   | 36,599   | 38,906   | 43,147   | 47,271   | 48,379   | 51,746   | 56,072   | 57,303   | 55,004   |
| Total Expenditures <sup>b</sup> | 34,337   | 36,899   | 40,738   | 40,593   | 43,129   | 46,587   | 47,198   | 50,488   | 54,529   | 54,655   |
| Closing Balance                 | \$ 4,820 | \$ 2,766 | \$ 2,601 | \$ 5,056 | \$ 8,350 | \$ 8,622 | \$10,934 | \$10,057 | \$ 7,762 | \$ 6,188 |

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, YTD FY01-YTD FY10**

(\$ in millions)

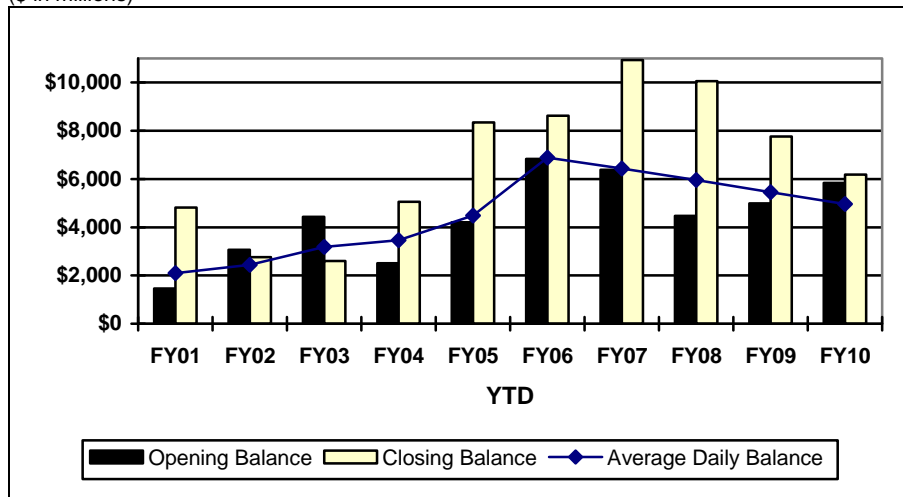
|                  | FY01           | FY02           | FY03           | FY04           | FY05           | FY06           | FY07           | FY08           | FY09           | FY10           |
|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1Q               | \$2,197        | \$2,696        | \$3,893        | \$2,900        | \$4,348        | \$7,738        | \$6,293        | \$5,567        | \$6,426        | \$6,348        |
| 2Q               | 1,134          | 1,700          | 2,580          | 2,822          | 2,992          | 5,825          | 4,377          | 3,960          | 4,348          | 3,046          |
| 3Q               | 2,942          | 2,906          | 3,032          | 4,684          | 6,077          | 7,021          | 8,588          | 8,318          | 5,536          | 5,426          |
| <b>YTD Total</b> | <b>\$2,102</b> | <b>\$2,437</b> | <b>\$3,180</b> | <b>\$3,466</b> | <b>\$4,487</b> | <b>\$6,882</b> | <b>\$6,441</b> | <b>\$5,957</b> | <b>\$5,453</b> | <b>\$4,963</b> |

Total receipts exceeded total expenditures in eight of the last ten years. For the first nine months of the fiscal year, total receipts in FY01, and FYs 2004-2010 were \$3.367 billion, \$2.554 billion, \$4.142 billion, \$1.792 billion, \$4.548 billion, \$5.584 billion, \$2.774 billion, and \$349 million more than total expenditures. Average daily cash balances increased from YTD FY01 to YTD FY06 and decreased YTD each year thereafter.

Chart 2 shows the cash position in the Central Treasury YTD FY01-YTD FY10. Daily cash balances YTD FY01-YTD FY04, inclusive of short-term borrowings, were well below the levels of cash-on-hand YTD FY05-YTD FY10 when short-term borrowing was not required to meet operating needs. YTD FY06 had the best level of daily cash balances.

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

(\$ in millions)



## B. CASH RECEIPTS

### 1. January-March 2010, 3QFY10

Table 5 shows total cash receipts and average daily cash receipts during the 3QFY06-3QFY10. Cash receipts totaled \$18.439 billion and averaged \$302 million daily in the 3QFY10. Total cash receipts and average daily cash receipts increased \$2.061 billion and \$38 million from the 3QFY06 to the 3QFY10.

**Table 5. Total and Average Daily Cash Receipts, 3QFY06-3QFY10**

(\$ in millions)

|                 | Total Receipts  |                 |                 |                 |                 | Average Daily Receipts |              |              |              |              |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|--------------|--------------|--------------|--------------|
|                 | FY06            | FY07            | FY08            | FY09            | FY10            | FY06                   | FY07         | FY08         | FY09         | FY10         |
| January         | \$ 4,935        | \$ 7,572        | \$ 7,664        | \$ 9,156        | \$ 6,423        | \$247                  | \$361        | \$365        | \$458        | \$338        |
| February        | 3,248           | 3,643           | 4,032           | 3,833           | 3,577           | 171                    | 192          | 202          | 202          | 188          |
| March           | 8,195           | 8,816           | 8,843           | 9,503           | 8,439           | 356                    | 401          | 421          | 432          | 367          |
| <b>3Q Total</b> | <b>\$16,378</b> | <b>\$20,031</b> | <b>\$20,539</b> | <b>\$22,492</b> | <b>\$18,439</b> | <b>\$264</b>           | <b>\$323</b> | <b>\$331</b> | <b>\$369</b> | <b>\$302</b> |

Table 6 shows monthly cash receipts during the 3QFY09 and the 3QFY10 by category. Cash receipts decreased \$4.053 billion in the 3QFY10 from the 3QFY09 due to lower real property tax collections, federal and state aid, miscellaneous, and other receipts. Cash receipts were \$2.733 billion less in January 2010 than in January 2009, \$256 million less in February 2010 than in February 2009, and \$1.064 billion less in March 2010 than in March 2009.

**Table 6. Cash Receipts by Category, 3QFY09 and 3QFY10**

(\$ in millions)

|                       | Jan. 2009      | Feb. 2009      | Mar. 2009      | 3QFY09 Total    | Jan. 2010      | Feb. 2010      | Mar. 2010      | 3QFY10 Total    | Diff. 3Q Total FY10/09 |
|-----------------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|------------------------|
| Real Property Tax     | \$4,192        | \$ 99          | \$ 862         | \$ 5,153        | \$2,188        | \$ 65          | \$ 923         | \$ 3,176        | \$(1,977)              |
| Other Taxes           | 2,620          | 1,258          | 2,318          | 6,196           | 2,502          | 1,420          | 2,336          | 6,258           | 62                     |
| Federal and State Aid | 754            | 878            | 4,683          | 6,315           | 886            | 966            | 3,406          | 5,258           | (1,057)                |
| Debt Service Funding  | 0              | 0              | (31)           | (31)            | 0              | 0              | 0              | 0               | 31                     |
| Miscellaneous         | 411            | 571            | 587            | 1,569           | 314            | 319            | 829            | 1,462           | (107)                  |
| Intergovernmental Aid | 0              | 0              | 0              | 0               | 24             | 0              | 0              | 24              | 24                     |
| Other                 | 1,179          | 1,027          | 1,084          | 3,290           | 509            | 807            | 945            | 2,261           | (1,029)                |
| <b>Total</b>          | <b>\$9,156</b> | <b>\$3,833</b> | <b>\$9,503</b> | <b>\$22,492</b> | <b>\$6,423</b> | <b>\$3,577</b> | <b>\$8,439</b> | <b>\$18,439</b> | <b>\$(4,053)</b>       |

Table 7 displays cash receipts by major category during the 3QFY01-3QFY10.

**Table 7. Cash Receipts by Category, 3QFY01-3QFY10**

(\$ in millions)

|                                   | 3QFY01          | 3QFY02          | 3QFY03          | 3QFY04          | 3QFY05          | 3QFY06          | 3QFY07          | 3QFY08          | 3QFY09          | 3QFY10          |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Real Property Tax                 | \$ 2,558        | \$ 3,111        | \$ 3,127        | \$ 3,103        | \$ 3,590        | \$ 2,121        | \$ 2,820        | \$ 2,737        | \$ 5,153        | \$ 3,176        |
| Other Taxes                       | 4,304           | 3,814           | 3,613           | 4,550           | 5,253           | 5,896           | 7,408           | 7,331           | 6,196           | 6,258           |
| <b>Total Taxes</b>                | <b>6,862</b>    | <b>6,925</b>    | <b>6,740</b>    | <b>7,653</b>    | <b>8,843</b>    | <b>8,017</b>    | <b>10,228</b>   | <b>10,068</b>   | <b>11,349</b>   | <b>9,434</b>    |
| Federal and State Aid             | 5,374           | 3,641           | 4,195           | 5,410           | 5,745           | 6,025           | 5,894           | 6,568           | 6,315           | 5,258           |
| Debt Service Funding <sup>a</sup> | (998)           | (1,113)         | (2,315)         | (2,205)         | (951)           | (677)           | (146)           | (4)             | (31)            | 0               |
| Miscellaneous                     | 885             | 884             | 1,060           | 1,048           | 1,354           | 1,083           | 1,393           | 1,417           | 1,569           | 1,462           |
| Intergovernmental Aid             | 66              | 337             | 149             | 761             | 202             | 0               | 0               | 0               | 0               | 24              |
| Other                             | 1,932           | 2,361           | 2,819           | 2,339           | 2,011           | 1,930           | 2,662           | 2,490           | 3,290           | 2,261           |
| <b>Total</b>                      | <b>\$14,121</b> | <b>\$13,035</b> | <b>\$12,648</b> | <b>\$15,006</b> | <b>\$17,204</b> | <b>\$16,378</b> | <b>\$20,031</b> | <b>\$20,539</b> | <b>\$22,492</b> | <b>\$18,439</b> |

a. Includes Revenue Anticipation Note (RAN) funding of \$750 million in March 2001, \$471 million in March 2002, \$1.5 billion in March 2003, and \$1.250 billion in March 2004 and Tax Anticipation Note (TAN) funding of \$250 million in the 3QFY04.

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

Tax receipts totaled \$9.434 billion during the 3QFY10. This was 18 percent more than during the 3QFY06 and 17 percent less than during the 3QFY09.

Real property taxes were \$1.977 billion less in the 3QFY10 than in the 3QFY09. During the 3QFY10, real property taxes totaling \$3.176 billion accounted for 34 percent of tax receipts compared with \$5.153 billion of real property taxes which were 45 percent of total taxes during the 3QFY09. In FY09, delayed semi-annual and 3Q billing and change in the required timing of payments shifted payments from the 2Q to the 3Q. In FY10, real property tax bills were available at the end of November, increasing 2Q collections and decreasing 3Q collections.

Tax collections, excluding real property tax, after declining 1 percent in the 3QFY08 and 15 percent in the 3QFY09 increased \$62 million, or 1 percent, in the 3QFY10. Table 8 shows major tax receipts during the last ten-year, five-year, and one-year time frames. Personal income tax (PIT) collections in the 3QFY10 reflected the decrease in refunds issued by the state and general corporation tax a decrease in audit revenue.

**Table 8. Major Tax Receipts, 3QFY01, 3QFY06, 3QFY09, and 3QFY10**

(\$ in millions)

|   | 3QFY01  | 3QFY06  | 3QFY09  | 3QFY10  | % Change<br>3QFY10/<br>3QFY01 | % Change<br>3QFY10/<br>3QFY06 | % Change<br>3QFY10/<br>3QFY09 |
|---|---------|---------|---------|---------|-------------------------------|-------------------------------|-------------------------------|
| Personal Income Tax                       | \$1,738 | \$1,967 | \$2,117 | \$2,415 | 39.0%                         | 22.8%                         | 14.1%                         |
| General Corporation Tax                   | 738     | 1,009   | 1,180   | 856     | 16.0                          | (15.2)                        | (27.5)                        |
| Unincorporated Business Tax               | 222     | 338     | 611     | 483     | 117.6                         | 42.9                          | (20.9)                        |
| Banking Corporation Tax                   | 87      | 311     | 465     | 458     | 426.4                         | 47.3                          | (1.5)                         |
| Sales Tax                                 | 815     | 986     | 1,020   | 1,178   | 44.5                          | 19.5                          | 15.5                          |
| Mortgage and Real Property Transfer Taxes | 226     | 612     | 232     | 246     | 8.8                           | (59.8)                        | 6.0                           |

School Tax Relief (STAR) aid is budgeted in other taxes. The City received \$186 million in STAR aid in January 2010.

**b. Federal and State Aid**

Combined federal and state aid decreased \$1.057 billion in the 3QFY10 from the 3QFY09. Federal aid totaled \$1.864 billion and state aid totaled \$4.451 billion during the 3QFY09 and \$2.174 billion and \$3.084 billion during the 3QFY10.

Federal aid was \$310 million greater in the 3QFY10 compared with the 3QFY09. The City received the first federal stimulus funds in March 2009, when the Federal Medical Assistance Percentage (FMAP) provided \$161 million for Medicaid relief. Subsequently, instead of receiving funding, Medicaid payments have been reduced. During FY10, other

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

federal stimulus funding began. In the 3QFY10, \$470 million was paid to the City.

State aid was \$1.367 billion less in the 3QFY10 than during the 3QFY09. The 3Q of the City's FY coincides with the end of the state's FY on March 31<sup>st</sup>. This can result in large payments of NYS aid to the City, including advances of future payments. However, in FY10, the state has experienced cash flow problems resulting in delayed payments to localities.

From the 3QFY06 through the 3QFY10, the City received over \$20 billion in NYS aid. The largest component, 69 percent, was NYS education aid.

(\$ in millions)

|               | 3QFY06  | 3QFY07  | 3QFY08  | 3QFY09  | 3QFY10  | Total    |
|---------------|---------|---------|---------|---------|---------|----------|
| NYS Education | \$2,798 | \$2,988 | \$3,283 | \$3,187 | \$1,970 | \$14,226 |
| Total NYS Aid | 4,128   | 4,021   | 4,796   | 4,451   | 3,084   | 20,480   |

NYS education aid of \$3.187 billion accounted for 72 percent of NYS aid in the 3QFY09. During the 3QFY10, NYS education aid declined \$1.217 billion to \$1.970 billion, or 64 percent of NYS aid. NYS education aid in the 3QFY10 included: general aid of \$1.034 billion, video lottery terminal (VLT) aid of \$119 million, textbook aid of \$54 million, and excess cost aid of \$610 million. General aid was \$1.215 billion lower than in the 3QFY09, which included an advance from June 2009 of \$772 million.

During the 3QFY10, the City received \$89 million in higher education aid<sup>3</sup>, a decrease of \$247 million from the 3QFY09.

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

General obligation (GO) debt service is withheld from real property tax collections, and Transitional Finance Authority (TFA) debt service is withheld from PIT. Total debt withholding was \$31 million for TFA debt in the 3QFY09. There was no debt service withholding in the 3QFY10.

### **d. Miscellaneous**

Miscellaneous cash receipts were \$107 million less during the 3QFY10 than in the 3QFY09. Senior college fees and community college fees were \$54 million and \$6 million lower in the 3QFY10 compared with the 3QFY09. In the 3QFY09, the City received \$175 million in restitution from the settlement of criminal cases against Tyco of \$109 million and Lloyds Bank of \$66 million. In the 3QFY10, the loss of these one-time cash receipts was offset by the receipt of \$134 million from the Battery Park City Authority.

### **e. Other**

In January 2010, the City received \$24 million from the state for Aid and Incentives for Municipalities (AIM) that was delayed by the state from December 2009.

3. On April 1, 2010, NYS Higher Education aid of \$479 million was received.

Other receipts decreased \$1.029 billion from the 3QFY09 to the 3QFY10, largely due to lower reimbursements to the general fund for capital expenditures.

Table 9 shows the major cash sources in each month during the 3QFY10 and Table 10 shows selected cash receipts during the 3QFY06-3QFY10.

**Table 9. Major Cash Sources by Month, 3QFY10**

(\$ in millions)

| January 2010                |         | February 2010           |       | March 2010                  |         |
|-----------------------------|---------|-------------------------|-------|-----------------------------|---------|
| Real Property Tax           | \$2,188 | Personal Income Tax     | \$732 | NYS Education               | \$1,785 |
| Personal Income Tax         | 1,212   | Federal Education       | 579   | Real Property Tax           | 923     |
| Unincorporated Business Tax | 429     | Sales Tax               | 445   | General Corporation Tax     | 727     |
| Sales Tax                   | 359     | NYS Education           | 84    | Personal Income Tax         | 471     |
| NYS Welfare                 | 246     | NYS Welfare             | 81    | Federal Welfare             | 427     |
| Federal Education           | 233     | Fines and Forfeitures   | 74    | NYS Welfare                 | 418     |
| STAR                        | 186     | Water and Sewer Fees    | 67    | Sales Tax                   | 375     |
| Federal Welfare             | 164     | Real Property Tax       | 65    | Banking Corporation Tax     | 358     |
| NYS Education               | 101     | General Corporation Tax | 52    | Federal Education           | 319     |
| Fines and Forfeitures       | 82      | Banking Corporation Tax | 42    | Senior College Fees         | 241     |
| General Corporation Tax     | 77      |                         |       | Commercial Rent Tax         | 146     |
| Water and Sewer Fees        | 68      |                         |       | Battery Park City Authority | 134     |
| Banking Corporation Tax     | 59      |                         |       | NYS Health                  | 116     |
| NYS AIM                     | 24      |                         |       | Water and Sewer Fees        | 104     |
|                             |         |                         |       | Fines and Forfeitures       | 95      |
|                             |         |                         |       | NYS Higher Education        | 89      |
|                             |         |                         |       | Community College Fees      | 76      |
|                             |         |                         |       | Hotel Tax                   | 76      |
|                             |         |                         |       | Utility Tax                 | 52      |

**Table 10. Selected Cash Receipts, 3QFY06-3QFY10**

(\$ in millions)

|                             | 3QFY06  | 3QFY07  | 3QFY08  | 3QFY09  | 3QFY10  |
|-----------------------------|---------|---------|---------|---------|---------|
| Real Property Tax           | \$2,121 | \$2,820 | \$2,737 | \$5,153 | \$3,176 |
| Personal Income Tax         | 1,967   | 2,431   | 2,707   | 2,117   | 2,415   |
| NYS Education               | 2,798   | 2,988   | 3,283   | 3,187   | 1,970   |
| Sales Tax                   | 986     | 1,010   | 1,055   | 1,020   | 1,178   |
| Federal Education           | 789     | 718     | 773     | 580     | 1,131   |
| General Corporation Tax     | 1,009   | 1,383   | 1,629   | 1,180   | 856     |
| NYS Welfare                 | 756     | 586     | 650     | 697     | 745     |
| Federal Welfare             | 737     | 810     | 652     | 871     | 605     |
| Unincorporated Business Tax | 338     | 480     | 534     | 611     | 483     |
| Banking Corporation Tax     | 311     | 466     | 374     | 465     | 458     |
| Fines and Forfeitures       | 205     | 216     | 242     | 231     | 251     |
| Senior College Fees         | 27      | 173     | 107     | 295     | 242     |
| Water and Sewer Fees        | 200     | 163     | 186     | 188     | 239     |
| STAR                        | 295     | 363     | 0       | 149     | 186     |
| Commercial Rent Tax         | 120     | 111     | 132     | 159     | 154     |
| NYS Health                  | 201     | 188     | 181     | 139     | 117     |
| NYS Higher Education        | 193     | 134     | 560     | 336     | 89      |
| Community College Fees      | 2       | 56      | 33      | 85      | 78      |

## 2. July 2009-March 2010, YTFY10

Table 11 shows total cash receipts and average daily cash receipts YTFY06-YTFY10. Total cash receipts YTFY10 were \$6.625 billion, or 14 percent, more than in YTFY06 and \$2.299 billion, or 4 percent, less than YTFY09. Average daily cash receipts increased \$36 million YTFY10 compared with YTFY06 and decreased \$12 million from YTFY09.

**Table 11. Total and Average Daily Cash Receipts, YTFY06-YTFY10**

(\$ in millions)

|                  | Total Receipts  |                 |                 |                 |                 | Average Daily Receipts |              |              |              |              |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|--------------|--------------|--------------|--------------|
|                  | FY06            | FY07            | FY08            | FY09            | FY10            | FY06                   | FY07         | FY08         | FY09         | FY10         |
| 1Q               | \$16,537        | \$15,170        | \$16,821        | \$19,750        | \$17,332        | \$258                  | \$241        | \$267        | \$309        | \$271        |
| 2Q               | 15,464          | 16,545          | 18,712          | 15,061          | 19,233          | 258                    | 276          | 307          | 247          | 315          |
| 3Q               | 16,378          | 20,031          | 20,539          | 22,492          | 18,439          | 264                    | 323          | 331          | 369          | 302          |
| <b>YTD Total</b> | <b>\$48,379</b> | <b>\$51,746</b> | <b>\$56,072</b> | <b>\$57,303</b> | <b>\$55,004</b> | <b>\$260</b>           | <b>\$280</b> | <b>\$301</b> | <b>\$308</b> | <b>\$296</b> |

Table 12 shows selected cash receipts YTFY06-YTFY10. The three largest sources of YTD cash receipts for the five years were real property tax, PIT, and NYS education aid. These sources accounted for 40 percent of total YTD receipts over the five-year period.

**Table 12. Selected Cash Receipts, YTFY06-YTFY10**

(\$ in millions)

|                             | YTFY06          | YTFY07          | YTFY08          | YTFY09          | YTFY10          | Total            | % Change YTFY10/YTFY06 | 5-Year Average  | 5-Year Average as a % of Total Receipts YTFY06-YTFY10 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------------|-----------------|---|
| Real Property Tax           | \$10,699        | \$ 9,844        | \$10,715        | \$11,620        | \$11,566        | \$ 54,444        | 8.1%                   | \$10,889        | 20.3%   |
| Personal Income Tax         | 5,085           | 5,623           | 6,078           | 5,473           | 5,366           | 27,625           | 5.5                    | 5,525           | 10.3  |
| NYS Education               | 4,704           | 5,065           | 5,615           | 5,791           | 4,600           | 25,775           | (2.2)                  | 5,155           | 9.6   |
| Sales Tax                   | 3,078           | 3,173           | 3,371           | 3,376           | 3,485           | 16,483           | 13.2                   | 3,297           | 6.1   |
| General Corporation Tax     | 2,209           | 3,420           | 3,358           | 2,743           | 2,311           | 14,041           | 4.6                    | 2,808           | 5.2   |
| Federal Welfare             | 2,039           | 1,876           | 1,641           | 1,939           | 2,007           | 9,502            | (1.6)                  | 1,900           | 3.5   |
| NYS Welfare                 | 1,493           | 1,410           | 1,688           | 1,517           | 1,849           | 7,957            | 23.8                   | 1,591           | 3.0   |
| Federal Education           | 1,362           | 1,437           | 1,241           | 1,300           | 1,599           | 6,939            | 17.4                   | 1,388           | 2.6   |
| Unincorporated Business Tax | 748             | 980             | 1,131           | 1,211           | 1,034           | 5,104            | 38.2                   | 1,021           | 1.9   |
| Water and Sewer Fees        | 795             | 771             | 838             | 899             | 989             | 4,292            | 24.4                   | 858             | 1.6   |
| STAR                        | 857             | 861             | 866             | 492             | 407             | 3,483            | (52.5)                 | 697             | 1.3   |
| <b>Total YTD Receipts</b>   | <b>\$48,379</b> | <b>\$51,746</b> | <b>\$56,072</b> | <b>\$57,303</b> | <b>\$55,004</b> | <b>\$268,504</b> | <b>13.7%</b>           | <b>\$53,701</b> | <b>100.0%</b>   |

### a. Federal Stimulus Funding

YTFY10, the City received \$592 million identified as federal stimulus funding (excluding capital) as follows:

(\$ in millions)

|                       |              |
|-----------------------|--------------|
| Community Development | \$ 13        |
| Social Services       | 89           |
| Education             | 413          |
| Other                 | 77           |
| <b>Total</b>          | <b>\$592</b> |

**b. Net Cash Receipts**

Table 13 shows the decrease in net cash receipts in YTD FY10 compared with YTD FY09.

**Table 13. Cash Receipts, Net of Reimbursements for Capital Expenditures, YTD FY09 and YTD FY10**

(\$ in millions)

|                  | FY09            | FY10            | Diff.<br>FY10/<br>FY09 |
|------------------|-----------------|-----------------|------------------------|
| July             | \$ 7,588        | \$ 6,968        | \$ (620)               |
| August           | 2,968           | 2,899           | (69)                   |
| September        | 6,838           | 5,525           | (1,313)                |
| <b>1Q Total</b>  | <b>17,394</b>   | <b>15,392</b>   | <b>(2,002)</b>         |
| October          | 3,283           | 4,140           | 857                    |
| November         | 3,013           | 3,109           | 96                     |
| December         | 6,041           | 8,863           | 2,822                  |
| <b>2Q Total</b>  | <b>12,337</b>   | <b>16,112</b>   | <b>3,775</b>           |
| <b>1H Total</b>  | <b>29,731</b>   | <b>31,504</b>   | <b>1,773</b>           |
| January          | 8,139           | 6,209           | (1,930)                |
| February         | 3,112           | 3,009           | (103)                  |
| March            | 8,790           | 7,880           | (910)                  |
| <b>3Q Total</b>  | <b>20,041</b>   | <b>17,098</b>   | <b>(2,943)</b>         |
| <b>YTD Total</b> | <b>\$49,772</b> | <b>\$48,602</b> | <b>\$(1,170)</b>       |

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

**1. January-March 2010, 3Q FY10**

Table 14 shows total cash expenditures and average daily cash expenditures during the 3Q FY06-3Q FY10. Cash expenditures totaled \$17.343 billion and averaged \$284 million daily in the 3Q FY10. Total cash expenditures and average daily cash expenditures increased \$1.842 billion and \$34 million from the 3Q FY06 to the 3Q FY10.

**Table 14. Total and Average Daily Cash Expenditures, 3Q FY06-3Q FY10**

(\$ in millions)

|                 | Total Expenditures |                 |                 |                 |                 | Average Daily Expenditures |              |              |              |              |
|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------|----------------------------|--------------|--------------|--------------|--------------|
|                 | FY06               | FY07            | FY08            | FY09            | FY10            | FY06                       | FY07         | FY08         | FY09         | FY10         |
| January         | \$ 5,353           | \$ 5,699        | \$ 5,855        | \$ 5,473        | \$ 5,337        | \$268                      | \$271        | \$279        | \$274        | \$281        |
| February        | 5,110              | 4,778           | 5,213           | 6,195           | 5,746           | 269                        | 251          | 261          | 326          | 302          |
| March           | 5,038              | 5,476           | 6,164           | 5,882           | 6,260           | 219                        | 249          | 294          | 267          | 272          |
| <b>3Q Total</b> | <b>\$15,501</b>    | <b>\$15,953</b> | <b>\$17,232</b> | <b>\$17,550</b> | <b>\$17,343</b> | <b>\$250</b>               | <b>\$257</b> | <b>\$278</b> | <b>\$288</b> | <b>\$284</b> |

Table 15 shows monthly cash expenditures during the 3Q FY09 and the 3Q FY10 by category. Cash expenditures decreased \$207 million in the 3Q FY10 from the 3Q FY09; lower expenditures for gross payroll, medical assistance (MA), other social services, and vendor and other were offset by higher other personal services, public assistance (PA), and all other payments. Cash expenditures were \$136 million less in January 2010 than in January 2009, \$449 million less in February 2010 than in February 2009, and \$378 million more in March 2010 than in March 2009.



**Table 15. Cash Expenditures by Category, 3QFY09 and 3QFY10**

(\$ in millions)

|                         | Jan. 2009      | Feb. 2009      | Mar. 2009      | 3QFY09 Total    | Jan. 2010      | Feb. 2010      | Mar. 2010      | 3QFY10 Total    | Diff. 3Q Total FY10/09 |
|-------------------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|------------------------|
| Gross Payroll           | \$1,921        | \$1,940        | \$1,963        | \$ 5,824        | \$1,818        | \$1,935        | \$1,850        | \$ 5,603        | \$(221)                |
| Other Personal Services | 931            | 964            | 982            | 2,877           | 975            | 776            | 1,232          | 2,983           | 106                    |
| Public Assistance       | 192            | 182            | 186            | 560             | 206            | 182            | 202            | 590             | 30                     |
| Medical Assistance      | 356            | 525            | 428            | 1,309           | 290            | 305            | 442            | 1,037           | (272)                  |
| Other Social Services   | 117            | 208            | 242            | 567             | 90             | 169            | 199            | 458             | (109)                  |
| Vendor and Other        | 1,066          | 1,149          | 1,194          | 3,409           | 828            | 1,190          | 1,288          | 3,306           | (103)                  |
| All Other               | 890            | 1,227          | 887            | 3,004           | 1,130          | 1,189          | 1,047          | 3,366           | 362                    |
| <b>Total</b>            | <b>\$5,473</b> | <b>\$6,195</b> | <b>\$5,882</b> | <b>\$17,550</b> | <b>\$5,337</b> | <b>\$5,746</b> | <b>\$6,260</b> | <b>\$17,343</b> | <b>\$(207)</b>         |

**a. Personal Service Expenditures**

Personal service (PS) expenditures for gross payroll and other personal services include payroll, payroll taxes, pension costs, social security, health benefits, and supplemental welfare benefits.

As shown in Table 16, PS expenditures increased from the 3QFY01 to the 3QFY10 reflecting salary increases and changes in headcount. The 3QFY01-3QFY04 each had seven bi-weekly payrolls and the 3QFY05-3QFY10 each had six bi-weekly payrolls. Headcount increased 24,392 from the start of the 3QFY01 to the start of the 3QFY10. PS totaled \$8.586 billion in the 3QFY10, \$2.905 billion, or 51 percent, more than in the 3QFY01, \$756 million, or 10 percent, more than in the 3QFY06, and \$115 million, or 1 percent, less than in the 3QFY09.

**Table 16. PS Cash Expenditures and Headcount, 3QFY01-3QFY10**

(\$ in millions)

|                         | 3QFY01         | 3QFY02         | 3QFY03         | 3QFY04         | 3QFY05         | 3QFY06         | 3QFY07         | 3QFY08         | 3QFY09         | 3QFY10         |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Gross Payroll           | \$4,594        | \$4,918        | \$4,592        | \$4,571        | \$4,338        | \$5,404        | \$5,139        | \$5,284        | \$5,824        | \$5,603        |
| Other Personal Services | 1,087          | 1,409          | 1,547          | 1,846          | 2,061          | 2,426          | 2,319          | 2,631          | 2,877          | 2,983          |
| <b>Total PS</b>         | <b>\$5,681</b> | <b>\$6,327</b> | <b>\$6,139</b> | <b>\$6,417</b> | <b>\$6,399</b> | <b>\$7,830</b> | <b>\$7,458</b> | <b>\$7,915</b> | <b>\$8,701</b> | <b>\$8,586</b> |
| Opening Headcount       | 252,764        | 250,489        | 244,485        | 258,177        | 263,679        | 266,028        | 269,967        | 275,063        | 281,721        | 277,156        |
| # of Bi-weekly Payrolls | 7              | 7              | 7              | 7              | 6              | 6              | 6              | 6              | 6              | 6              |

Gross payroll accounted for 81 percent of total PS in the 3QFY01, 69 percent in the 3QFY06, 67 percent in the 3QFY09, and 65 percent in the 3QFY10. Gross payroll totaled \$5.603 billion in the 3QFY10, increases of 22 percent and 4 percent over the 3QFY01 and the 3QFY06 and a decrease of 4 percent from the 3QFY09. The 3QFY09 included collective bargaining increases and retroactive payments of approximately \$150 million for DC37 members, correction officers, firefighters, sanitation workers and officers, police captains, and staff analysts. Headcount was 4,565 less in the 3QFY10 than during the 3QFY09.

Other personal services have grown at a faster pace than gross payroll. Other personal services were 19 percent of total PS in the 3QFY01, 31 percent in the 3QFY06, 33 percent in the 3QFY09, and 35 percent in the 3QFY10. Other personal services were

\$2.983 billion in the 3QFY10, a gain of 174 percent, 23 percent, and 4 percent over the 3QFY01, the 3QFY06, and the 3QFY09. Payments to the pension funds were \$139 million in the 3QFY01, \$1.009 billion in the 3QFY06, \$1.527 billion in the 3QFY09, and \$1.677 billion in the 3QFY10. Social security payments were \$283 million in the 3QFY01, \$421 million in the 3QFY06, \$446 million in the 3QFY09, and \$404 million in the 3QFY10. Beginning in FY07, the Retiree Health Benefits Trust Fund (RHBTF) paid the monthly cost of health and welfare benefits for most retirees. Payments for health benefits were \$443 million in the 3QFY01, \$685 million in the 3QFY06, \$637 million in the 3QFY09, and \$668 million in the 3QFY10. Health benefits in the 3QFY09 included a \$48 million payment to the RHBTF. Another \$9 million was paid to the RHBTF for welfare fund benefits.

**b. Other-Than-Personal-Service Expenditures**

Table 17 shows other-than-personal-service (OTPS) expenditures for PA, MA, other social services, and vendor and other during the 3QFY01-3QFY10.

**Table 17. OTPS Cash Expenditures, 3QFY01-3QFY10**

(\$ in millions)

|                          | 3QFY01         | 3QFY02         | 3QFY03         | 3QFY04         | 3QFY05         | 3QFY06         | 3QFY07         | 3QFY08         | 3QFY09         | 3QFY10         |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Public Assistance        | \$598          | \$498          | \$644          | \$562          | \$632          | \$567          | \$521          | \$530          | \$560          | \$590          |
| # of Cash Recipients*    | 537,841        | 462,595        | 421,242        | 431,052        | 428,208        | 414,556        | 380,740        | 349,816        | 343,144        | 358,190        |
| Medical Assistance       | \$687          | \$786          | \$905          | \$882          | \$999          | \$1,057        | \$1,634        | \$1,672        | \$1,309        | \$1,037        |
| # of Medicaid Enrollees* | 1,588,228      | 1,661,680      | 2,118,414      | 2,366,511      | 2,526,829      | 2,632,497      | 2,566,774      | 2,565,826      | 2,622,283      | 2,818,225      |
| Other Social Services    | \$411          | \$482          | \$471          | \$502          | \$479          | \$512          | \$585          | \$619          | \$567          | \$458          |
| Vendor and Other         | \$2,180        | \$2,368        | \$2,414        | \$2,462        | \$2,776        | \$3,143        | \$3,326        | \$3,569        | \$3,409        | \$3,306        |
| <b>Total OTPS</b>        | <b>\$3,876</b> | <b>\$4,134</b> | <b>\$4,434</b> | <b>\$4,408</b> | <b>\$4,886</b> | <b>\$5,279</b> | <b>\$6,066</b> | <b>\$6,390</b> | <b>\$5,845</b> | <b>\$5,391</b> |

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

Total OTPS increased 39 percent from \$3.876 billion in the 3QFY01 to \$5.391 billion in the 3QFY10. In the ten-year time frame, PA declined \$8 million, or 1 percent, reflecting a lower number of recipients; MA increased \$350 million, or 51 percent, when the number of MA enrollees increased by over 1.2 million<sup>4</sup>; other social service payments grew \$47 million, or 11 percent, and vendor and other increased \$1.126 billion, or 52 percent.

From the 3QFY06 to the 3QFY10, total OTPS expenditures rose \$112 million, or 2 percent. In the five-year period, PA increased \$23 million, or 4 percent, MA decreased \$20 million, or 2 percent, other social services decreased \$54 million, or 11 percent, and vendor and other rose \$163 million, or 5 percent.

4. MA included \$590 million in intergovernmental transfers (IGTs) to the state for Health and Hospitals Corporation (HHC) enhanced Medicaid in the 3QFY07, \$544 million in the 3QFY08, \$165 million in the 3QFY09, and \$125 million in the 3QFY10. IGTs allow the HHC to receive matching federal funds under an enhancement to Medicaid paid to hospitals serving a large uninsured population.

During the 3QFY10, total OTPS expenditures declined \$454 million, or 8 percent, from the 3QFY09. The implementation of FMS3 moved payments from the 3QFY10 to the 2QFY10. PA was \$30 million greater, MA was \$272 million less after reduction for federal stimulus funding, other social services were \$109 million less, and vendor and other was \$103 million less than in the 3QFY09.

**c. All Other**

All other expenditures include capital expenditures and tax refunds. Tax refunds totaling \$594 million increased \$84 million in the 3QFY10 over the 3QFY09. (The 3QFY09 included \$35 million for the payment of the \$400 real property tax rebate.)

**2. July 2009-March 2010, YTD FY10**

Table 18 shows total daily cash expenditures and average daily cash expenditures YTD FY06-YTD FY10. Total cash expenditures of \$54.655 billion YTD FY10 were \$8.068 billion, or 17 percent, more than YTD FY06 and \$126 million, or less than 1 percent, more than YTD FY09. Average daily cash receipts increased \$44 million in YTD FY10 compared with YTD FY06 and \$1 million over YTD FY09.

**Table 18. Total and Average Daily Cash Expenditures, YTD FY06-YTD FY10**

(\$ in millions)

|                  | Total Expenditures |                 |                 |                 |                 | Average Daily Expenditures |              |              |              |              |
|------------------|--------------------|-----------------|-----------------|-----------------|-----------------|----------------------------|--------------|--------------|--------------|--------------|
|                  | FY06               | FY07            | FY08            | FY09            | FY10            | FY06                       | FY07         | FY08         | FY09         | FY10         |
| 1Q               | \$16,071           | \$15,392        | \$15,608        | \$18,368        | \$18,575        | \$251                      | \$244        | \$248        | \$287        | \$290        |
| 2Q               | 15,015             | 15,853          | 17,648          | 18,611          | 18,737          | 250                        | 264          | 289          | 305          | 307          |
| 3Q               | 15,501             | 15,953          | 17,232          | 17,550          | 17,343          | 250                        | 257          | 278          | 288          | 284          |
| <b>YTD Total</b> | <b>\$46,587</b>    | <b>\$47,198</b> | <b>\$50,488</b> | <b>\$54,529</b> | <b>\$54,655</b> | <b>\$250</b>               | <b>\$255</b> | <b>\$271</b> | <b>\$293</b> | <b>\$294</b> |

Table 19 and Chart 3 show the averages of daily expenditures as a percent of daily cash balances YTD FY01 to YTD FY10. The relationship between the City's expenditures and daily cash balances during a fiscal year improved from YTD FY01 through YTD FY06, falling by 9 percentage points. Since YTD FY06, daily expenditures as a percent of cash balances have increased to 9 percent in YTD FY10 from 4 percent and were 3 percentage points above YTD FY09.

**Table 19. Daily Expenditures as a Percent of Daily Cash Balances, YTD FY01-YTD FY10**

| Daily Expenditures as a Percent of Daily Cash Balances |          |          |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| YTD FY01   | YTD FY02 | YTD FY03 | YTD FY04 | YTD FY05 | YTD FY06 | YTD FY07 | YTD FY08 | YTD FY09 | YTD FY10 |
| 13%  | 9%       | 8%       | 7%       | 6%       | 4%       | 4%       | 5%       | 6%       | 9%       |

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

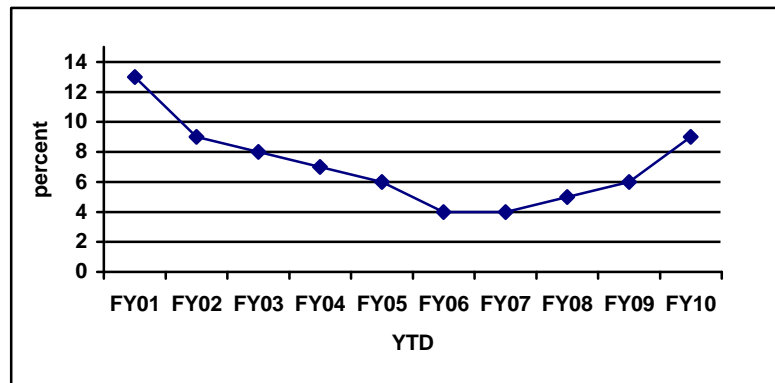


Table 20 shows PS and OTPS expenditures YTD FY06-YTD FY10. PS increased 14 percent between YTD FY06 and YTD FY10 and accounted for 49 percent of YTD total expenditures in the five-year period. OTPS increased 12 percent YTD FY10 over YTD FY06 and was 34 percent of YTD total expenditures.

**Table 20. PS and OTPS Cash Expenditures, YTD FY06-YTD FY10**

(\$ in millions)

|                             | YTD FY06 | YTD FY07 | YTD FY08 | YTD FY09 | YTD FY10 | Total     |
|-----------------------------|----------|----------|----------|----------|----------|-----------|
| PS                          | \$23,439 | \$22,672 | \$24,206 | \$26,664 | \$26,745 | \$123,726 |
| % of Total YTD Expenditures | 50.3%    | 48.0%    | 47.9%    | 48.9%    | 48.9%    | 48.8%     |
| OTPS                        | \$15,823 | \$16,982 | \$17,738 | \$17,866 | \$17,649 | \$86,058  |
| % of Total YTD Expenditures | 34.0%    | 36.0%    | 35.1%    | 32.8%    | 32.3%    | 34.0%     |
| YTD Total Expenditures      | \$46,587 | \$47,198 | \$50,488 | \$54,529 | \$54,655 | \$253,457 |

**a. Federal Stimulus Expenditures**

YTD FY10, \$756 million in cash expenditures have been identified as eligible for federal stimulus funding as follows: payments for PS totaled \$489 million, OTPS \$229 million, and capital \$38 million.

**b. Net Cash Expenditures**

Table 21 shows the change in net cash expenditures between YTD FY09 and YTD FY10.

**Table 21. Cash Expenditures, Net of Capital Expenditures, YTD FY09 and YTD FY10**

(\$ in millions)

|                  | FY09            | FY10            | Diff. FY10/FY09 |
|------------------|-----------------|-----------------|-----------------|
| July             | \$ 5,587        | \$ 5,602        | \$ 15           |
| August           | 5,531           | 5,371           | (160)           |
| September        | 4,942           | 5,074           | 132             |
| <b>1Q Total</b>  | <b>16,060</b>   | <b>16,047</b>   | <b>(13)</b>     |
| October          | 5,659           | 5,516           | (143)           |
| November         | 5,005           | 5,264           | 259             |
| December         | 5,489           | 5,257           | (232)           |
| <b>2Q Total</b>  | <b>16,153</b>   | <b>16,037</b>   | <b>(116)</b>    |
| <b>1H Total</b>  | <b>32,213</b>   | <b>32,084</b>   | <b>(129)</b>    |
| January          | 4,953           | 4,538           | (415)           |
| February         | 5,322           | 4,931           | (391)           |
| March            | 5,333           | 5,614           | 281             |
| <b>3Q Total</b>  | <b>15,608</b>   | <b>15,083</b>   | <b>(525)</b>    |
| <b>YTD Total</b> | <b>\$47,821</b> | <b>\$47,167</b> | <b>\$(654)</b>  |

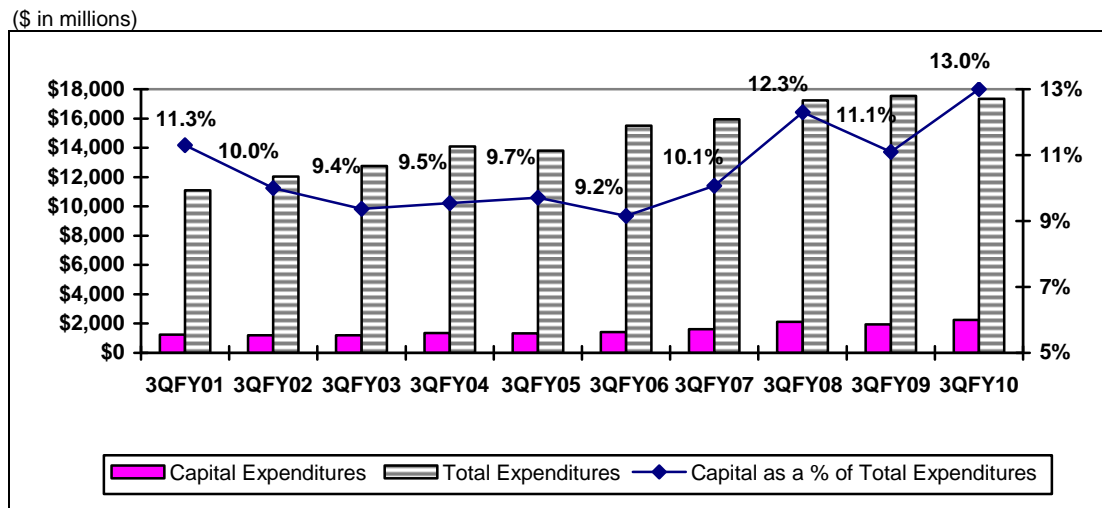
## II. Capital Expenditures

### A. CAPITAL

#### 1. January-March 2010, 3QFY10

Chart 4 and Table 22 show capital expenditures as a percent of total expenditures during the 3QFY01-3QFY10. Total capital expenditures, inclusive of City-funded capital expenditures, as a percent of total expenditures reached 13 percent in the 3QFY10, the highest level in the ten-year period. City-funded capital expenditures were 12.2 percent of total expenditures during the 3QFY10.

**Chart 4. Total Capital Expenditures as a Percent of Total Expenditures, 3QFY01-3QFY10**



**Table 22. Capital Expenditures as a Percent of Total Expenditures, 3QFY01-3QFY10**

(\$ in millions)

|   | 3QFY01   | 3QFY02   | 3QFY03   | 3QFY04   | 3QFY05   | 3QFY06   | 3QFY07   | 3QFY08   | 3QFY09   | 3QFY10   |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 3Q City-funded Capital Expenditures                                 | \$1,102  | \$1,110  | \$1,095  | \$1,238  | \$1,255  | \$1,314  | \$1,130  | \$1,240  | \$1,427  | \$2,108  |
| 3Q City-funded Capital Expenditures as a % of 3Q Total Expenditures | 9.9%     | 9.2%     | 8.6%     | 8.8%     | 9.1%     | 8.5%     | 7.1%     | 7.2%     | 8.1%     | 12.2%    |
| 3Q Total Capital Expenditures                                       | \$1,251  | \$1,205  | \$1,196  | \$1,345  | \$1,341  | \$1,420  | \$1,606  | \$2,114  | \$1,942  | \$2,260  |
| 3Q Total Capital Expenditures as a % of 3Q Total Expenditures       | 11.3%    | 10.0%    | 9.4%     | 9.5%     | 9.7%     | 9.2%     | 10.1%    | 12.3%    | 11.1%    | 13.0%    |
| 3Q Total Expenditures   | \$11,096 | \$12,037 | \$12,766 | \$14,092 | \$13,813 | \$15,501 | \$15,953 | \$17,232 | \$17,550 | \$17,343 |

Tables 23 and 24 show total and City-funded capital expenditures and average daily total and City-funded capital expenditures during the 3QFY06-3QFY10. Total capital expenditures increased \$840 million and the City-funded portion increased \$794 million from the 3QFY06 to the 3QFY10.<sup>5</sup>

**Table 23. Total Capital Expenditures and Average Daily Total Capital Expenditures, 3QFY06-3QFY10**

(\$ in millions)

|                 | Total Capital Expenditures |                |                |                |                | Average Daily Total Capital Expenditures |             |             |             |             |
|-----------------|----------------------------|----------------|----------------|----------------|----------------|--|-------------|-------------|-------------|-------------|
|                 | FY06                       | FY07           | FY08           | FY09           | FY10           | FY06                                     | FY07        | FY08        | FY09        | FY10        |
| January         | \$ 350                     | \$ 865         | \$ 827         | \$ 520         | \$ 799         | \$18                                     | \$41        | \$39        | \$26        | \$42        |
| February        | 756                        | 371            | 507            | 873            | 815            | 40                                       | 20          | 25          | 46          | 43          |
| March           | 314                        | 370            | 780            | 549            | 646            | 14                                       | 17          | 37          | 25          | 28          |
| <b>3Q Total</b> | <b>\$1,420</b>             | <b>\$1,606</b> | <b>\$2,114</b> | <b>\$1,942</b> | <b>\$2,260</b> | <b>\$23</b>                              | <b>\$26</b> | <b>\$34</b> | <b>\$32</b> | <b>\$37</b> |

**Table 24. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, 3QFY06-3QFY10**

(\$ in millions)

|                 | City-funded Capital Expenditures |                |                |                |                | Average Daily City-funded Capital Expenditures |             |             |             |             |
|-----------------|----------------------------------|----------------|----------------|----------------|----------------|--|-------------|-------------|-------------|-------------|
|                 | FY06                             | FY07           | FY08           | FY09           | FY10           | FY06   | FY07        | FY08        | FY09        | FY10        |
| January         | \$ 306                           | \$464          | \$ 393         | \$ 477         | \$ 794         | \$15   | \$22        | \$19        | \$24        | \$42        |
| February        | 726                              | 325            | 475            | 440            | 721            | 38   | 17          | 24          | 23          | 38          |
| March           | 282                              | 341            | 372            | 510            | 593            | 12   | 16          | 18          | 23          | 26          |
| <b>3Q Total</b> | <b>\$1,314</b>                   | <b>\$1,130</b> | <b>\$1,240</b> | <b>\$1,427</b> | <b>\$2,108</b> | <b>\$21</b>                                    | <b>\$18</b> | <b>\$20</b> | <b>\$23</b> | <b>\$35</b> |

**a. Third Quarter Payments to the School Construction Authority**

Table 25 shows payments by the City to the School Construction Authority (SCA) for capital education expenditures in the 3QFY01-3QFY10. Payments to the SCA accounted for 28 percent of total 3Q capital expenditures in this ten-year time frame, 30 percent of total 3Q capital expenditures in the last five years, and 35 percent during the 3QFY10.

**Table 25. Payments to the SCA, 3QFY01-3QFY10**

(\$ in millions)

|  | 3QFY01       | 3QFY02       | 3QFY03       | 3QFY04       | 3QFY05       | 3QFY06       | 3QFY07       | 3QFY08       | 3QFY09       | 3QFY10       | Total<br>3QFY01-<br>3QFY10 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------------------|
| City-funded  | \$350        | \$300        | \$300        | \$300        | \$300        | \$400        | \$ 37        | \$ 17        | \$ 11        | \$742        | \$2,757                    |
| TFA & DASNY  | 0            | 0            | 0            | 0            | 0            | 0            | 333          | 766          | 384          | 56           | 1,539                      |
| Other  | 50           | 0            | 0            | 0            | 0            | 0            | 30           | 17           | 5            | 2            | 104                        |
| <b>Total</b>   | <b>\$400</b> | <b>\$300</b> | <b>\$300</b> | <b>\$300</b> | <b>\$300</b> | <b>\$400</b> | <b>\$400</b> | <b>\$800</b> | <b>\$400</b> | <b>\$800</b> | <b>\$4,400</b>             |
| SCA as a %<br>of Total 3Q<br>Capital<br>Expenditures | 32.0%        | 24.9%        | 25.1%        | 22.3%        | 22.4%        | 28.2%        | 24.9%        | 37.8%        | 20.6%        | 35.4%        | 28.1%                      |

5. In FY07, expenditures in the City's Five-Year Educational Facilities Capital Plan were reclassified from City to non City-funded expenditures.

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

City-funded capital expenditures are financed primarily from the proceeds of GO, New York City Municipal Water Finance Authority (NY Water), and TFA debt. From FY07 to FY09, capital expenditures for the Five-Year Educational Facilities Capital Plan were financed primarily by TFA Building Aid bonds and Expanding Our Children's Education and Learning (EXCEL) capital grant funds from the Dormitory Authority of the State of New York (DASNY). All capital expenditures are initially paid from the Central Treasury. Table 26 shows reimbursements of \$1.341 billion to the Central Treasury during the 3QFY10.

**Table 26. Reimbursements to the New York City Central Treasury for Capital Expenditures, 3QFY10**

(\$ in millions)

|                  | Jan. 2010    | Feb. 2010    | Mar. 2010    | Total 3QFY10   |
|------------------|--------------|--------------|--------------|----------------|
| GO               | \$214        | \$ 91        | \$ 19        | \$ 324         |
| NY Water         | 0            | 377          | 246          | 623            |
| TFA              | 0            | 100          | 294          | 394            |
| Sub-total        | 214          | 568          | 559          | 1,341          |
| TFA Building Aid | 0            | 0            | 0            | 0              |
| DASNY            | 0            | 0            | 0            | 0              |
| Sub-total        | 0            | 0            | 0            | 0              |
| <b>Total</b>     | <b>\$214</b> | <b>\$568</b> | <b>\$559</b> | <b>\$1,341</b> |

Table 27 shows reimbursements to the Central Treasury during the 3QFY01-3QFY10. During the 3QFY10, reimbursements were \$823 million less than reimbursable capital expenditures and accounted for 7 percent of total receipts.

**Table 27. Reimbursements to the New York City Central Treasury for Capital Expenditures, 3QFY01-3QFY10**

(\$ in millions)

|  | 3QFY01         | 3QFY02         | 3QFY03         | 3QFY04         | 3QFY05         | 3QFY06       | 3QFY07         | 3QFY08         | 3QFY09         | 3QFY10         | Total           |
|--|----------------|----------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|----------------|-----------------|
| GO   | \$ 522         | \$ 620         | \$1,004        | \$1,083        | \$ 858         | \$548        | \$ 279         | \$ 753         | \$ 969         | \$ 324         | \$ 6,960        |
| NY Water   | 257            | 217            | 314            | 273            | 302            | 403          | 218            | 538            | 647            | 623            | 3,792           |
| TFA  | 656            | 934            | 619            | 0              | 0              | 0            | 479            | 30             | 7              | 394            | 3,119           |
| Sub-total  | 1,435          | 1,771          | 1,937          | 1,356          | 1,160          | 951          | 976            | 1,321          | 1,623          | 1,341          | 13,871          |
| TFA Building Aid   | 0              | 0              | 0              | 0              | 0              | 0            | 233            | 89             | 828            | 0              | 1,150           |
| DASNY  | 0              | 0              | 0              | 0              | 0              | 0            | 84             | 145            | 0              | 0              | 229             |
| Sub-total  | 0              | 0              | 0              | 0              | 0              | 0            | 317            | 234            | 828            | 0              | 1,379           |
| Other  | 13             | 3              | 15             | 12             | 23             | 2            | 0              | 0              | 0              | 0              | 68              |
| <b>Total</b>   | <b>\$1,448</b> | <b>\$1,774</b> | <b>\$1,952</b> | <b>\$1,368</b> | <b>\$1,183</b> | <b>\$953</b> | <b>\$1,293</b> | <b>\$1,555</b> | <b>\$2,451</b> | <b>\$1,341</b> | <b>\$15,318</b> |
| 3Q Reimbursable Capital Expenditures                             | \$1,102        | \$1,110        | \$1,095        | \$1,238        | \$1,255        | \$1,314      | \$1,463        | \$2,006        | \$1,811        | \$2,164        | \$14,558        |
| 3Q Reimbursements Less 3Q Reimbursable Capital Expenditures      | \$346          | \$664          | \$857          | \$130          | \$(72)         | \$(361)      | \$(170)        | \$(451)        | \$640          | \$(823)        | \$760           |
| 3Q Reimbursements as a % of 3Q Reimbursable Capital Expenditures | 131.4%         | 159.8%         | 178.3%         | 110.5%         | 94.3%          | 72.5%        | 88.4%          | 77.5%          | 135.3%         | 62.0%          | 105.2%          |
| 3Q Reimbursements as a % of Total 3Q Receipts                    | 10.3%          | 13.6%          | 15.4%          | 9.1%           | 6.9%           | 5.8%         | 6.5%           | 7.6%           | 10.9%          | 7.3%           | 9.0%            |

Table 28 shows the percent of reimbursements by debt category. In the ten-year time frame, GO debt provided 45 percent of the reimbursements, NY Water proceeds 25 percent, TFA debt 20 percent, and TFA Building Aid and DASNY funding 9 percent. In the last five years, GO debt provided 38 percent of the reimbursements, NY Water proceeds 32 percent, TFA debt 12 percent, and TFA Building Aid and DASNY funding 18 percent. During the 3QFY10, GO debt provided 24 percent of the reimbursements, NY Water proceeds provided 47 percent, and TFA debt 29 percent.

**Table 28. Percent of Reimbursements by Debt Category, 3QFY01-3QFY10, 3QFY06-3QFY10, and 3QFY10**

(percent)

|                            | 3QFY01-3QFY10 | 3QFY06-3QFY10 | 3QFY10        |
|----------------------------|---------------|---------------|---------------|
| GO                         | 45.4%         | 37.8%         | 24.2%         |
| NY Water                   | 24.8          | 32.0          | 46.4          |
| TFA                        | 20.4          | 12.0          | 29.4          |
| TFA Building Aid and DASNY | 9.0           | 18.2          | 0.0           |
| Other                      | 0.4           | 0.0           | 0.0           |
| <b>Total</b>               | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

## **2. July 2009-March 2010, YTFY10**

Table 29 shows total capital expenditures increased \$780 million YTFY10 compared with YTFY09 and the City-funded portion of capital expenditures was \$2.423 billion greater. The increase in City-funded capital expenditures was mainly due to the classification of payments to the SCA. YTFY09, 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. YTFY10, 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, YTFY09 and YTFY10**

(\$ in millions)

|                  | FY09           |                     | FY10           |                     | Diff. FY10/FY09 |                     |
|------------------|----------------|---------------------|----------------|---------------------|-----------------|---------------------|
|                  | Total Capital  | City-funded Capital | Total Capital  | City-funded Capital | Total Capital   | City-funded Capital |
| July             | \$ 935         | \$ 480              | \$ 921         | \$ 699              | \$(14)          | \$ 219              |
| August           | 506            | 479                 | 600            | 549                 | 94              | 70                  |
| September        | 867            | 453                 | 1,007          | 964                 | 140             | 511                 |
| <b>1Q Total</b>  | <b>2,308</b>   | <b>1,412</b>        | <b>2,528</b>   | <b>2,212</b>        | <b>220</b>      | <b>800</b>          |
| October          | 534            | 494                 | 923            | 860                 | 389             | 366                 |
| November         | 856            | 449                 | 788            | 730                 | (68)            | 281                 |
| December         | 1,068          | 604                 | 989            | 899                 | (79)            | 295                 |
| <b>2Q Total</b>  | <b>2,458</b>   | <b>1,547</b>        | <b>2,700</b>   | <b>2,489</b>        | <b>242</b>      | <b>942</b>          |
| <b>1H Total</b>  | <b>4,766</b>   | <b>2,959</b>        | <b>5,228</b>   | <b>4,701</b>        | <b>462</b>      | <b>1,742</b>        |
| January          | 520            | 477                 | 799            | 794                 | 279             | 317                 |
| February         | 873            | 440                 | 815            | 721                 | (58)            | 281                 |
| March            | 549            | 510                 | 646            | 593                 | 97              | 83                  |
| <b>3Q Total</b>  | <b>1,942</b>   | <b>1,427</b>        | <b>2,260</b>   | <b>2,108</b>        | <b>318</b>      | <b>681</b>          |
| <b>YTD Total</b> | <b>\$6,708</b> | <b>\$4,386</b>      | <b>\$7,488</b> | <b>\$6,809</b>      | <b>\$780</b>    | <b>\$2,423</b>      |



Tables 30 and 31 show total and City-funded capital expenditures and average daily total and City-funded capital expenditures YTD FY06-YTD FY10. Total capital expenditures grew 64 percent and City-funded capital expenditures increased 62 percent from YTD FY06 through YTD FY10. Average daily capital expenditures were \$16 million more YTD FY10 than in YTD FY01 and average daily City-funded capital expenditures were \$14 million more.

**Table 30. Total Capital Expenditures and Average Daily Total Capital Expenditures, YTD FY06-YTD FY10**

(\$ in millions)

|                  | Total Capital Expenditures |                |                |                |                | Average Daily Total Capital Expenditures |             |             |             |             |
|------------------|----------------------------|----------------|----------------|----------------|----------------|--|-------------|-------------|-------------|-------------|
|                  | FY06                       | FY07           | FY08           | FY09           | FY10           | FY06                                     | FY07        | FY08        | FY09        | FY10        |
| 1Q               | \$1,730                    | \$1,499        | \$1,562        | \$2,308        | \$2,528        | \$27                                     | \$24        | \$25        | \$36        | \$40        |
| 2Q               | 1,402                      | 1,634          | 2,057          | 2,458          | 2,700          | 23                                       | 27          | 34          | 40          | 44          |
| 3Q               | 1,420                      | 1,606          | 2,114          | 1,942          | 2,260          | 23                                       | 26          | 34          | 33          | 37          |
| <b>YTD Total</b> | <b>\$4,552</b>             | <b>\$4,739</b> | <b>\$5,733</b> | <b>\$6,708</b> | <b>\$7,488</b> | <b>\$24</b>                              | <b>\$26</b> | <b>\$31</b> | <b>\$36</b> | <b>\$40</b> |

**Table 31. City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, YTD FY06-YTD FY10**

(\$ in millions)

|                  | City-funded Capital Expenditures |                |                |                |                | Average Daily City-funded Capital Expenditures |             |             |             |             |
|------------------|----------------------------------|----------------|----------------|----------------|----------------|--|-------------|-------------|-------------|-------------|
|                  | FY06                             | FY07           | FY08           | FY09           | FY10           | FY06   | FY07        | FY08        | FY09        | FY10        |
| 1Q               | \$1,612                          | \$ 973         | \$1,107        | \$1,412        | \$2,212        | \$25   | \$15        | \$18        | \$22        | \$35        |
| 2Q               | 1,284                            | 1,124          | 1,205          | 1,547          | 2,489          | 21   | 19          | 20          | 25          | 41          |
| 3Q               | 1,314                            | 1,130          | 1,240          | 1,427          | 2,108          | 21   | 18          | 20          | 23          | 35          |
| <b>YTD Total</b> | <b>\$4,210</b>                   | <b>\$3,227</b> | <b>\$3,552</b> | <b>\$4,386</b> | <b>\$6,809</b> | <b>\$23</b>                                    | <b>\$17</b> | <b>\$19</b> | <b>\$24</b> | <b>\$37</b> |

**a. Year-to-Date Payments to the SCA**

Table 32 shows payments of \$14 billion to the SCA YTD FY01-YTD FY10. Payments to the SCA of \$2.250 billion YTD FY10 were 30 percent of total YTD FY10 capital expenditures.

**Table 32. Payments to the SCA, YTD FY01-YTD FY10**

(\$ in millions)

| YTD  | FY01           | FY02           | FY03           | FY04         | FY05         | FY06           | FY07           | FY08           | FY09           | FY10           | Total           |
|--|----------------|----------------|----------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| City-funded                                      | \$ 886         | \$1,200        | \$1,125        | \$849        | \$896        | \$1,396        | \$ 67          | \$ 73          | \$ 70          | \$2,010        | \$ 8,572        |
| TFA & DASNY                                      | 0              | 0              | 0              | 0            | 0            | 0              | 1,103          | 1,907          | 1,891          | 227            | 5,128           |
| Other  | 199            | 0              | 0              | 51           | 4            | 4              | 30             | 20             | 39             | 13             | 360             |
| <b>Total</b>                                     | <b>\$1,085</b> | <b>\$1,200</b> | <b>\$1,125</b> | <b>\$900</b> | <b>\$900</b> | <b>\$1,400</b> | <b>\$1,200</b> | <b>\$2,000</b> | <b>\$2,000</b> | <b>\$2,250</b> | <b>\$14,060</b> |
| YTD SCA as a % of YTD Total Capital Expenditures | 29.8%          | 30.8%          | 27.4%          | 23.0%        | 21.2%        | 30.8%          | 25.3%          | 34.9%          | 29.8%          | 30.0%          | 28.7%           |

**b. Year-to-Date Reimbursements for Capital Expenditures to the New York City Central Treasury**

Tables 33 and 34 and Chart 5 show reimbursements to the Central Treasury for capital expenditures YTD FY01-YTD FY10.

Reimbursements reached a high of \$7.529 billion YTD FY09 and totaled \$6.402 billion YTD FY10. From YTD FY01 to YTD FY10, reimbursements totaled \$45 billion of which GO debt provided 45 percent, NY Water proceeds 26 percent, TFA debt 19 percent, and TFA Building Aid and DASNY funding 9 percent. In the last five years, GO debt provided 42 percent of the reimbursements, NY Water proceeds 28 percent, TFA debt 14 percent, and TFA Building Aid and DASNY funding 16 percent. YTD FY10, GO debt provided 35 percent of the reimbursements, NY Water proceeds 32 percent, TFA debt 30 percent, and TFA Building Aid and DASNY funding 3 percent.

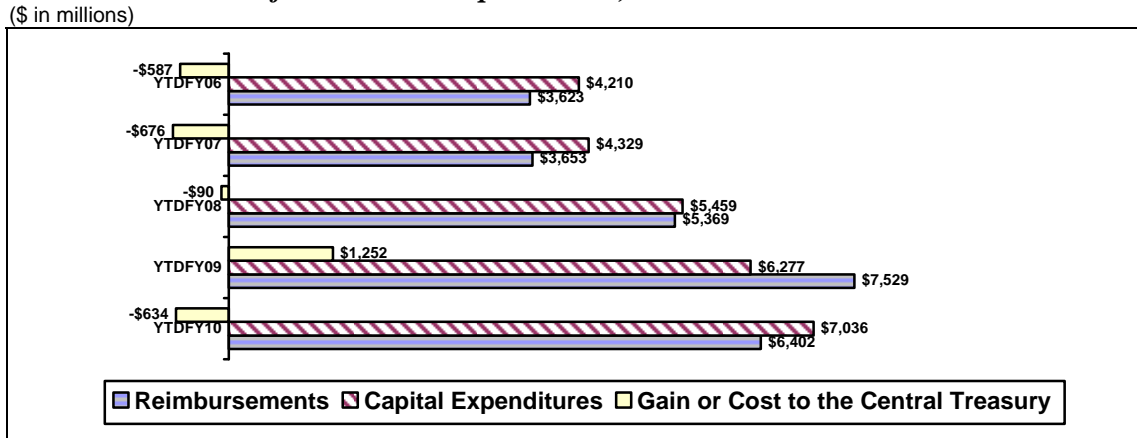
YTD FY10, reimbursements were \$634 million less than reimbursable expenditures and 12 percent of total YTD receipts.

**Table 33. Reimbursements to the New York City Central Treasury for Capital Expenditures, YTD FY01-YTD FY10**

(\$ in millions)

| <b>YTD</b>   | <b>FY01</b>    | <b>FY02</b>    | <b>FY03</b>    | <b>FY04</b>    | <b>FY05</b>    | <b>FY06</b>    | <b>FY07</b>    | <b>FY08</b>    | <b>FY09</b>    | <b>FY10</b>    | <b>Total</b>    |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| GO   | \$1,263        | \$1,677        | \$1,231        | \$2,335        | \$2,667        | \$2,614        | \$ 671         | \$2,179        | \$3,510        | \$2,257        | \$20,404        |
| NY Water   | 677            | 658            | 817            | 862            | 1,100          | 1,007          | 911            | 1,460          | 1,990          | 2,019          | 11,501          |
| TFA  | 1,247          | 1,947          | 1,135          | 281            | 0              | 0              | 1,240          | 524            | 14             | 1,938          | 8,326           |
| Other  | 48             | 75             | 317            | 44             | 54             | 2              | 0              | 0              | 0              | 0              | 540             |
| <i>Sub-total</i>   | <i>3,235</i>   | <i>4,357</i>   | <i>3,500</i>   | <i>3,522</i>   | <i>3,821</i>   | <i>3,623</i>   | <i>2,822</i>   | <i>4,163</i>   | <i>5,514</i>   | <i>6,214</i>   | <i>40,771</i>   |
| TFA Building Aid   | 0              | 0              | 0              | 0              | 0              | 0              | 534            | 740            | 1,648          | 182            | 3,104           |
| DASNY  | 0              | 0              | 0              | 0              | 0              | 0              | 297            | 466            | 367            | 6              | 1,136           |
| <i>Sub-total</i>   | <i>0</i>       | <i>0</i>       | <i>0</i>       | <i>0</i>       | <i>0</i>       | <i>0</i>       | <i>831</i>     | <i>1,206</i>   | <i>2,015</i>   | <i>188</i>     | <i>4,240</i>    |
| <b>Total</b>   | <b>\$3,235</b> | <b>\$4,357</b> | <b>\$3,500</b> | <b>\$3,522</b> | <b>\$3,821</b> | <b>\$3,623</b> | <b>\$3,653</b> | <b>\$5,369</b> | <b>\$7,529</b> | <b>\$6,402</b> | <b>\$45,011</b> |
| YTD Reimbursable Capital Expenditures                              | \$3,136        | \$3,654        | \$3,816        | \$3,564        | \$3,925        | \$4,210        | \$4,329        | \$5,459        | \$6,277        | \$7,036        | \$45,406        |
| YTD Reimbursements Less YTD Reimbursable Capital Expenditures      | \$99           | \$703          | \$(316)        | \$(42)         | \$(104)        | \$(587)        | \$(676)        | \$(90)         | \$1,252        | \$(634)        | \$(395)         |
| YTD Reimbursements as a % of YTD Reimbursable Capital Expenditures | 103.2%         | 119.2%         | 91.7%          | 98.8%          | 97.4%          | 86.1%          | 84.4%          | 98.4%          | 119.9%         | 91.0%          | 99.1%           |
| YTD Reimbursements as a % of YTD Total Receipts                    | 8.6%           | 11.9%          | 9.0%           | 8.2%           | 8.1%           | 7.5%           | 7.1%           | 9.6%           | 13.1%          | 11.6%          | 9.5%            |

**Chart 5. Reimbursements for City-funded Capital Expenditures and TFA Building Aid & DASNY funded SCA Expenditures, YTD FY06-YTD FY10**



**Table 34. Percent of Reimbursements by Debt Category, YTD FY01-YTD FY10, YTD FY06-YTD FY10, and YTD FY10**

(percent)

|                            | YTD FY01-YTD FY10 | YTD FY06-YTD FY10 | YTD FY10      |
|----------------------------|-------------------|-------------------|---------------|
| GO                         | 45.3%             | 42.2%             | 35.3%         |
| NY Water                   | 25.6              | 27.8              | 31.5          |
| TFA                        | 18.5              | 14.0              | 30.3          |
| TFA Building Aid and DASNY | 9.4               | 16.0              | 2.9           |
| Other                      | 1.2               | 0.0               | 0.0           |
| <b>Total</b>               | <b>100.0%</b>     | <b>100.0%</b>     | <b>100.0%</b> |

## B. FINANCINGS

Table 35 summarizes GO and TFA debt sold YTD FY06-YTD FY10.

**Table 35. GO and TFA Issues, YTD FY06-YTD FY10**

(\$ in millions)

|                  | YTD FY06       | YTD FY07       | YTD FY08       | YTD FY09       | YTD FY10       | Total           |
|------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| GO               | \$3,257        | \$1,948        | \$4,625        | \$4,235        | \$4,518        | \$18,583        |
| TFA              | 597            | 2,300          | 0              | 0              | 3,956          | 6,853           |
| TFA Building Aid | 0              | 1,300          | 0              | 1,670          | 0              | 2,970           |
| <b>Total</b>     | <b>\$3,854</b> | <b>\$5,548</b> | <b>\$4,625</b> | <b>\$5,905</b> | <b>\$8,474</b> | <b>\$28,406</b> |

### a. GO

Table 36 shows GO debt issuances YTD FY09 of \$4.235 billion and YTD FY10 of \$4.518 billion. The \$900 million of GO debt sold in the 3QFY10 to fund the City's capital program consisted of \$31 million of tax-exempt fixed rate, \$150 million of tax-exempt adjustable rate, \$75 million of taxable fixed rate, and \$644 million of taxable fixed rate Build America Bonds.

**Table 36. GO Bond Issues, YTFY09 and YTFY10**

(\$ in millions)

| Month<br>Sale<br>Closed | YTFY09         |              |                | YTFY10         |                |                |
|-------------------------|----------------|--------------|----------------|----------------|----------------|----------------|
|                         | Tax-<br>Exempt | Taxable      | Total          | Tax-<br>Exempt | Taxable        | Total          |
| July                    | \$ 75          | \$ 0         | \$ 75          | \$ 0           | \$ 0           | \$ 0           |
| August                  | 833            | 165          | 998            | 0              | 0              | 0              |
| September               | 1,050          | 90           | 1,140          | 0              | 0              | 0              |
| <b>1Q Total</b>         | <b>1,958</b>   | <b>255</b>   | <b>2,213</b>   | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| October                 | 500            | 50           | 550            | 1,100          | 970            | 2,070          |
| November                | 400            | 25           | 425            | 0              | 0              | 0              |
| December                | 300            | 8            | 308            | 900            | 648            | 1,548          |
| <b>2Q Total</b>         | <b>1,200</b>   | <b>83</b>    | <b>1,283</b>   | <b>2,000</b>   | <b>1,618</b>   | <b>3,618</b>   |
| <b>1H Total</b>         | <b>3,158</b>   | <b>338</b>   | <b>3,496</b>   | <b>2,000</b>   | <b>1,618</b>   | <b>3,618</b>   |
| January                 | 19             | 0            | 19             | 0              | 0              | 0              |
| February                | 0              | 0            | 0              | 0              | 0              | 0              |
| March                   | 600            | 120          | 720            | 181            | 719            | 900            |
| <b>3Q Total</b>         | <b>619</b>     | <b>120</b>   | <b>739</b>     | <b>181</b>     | <b>719</b>     | <b>900</b>     |
| <b>YTD Total</b>        | <b>\$3,777</b> | <b>\$458</b> | <b>\$4,235</b> | <b>\$2,181</b> | <b>\$2,337</b> | <b>\$4,518</b> |

As shown in Table 37, the City will achieve \$575 million in budget savings over the life of the GO refunding bonds sold YTFY06-YTFY10.

**Table 37. Budget Savings from GO Refundings, YTFY06-YTFY10**

(\$ in millions)

|                | YTFY06 | YTFY07 | YTFY08 | YTFY09 | YTFY10 | Total  |
|----------------|--------|--------|--------|--------|--------|--------|
| Budget Savings | \$ 113 | \$ 72  | \$ 162 | \$ 19  | \$ 209 | \$ 575 |
| GO Refundings  | 1,422  | 1,128  | 2,201  | 250    | 2,000  | 7,001  |

**b. TFA**

The TFA issued no long-term revenue debt YTFY09 compared with \$3.956 billion sold YTFY10. In the 3QFY10, \$1.4 billion in TFA revenue debt was sold as follows: \$148 million of tax-exempt adjustable rate, \$130 million of taxable fixed rate, and \$622 million of taxable fixed rate Build America Bonds to fund the City's capital program and \$500 million of tax-exempt fixed rate bonds to refund outstanding debt yielding \$39 million in budget savings over the life of the bonds.