



New York City Comptroller  
John C. Liu

NEWS RELEASE

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Contact: Mike Loughran, (212) 669-3747

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**COMPTROLLER LIU ISSUES NEW YORK CITY'S  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR 2011**

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NEW YORK, NY –City Comptroller John C. Liu today released his Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2011. The report, which provides a detailed look at the City’s finances, shows that for the 31st consecutive year New York City completed its fiscal year with a General Fund surplus, as determined by Generally Accepted Accounting Principles (GAAP).

The General Fund remains a primary indicator of the financial activity and legal compliance for the City within the financial reporting model set forth by the Governmental Accounting Standards Board (GASB). The CAFR shows that the General Fund had revenues and other financial sources in Fiscal Year 2011 totaling \$65.320 billion and expenditures and other financing uses of \$65.315 billion, resulting in a surplus of \$5 million.

“The City’s economy posted growth in Fiscal Year 2011 after two consecutive years of contraction. However, although our expectations for the strength of the recovery were always modest, a lack of momentum has dimmed our outlook somewhat from a year ago,” Comptroller Liu said. “Given the numerous impediments to growth as well as lack of an economic policy consensus in Washington, a continued slow and fragile recovery has become the best case scenario.”

Among the report’s findings are updates on the operations within the Comptroller’s Office for the past fiscal year.

Some of these include:

**Bureau of Asset Management**

The Comptroller serves as the financial advisor to the five New York City Pension Funds. The Pension Funds paid benefits totaling \$11.1 billion during Fiscal Year 2011 and as of June 30, 2011 had combined total assets worth \$119.923 billion. The City’s Pension Funds produced a combined rate of return of 23.23 percent in Fiscal Year 2011, compared to 14.21 percent in Fiscal Year 2010.

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The report was released days after Comptroller Liu, labor leaders and Mayor Bloomberg announced an agreement in principle to reform aspects of the investment management structure currently in place at the City's pension funds. The proposed reforms are designed to lower pension costs, enhance returns, and streamline the investments process – which has largely remained unchanged for 70 years.

More information on the proposal can be found at <http://comptroller.nyc.gov/pirnyc/>

### **General Counsel's Office:**

The General Counsel's Office serves as the advisor to the Comptroller on all legal matters that impact the mission and operations of the Comptroller's Office, including matters involving the New York City Pension Funds and the Office of Contract Administration. In addition, the General Counsel oversees the Bureau of Labor Law, and the Bureau of Law and Adjustment.

The Office of General Counsel worked on behalf of the New York City Pension Funds to secure litigation victories in Fiscal Year 2011 including:

- \$624 million settlement with Countrywide Financial in connection with alleged securities law violations by Countrywide and its officers and directors for making false and misleading statements regarding the quality of the Countrywide loan portfolio
- \$169 million settlement on behalf of the Pension Funds with Juniper Networks, and an estimated \$20 million settlement with Apple, Inc., resolving allegations relating to stock option backdating practices

The Bureau of Labor Law enforces prevailing wage on public works and building service contracts in the City. In calendar year 2010, the Bureau of Labor Law assessed over \$5.7 million in back pay and interest on private contractors who violated the Labor Law.

The Bureau of Law and Adjustment is responsible for carrying out the Comptroller's Charter-mandated responsibility of adjusting claims for and against the City of New York. In Fiscal Year 2011, the City paid \$555.5 million in settlements and judgments (tort and non-tort), representing less than a two percent increase from the prior year.

In FY 2011, the Comptroller's Office successfully designed, developed, and implemented the *eClaim* system, allowing claimants to electronically file tort claims and attach the necessary documentation. As of June 30, 2011, more than 2150 tort claims have been filed electronically.

### **Audit Bureau**

The City Charter requires that the Comptroller's Office perform an audit on some aspect of each City agency at least once every four years. In Fiscal Year 2011 the Comptroller's Bureau of Audit issued 90 audits and special reports. Many of these audits focused on City program effectiveness and service quality, while others focused on financial issues, identifying \$40.2 million in actual and potential revenue and savings.

### **Bureau of Fiscal and Budget Studies:**

The Bureau is tasked with monitoring the City's finances, capital spending and the economy. The Bureau produced a number of reports in Fiscal Year 2011 including:

- An annual report to the City Council on the City's finances, including evaluations of the City's updated financial plan
- An annual report on the City's capital debt and obligations
- A certified statement of Debt Service to the Mayor and City Council
- A letter certifying the Adopted Budget Resolutions in collaboration with the Mayor and filed with the City Clerk

### **Bureau of Public Finance**

Throughout Fiscal Year 2011 the City continued to benefit from historically low interest rates, although midway through the year the municipal market experienced price volatility due to uncertainty over the expiration of the taxable Build America Bonds (BABs) program, budget gaps facing states and cities across the nation, and unsettling economic conditions. However, by the end of the fiscal year the market had stabilized.

In Fiscal Year 2011, the City and its blended component units issued \$9.08 billion of long-term bonds to finance the capital plan and to refinance certain outstanding bonds for interest savings. In addition, the New York Municipal Water Finance Authority issued \$4.52 billion in bonds.

As of June 30, 2011 the City's outstanding General Obligation debt totaled \$41.78 billion, consisting of \$34.82 billion of fixed rate and \$6.96 billion of variable rate bonds, respectively.

**NOTE: CAFR reports are available for pick up at the Comptroller's Press Office only. Journalists interested in obtaining a report, must contact 212-669-3747 to request a copy.**

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