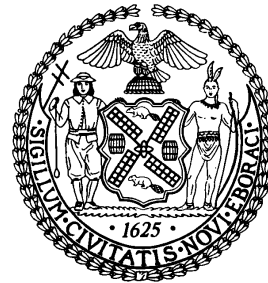


**The City Of New York  
Office of the Comptroller  
William C. Thompson, Jr.,  
Comptroller**



# QUARTERLY CASH REPORT

April-June 2008  
Fourth Quarter of FY 2008

August 2008

# Summary

## Overview

- New York City had more than sufficient cash-on-hand during the fourth quarter of FY 2008 to meet operational needs and prepay future years' expenditures. The City began the fourth quarter of FY 2008 with \$10.057 billion and made payments of \$5.069 billion more than it collected in receipts during the quarter. During the previous four years, the City expended \$848 million more than it received in the fourth quarter of FY 2004, \$1.520 billion more in the fourth quarter of FY 2005, \$2.236 billion more in the fourth quarter of FY 2006, and \$6.461 billion more in the fourth quarter of FY 2007. The closing balance for FY 2008 of \$4.988 billion was \$515 million more than the closing balance of FY 2007, primarily due to the timing in the receipt of real property taxes and expenditures in the last week of June and the first week of July. The average daily cash balance during the fourth quarter of FY 2008 declined \$315 million to \$9.440 billion from \$9.755 billion in the fourth quarter of FY 2007.
- New York City's cash position improved dramatically from FY 2004 through FY 2007. FY 2004 was the last time the City needed to issue short-term notes to ensure adequate cash for operations. In FY 2004, the lowest daily balance was \$1.748 billion and the highest was \$6.558 billion, after borrowing \$1.5 billion in notes. FY 2007 had a record high daily cash balance of over \$12 billion. During FY 2008, the lowest daily balance was \$2.068 billion and the highest was \$11.297 billion. The lowest daily cash balance during FY 2008 was the lowest level since FY 2004. Average daily cash balances increased in each fiscal year from \$3.689 billion in FY 2004 to \$7.293 billion in FY 2007 and then fell to \$6.849 billion in FY 2008. The average daily cash balance during FY 2008, although lower than in FY 2007, was 86 percent greater than the average daily cash balance in FY 2004.

## Cash Receipts

- Cash receipts totaled \$20.504 billion and averaged \$320 million daily during the fourth quarter of FY 2008. Receipts during the fourth quarter of FY 2008 were greater in April and June and for the quarter than receipts in the same time frames in FY 2007. Cash receipts in the fourth quarter of FY 2008 were \$1.467 billion and \$6.588 billion more than in the fourth quarters of FY 2007 and FY 2004, respectively. During the fourth quarter of FY 2008, collections of real property tax increased by \$347 million, other taxes by \$465 million, and miscellaneous receipts by \$81 million over the fourth quarter of FY 2007 and were partially offset by decreased federal and state aid of \$367 million and increased debt service funding of \$85 million. Reimbursements to the New York City Central Treasury for capital expenditures increased by \$958 million and were the largest portion of the increase in receipts between the fourth quarters of FY 2007 and FY 2008. Although total taxes grew in the fourth quarter of FY 2008 compared with the fourth quarter of FY 2007, lower collections of business and mortgage and real property transfer taxes reflect the slowing of the City's economy.
- Cash receipts during FY 2008 increased 8 percent from FY 2007, and 34 percent from FY 2004. Average daily receipts were \$22 million and \$79 million greater in FY 2008 than during FY 2007 and FY 2004. The three largest sources of cash receipts accounted for 40 percent of total receipts in FY 2008. These sources were real property tax collections, \$13.867 billion or 18 percent of total receipts, personal income tax receipts, \$8.836 billion or 12 percent of the total receipts, and NYS education aid, \$7.857 billion or 10 percent of the total receipts.

## **Cash Expenditures**

- Cash expenditures, including capital expenditures, totaled \$25.573 billion and averaged \$400 million daily during the fourth quarter of FY 2008. This was an increase of only \$75 million in expenditures and \$2 million more in average daily expenditures compared with the fourth quarter of FY 2007, but \$10.809 billion more in expenditures and \$169 million more in average daily expenditures than in the fourth quarter of FY 2004. Personal service expenditures decreased by \$1.072 billion in the fourth quarter of FY 2008 from the fourth quarter of FY 2007 and increased \$3.714 billion over the fourth quarter of FY 2004. Other-than-personal-service expenditures fell by \$365 million and increased \$1.136 billion in the same time frames. During the fourth quarter of FY 2008, gross payroll increased 2 percent, other personal service expenditures decreased 22 percent, public assistance increased 4 percent, medical assistance decreased 10 percent, other social services decreased 20 percent, and vendor and other payments decreased 4 percent from the fourth quarter of FY 2007. All other expenditures, including cash prepayments, capital expenditures, and tax refunds were \$1.512 billion greater in the fourth quarter of FY 2008 than in the fourth quarter of FY 2007. When there is a budget surplus, June expenditures can include cash prepayments of future years' expenditures. Cash prepayments during FY 2008 totaled \$6.611 billion, \$694 million greater than in the fourth quarter of FY 2007; capital expenditures accounted for 10.1 percent of total expenditures and were \$774 million greater than in the fourth quarter of FY 2007, and tax refunds were \$168 million greater than in the fourth quarter of FY 2007. The largest decline in expenditures was the result of a \$1.5 billion payment to the Retiree Health Benefits Trust Fund to build the Trust's assets in the fourth quarter of FY 2007. That was not repeated in FY 2008.
- Cash expenditures during FY 2008 increased 5 percent from FY 2007 and 37 percent from FY 2004. Average daily expenditures were \$12 million and \$83 million greater in FY 2008 than during FY 2007 and FY 2004, respectively. From FY 2004 to FY 2008, personal service expenditures averaged 46 percent of total expenditures and grew 35 percent and other-than-personal-service expenditures averaged 32 percent of total expenditures and grew 28 percent. The average of daily expenditures as a percent of daily cash balances during FY 2008 was the same as in FY 2007 and has decreased by 2 and 14 percentage points since FY 2004 and FY 1999.

## **Capital Expenditures and Reimbursements**

- Total capital expenditures of \$2.583 billion were \$774 million more during the fourth quarter of FY 2008 than during the fourth quarter of FY 2007, and \$1.225 billion greater than in the fourth quarter of FY 2004. The City-funded portion of capital expenditures was \$771 million and \$833 million more than during the fourth quarters of FY 2007 and FY 2004. April 2008 had the greatest amount of capital expenditures in any month of a fourth quarter during the last five years. In April 2008, the City acquired the assets of the Jay Street Development Corporation for \$499 million. Payments to the School Construction Authority totaled \$400 million during the fourth quarter of FY 2008.
- During FY 2008, total capital expenditures were \$1.768 billion greater than in FY 2007 and \$3.052 billion more than in FY 2004. In FY08, the high level of total capital expenditures was due in part to the purchase of the Jay Street Development Corporation and increased payments totaling \$2.4 billion to the School Construction Authority. In the last ten years, capital expenditures as a percent of total expenditures ranged from 7.7 percent in FY 2000 to a high of 10.9 percent in FY 2008, and averaged 9.6 percent from FY 1999 through FY 2008.

- 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 water and sewer debt and Expanding our Children's Education and Learning capital grants from the Dormitory Authority of the State of New York. Reimbursements were \$2.834 billion, including the reimbursement for the purchase of the Jay Street Development Corporation, during the fourth quarter of FY 2008. Reimbursements during FY 2008 were \$8.203 billion, \$327 million more than reimbursable expenditures. From FY 2004 through FY 2008, general obligation debt financed 51 percent, Transitional Finance Authority debt 8 percent, water and sewer debt 29 percent and Transitional Finance Authority Building Aid and the Dormitory Authority of the State of New York funds 11 percent of reimbursements.

### **Financing**

- The City issued \$2.757 billion of general obligation bonds during the fourth quarter of FY 2008. During FY 2008, general obligation bond issuances totaled \$7.382 billion; \$3.425 billion funded the City's capital program, \$2.431 billion refunded outstanding debt providing budget savings of \$176 million over the life of the bonds, and \$1.526 billion restructured a portion of outstanding insured floating rate debt.
- The Transitional Finance Authority sold \$700 million Transitional Finance Authority Building Aid bonds in June 2008. This was the only sale in FY 2008. The Authority has sold a total of \$2 billion in Building Aid bonds and the City has received \$1.851 billion of the proceeds from these bonds as reimbursement for capital education expenditures.

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

## A. OVERVIEW

### April-June 2008, Fourth Quarter of FY 2008 (4QFY08)

Tables 1 and 2 show the cash position and average daily cash balances in the New York City Central Treasury during the 4QFY04-4QFY08. The month of June in the last five years includes the budgetary surplus roll, which reduces the closing balance, and the receipt of real property tax collections in advance of the next fiscal year's revenue, which increases the closing balance.

The opening balance for the 4QFY08 was \$877 million less than the balance at the start of the 4QFY07, and almost double the opening balance for the 4QFY04. The closing balance for the 4QFY08 was 12 percent more than the closing balance for the 4QFY07 and 19 percent more than the closing balance for the 4QFY04. During the five year period, the growth rate for expenditures was approximately 1.5 times the growth rate for receipts. Expenditures were greater than receipts in each 4Q of the last five fiscal years by \$848 million, \$1.520 billion, \$2.236 billion, \$6.461 billion, and \$5.069 billion. The 4QFY08 closed with \$4.988 billion in cash-on-hand, an increase of \$515 million over the 4QFY07, mainly due to timing of receipts and expenditures, and \$1.842 billion less than the 4QFY05, which had the highest closing balance for a 4Q in the last five years.

**Table 1. Overview of the Cash Position in the New York City Central Treasury, 4QFY04-4QFY08**

(\$ in millions)

Central Treasury	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08
Opening Balance	\$ 5,056	\$ 8,350	\$ 8,622	\$10,934	\$10,057
Total Receipts	13,916	15,616	18,190	19,037	20,504
Total Expenditures <sup>a</sup>	14,764	17,136	20,426	25,498	25,573
Closing Balance <sup>b</sup>	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988

a. Total expenditures include capital expenditures.

b. Before City audits.

The average daily cash balances for the 4QFY08 and for April and May 2008 were less than the average daily cash balances for the 4QFY07 and for April and May 2007. The average daily cash balance in June 2008 exceeded the average daily cash balance for June 2007 by \$801 million. Since the 4QFY04, the average daily cash balance during the 4Q has increased 117 percent.

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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 the date of deposit of cash receipts and the analysis of bank deposits. Total receipts and expenditures are net of debt service and note funding. Expenditures are reported on warrants issued.

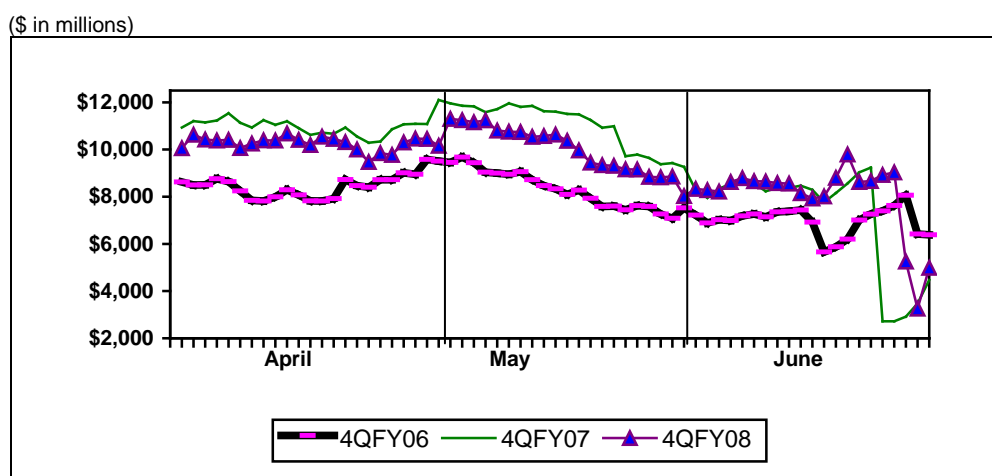
**Table 2. Five Year History of Average Daily Cash Balances in the New York City Central Treasury, 4QFY04-4QFY08**

(\$ in millions)

	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08
April	\$4,777	\$8,075	\$8,360	\$10,942	\$10,271
May	4,724	8,426	8,442	11,057	10,003
June	3,555	8,122	7,010	7,204	8,005
<b>4Q</b>	<b>\$4,341</b>	<b>\$8,206</b>	<b>\$7,924</b>	<b>\$ 9,755</b>	<b>\$ 9,440</b>

Chart 1 compares the daily cash balances during the 4QFY06, the 4QFY07, and the 4QFY08. Daily cash balances followed the same general pattern during the three time frames. The 4QFY07 was most volatile. The difference between the lowest daily balance and the highest daily balance during the 4QFY08 was \$8.042 billion, during the 4QFY07 it was \$9.383 billion, and during the 4QFY06 it was \$4.022 billion. Steep declines in the last week of June reflect the payment of large year-end expenditures, including prepayments of future expenditures.

**Chart 1. Daily Cash Balances in the New York City Central Treasury, 4QFY06, 4QFY07, and 4QFY08**



### July 2007-June 2008, FY 2008 (FY08)

Table 3 shows the City's cash-on-hand during the last five fiscal years.

**Table 3. Overview of the Cash Position in the New York City Central Treasury, FY04-FY08**

(\$ in millions)

Central Treasury	FY04	FY05	FY06	FY07	FY08
Opening Balance <sup>a</sup>	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473
Total Receipts	57,063	62,887	66,570	70,782	76,576
Total Expenditures <sup>b</sup>	55,357	60,265	67,014	72,696	76,061
Closing Balance <sup>a, c</sup>	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

c. Data may not add due to rounding.



Since FY04, the cash position has improved dramatically. In FY04, the City needed to issue \$1.5 billion in short-term notes to ensure sufficient funds were available for operations. Including the proceeds of these notes, during FY04, the City's lowest daily cash balance was \$1.748 billion on December 8, 2003 and the highest daily cash balance was \$6.558 billion on January 14, 2004. The FY04 low and high daily cash balances were the lowest levels of the five year period. There have been no further seasonal borrowings. During FY05, the lowest daily cash balance was \$2.161 billion on November 22, 2004 and the highest was \$10.402 billion on June 29, 2005. During FY06, the lowest daily cash balance was \$4.084 billion on December 2, 2005 and the highest was \$9.679 billion on May 4, 2006. The cash balance reached a record high in FY07 of \$12.101 billion on May 1, 2007. The low for FY07 was \$2.718 billion on June 25, 2007. FY08 daily cash balances reached a low of \$2.068 billion on December 3, 2007, the lowest low daily cash balance since FY04, and a high of \$11.297 billion on May 1, 2008.

Total receipts exceeded total expenditures in FY04 by \$1.706 billion, in FY05 by \$2.622 billion, and in FY08 by \$515 million. Expenditures were greater than receipts in FY06 by \$444 million and in FY07 by \$1.914 billion.

As shown in Table 4, the average daily cash balance increased in each FY from \$3.689 billion in FY04 to \$7.293 billion in FY07. During FY08, the average daily cash balance was lower in each Q and for the FY than during the same periods in FY07.

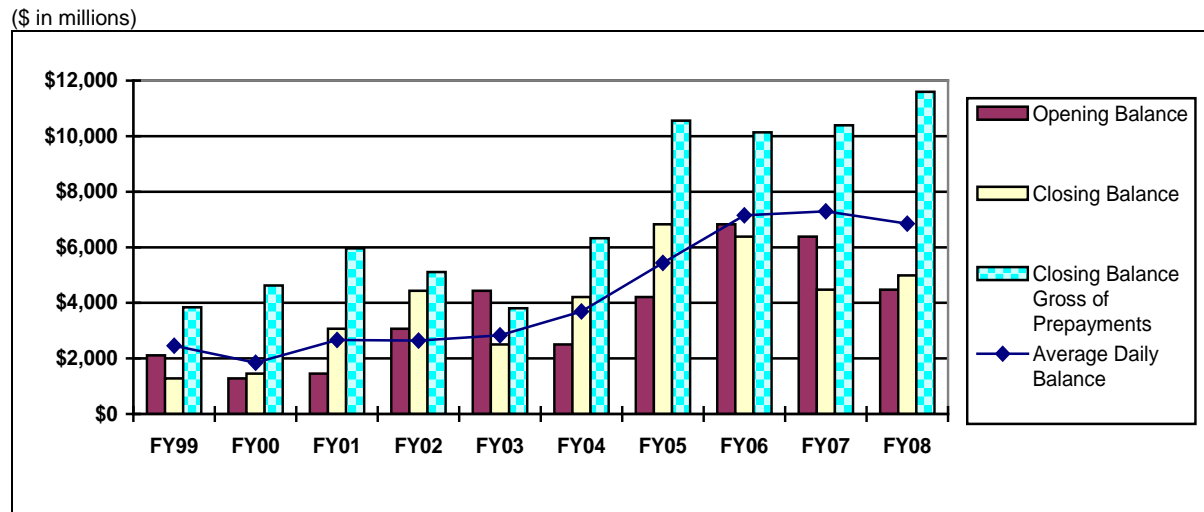
**Table 4. Five Year History of Average Daily Cash Balances in the New York City Central Treasury, FY04-FY08**

(\$ in millions)

	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>
1Q	\$2,900	\$4,348	\$7,738	\$6,293	\$5,567
2Q	2,822	2,992	5,825	4,377	3,960
3Q	4,684	6,077	7,021	8,588	8,318
4Q	4,341	8,206	7,924	9,755	9,440
<b>FY</b>	<b>\$3,689</b>	<b>\$5,439</b>	<b>\$7,149</b>	<b>\$7,293</b>	<b>\$6,849</b>

Chart 2 depicts the opening and closing balances and the average daily balances during FY99-FY08. Gross of prepayments, the City would have ended FY07 with \$10.390 billion and FY08 with \$11.599 billion.

**Chart 2. Ten Year History of the Cash Position in the New York City Central Treasury, FY99-FY08**



## B. CASH RECEIPTS

### April-June 2008, (4QFY08)

Cash receipts totaled \$20.504 billion during the 4QFY08 and averaged \$320 million daily. Table 5 shows total receipts and average daily cash receipts during the 4QFY04-4QFY08. Total receipts and average daily receipts in the 4QFY08 were the highest in the past five years. Total receipts were 47 percent greater than in the 4QFY04 and 8 percent greater than during the 4QFY07. Average daily receipts for the 4QFY08 were \$103 million greater than during the 4QFY04 and \$23 million greater than during the 4QFY07.

**Table 5. Five Year History of Total and Average Daily Cash Receipts, 4QFY04-4QFY08**

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY04	FY05	FY06	FY07	FY08	FY04	FY05	FY06	FY07	FY08
April	\$ 3,457	\$ 4,055	\$ 4,587	\$ 5,400	\$ 5,911	\$157	\$193	\$229	\$257	\$269
May	3,403	4,119	3,772	4,479	3,928	170	196	171	204	187
June	7,056	7,442	9,831	9,158	10,665	321	338	447	436	508
4Q	\$13,916	\$15,616	\$18,190	\$19,037	\$20,504	\$217	\$244	\$284	\$297	\$320

Table 6 shows cash receipts for each month during the 4QFY07 and the 4QFY08 by category. During the 4QFY08, collections of real property tax, other taxes, and miscellaneous receipts increased over the 4QFY07 and were partially offset by decreased federal and state aid and increased debt service funding. Other receipts, which include reimbursements to the New York City Central Treasury for capital expenditures, accounted for the largest portion of the increase between the 4QFY07 and the 4QFY08.

**Table 6. Cash Receipts by Category, 4QFY07 and the 4QFY08**

(\$ in millions)

Receipts	April 2007	May 2007	June 2007	4QFY07 Total	April 2008	May 2008	June 2008	4QFY08 Total	Diff. 4Q Total FY07/08
Real Property Tax	\$ 332	\$ 41	\$2,432	\$ 2,805	\$ 260	\$ 53	\$ 2,839	\$ 3,152	\$ 347
Other Taxes	2,570	1,129	3,396	7,095	3,056	1,186	3,318	7,560	465
Federal and State Aid	746	1,927	1,950	4,623	415	1,841	2,000	4,256	(367)
Debt Service Funding <sup>2</sup>	(5)	(93)	(68)	(166)	(84)	(84)	(83)	(251)	(85)
Miscellaneous	456	579	772	1,807	774	482	632	1,888	81
Other	1,301	896	676	2,873	1,490	450	1,959	3,899	1,026
<b>Total</b>	<b>\$5,400</b>	<b>\$4,479</b>	<b>\$9,158</b>	<b>\$19,037</b>	<b>\$5,911</b>	<b>\$3,928</b>	<b>\$10,665</b>	<b>\$20,504</b>	<b>\$1,467</b>

Table 7 displays the five year trend in 4Q receipts by major category.

**Table 7. Five Year History of Cash Receipts by Category, 4QFY04-4QFY08**

(\$ in millions)

	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08
Real Property Tax	\$ 2,264	\$ 2,649	\$ 3,714	\$ 2,805	\$ 3,152
Other Taxes	4,709	5,998	6,573	7,095	7,560
Federal and State Aid	3,359	3,669	3,744	4,623	4,256
Debt Service and Note Funding	(278)	(363)	(646)	(166)	(251)
Miscellaneous	1,575	1,447	2,070	1,807	1,888
Intergovernmental Aid	87	10	0	0	0
Other	2,200	2,206	2,735	2,873	3,899
<b>Total</b>	<b>\$13,916</b>	<b>\$15,616</b>	<b>\$18,190</b>	<b>\$19,037</b>	<b>\$20,504</b>

Tax receipts<sup>3</sup> totaled \$10.712 billion during the 4QFY08, an increase of \$812 million compared with the 4QFY07.

Real property tax collections in the 4QFY08 accounted for 15 percent of total receipts and 29 percent of tax receipts. The increase in real property tax collections in the 4QFY08 made up 24 percent of the \$1.467 billion growth in total receipts and 43 percent of the \$812 million growth in taxes over the 4QFY07. Real property tax receipts in the month of June vary due to the timing in payment of taxes due in July.

2. Does not include debt service funding for Transitional Finance Authority Building Aid bonds.

3. 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 debt service funding. Sales tax includes the state distribution, the local share, and interest income less debt service funding.

Table 8 shows the growth in major taxes, other than the real property tax, since the 4QFY04. Lower collections of business and mortgage and real property transfer taxes in the 4QFY08 reflect the slowing in the City's economy.

**Table 8. Growth in Major Tax Receipts, 4QFY04-4QFY08**

(\$ in millions)

	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	% Change 4QFY04/ 4QFY08	% Change 4QFY07/ 4QFY08
Personal Income Tax	\$1,443	\$1,822	\$2,244	\$2,091	\$2,758	91.1%	31.9%
General Corporation Tax	455	732	650	746	719	58.0	(3.6)
Unincorporated Business Tax	437	528	668	795	843	92.9	6.0
Banking Corporation Tax	191	255	281	387	163	(14.7)	(57.9)
Sales Tax	1,167	1,403	1,381	1,413	1,520	30.2	7.6
Mortgage and Real Property Transfer Taxes	424	729	717	795	495	16.7	(37.7)

Other taxes included payments in lieu of taxes (PILOTs) and School Tax Relief (STAR). PILOTs included receipts from the Industrial Development Authority (IDA) of \$58 million in June 2007 and \$59 million in June 2008 and from the Battery Park City Authority (BPCA) of \$111 million in June 2007 and \$83 million in June 2008. STAR totaled \$232 million in June 2007 and \$390 million in June 2008.

Federal aid totaled \$1.197 billion and state aid totaled \$3.426 billion during the 4QFY07. During the 4QFY08, federal aid was \$1.361 billion and state aid was \$2.895 billion. The decline in state aid during the 4QFY08 from the 4QFY07 for the most part was due to timing in the receipt of NYS higher education aid. In the 4QFY07, \$566 million of NYS higher education aid was received compared with none in the 4QFY08. NYS education aid totaling \$2.242 billion was 77 percent of state aid in the 4QFY08. NYS education aid during the 4QFY08 included \$1.492 billion in general aid, \$15 million in building aid, \$240 million in lottery aid, and \$158 million in excess cost aid. In addition, the state retained \$223 million of building aid for debt service funding of Transitional Finance Authority (TFA) Building Aid bonds.

Cash receipts during the 4QFY08 were reduced by \$251 million of debt service funding, \$85 million more than during the 4QFY07. GO debt service funding of \$84 million was withheld from real property tax and TFA debt service of \$167 million was withheld from personal income tax (PIT).

Miscellaneous revenue was \$81 million more during the 4QFY08 than was collected during the 4QFY07. The City received \$133 million from tobacco settlement funds in the 4QFY08. During the 4QFY07, \$68 million from the franchise for street furniture was received.

Table 9 shows the major cash sources each month during the 4QFY08.

**Table 9. Major Cash Sources, 4QFY08**

(\$ in millions)

April 2008		May 2008		June 2008	
Personal Income Tax	\$1,595	NYS Education	\$1,149	Real Property Tax	\$2,812
Unincorporated Business Tax	518	Personal Income Tax	451	NYS Education	927
Sales Tax	484	Sales Tax	368	Personal Income Tax	712
Senior College Fees	307	Federal Education	195	Sales Tax	669
Real Property Tax	255	Federal Welfare	159	General Corporation Tax	515
NYS Education	167	Water and Sewer Fees	154	STAR	390
General Corporation Tax	125	NYS Welfare	141	NYS Welfare	350
Water and Sewer Fees	119	General Corporation Tax	79	Unincorporated Business Tax	306
Community College Fees	97	Fines and Forfeitures	76	Federal Welfare	292
Fines and Forfeitures	84	Licenses, etc.	62	Federal Education	220
Federal Education	78	Real Property Tax	52	Banking Corporation Tax	143
Utility Tax	54	Utility Tax	46	Tobacco Settlement	133
Indigent Legal Services	45	Tax Lien Sales	1	Commercial Rent Tax	132
Tax Lien Sales	5			Water and Sewer Fees	100
				Hotel Tax	95
				BPCA PILOT	83
				Fines and Forfeitures	76
				IDA PILOT	59
				HHC Malpractice	43
				Tax Lien Sales	27

Table 10 shows selected cash receipts during the 4QFY04-4QFY08.

**Table 10. Five Year History of Selected Cash Receipts, 4QFY04-4QFY08**

(\$ in millions)

	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08
Real Property Tax <sup>a</sup>	\$2,264	\$2,649	\$3,714	\$2,805	\$3,152
Personal Income Tax	1,443	1,822	2,245	2,091	2,758
NYS Education	1,575	1,835	1,983	2,208	2,242
Sales Tax	1,167	1,404	1,381	1,413	1,520
General Corporation Tax	455	732	650	746	719
Federal Welfare	475	425	354	414	475
NYS Higher Education	0	100	30	566	0
Federal Education	498	484	492	422	493
NYS Welfare	234	257	319	485	493
NYS Health	85	126	152	21	19
Unincorporated Business Tax	437	528	668	795	843
Water and Sewer Fees	161	162	178	322	373
Banking Corporation Tax	191	255	281	387	163
Fines and Forfeitures	193	197	202	227	236
Commercial Rent Tax	135	142	138	175	154
Senior College Fees	417	257	510	299	307
Community College Fees	76	92	118	105	103
Tobacco Settlement	61	65	0	0	133
HHC Malpractice	114	43	132	38	43
BPCA PILOT	151	101	107	111	83
IDA PILOT	39	0	78	58	59
Hotel Tax	60	74	80	80	115
Homeland Security	98	0	0	0	0
Long-Term Care	64	0	0	0	0
Licenses etc.	94	106	112	116	122
STAR	0	0	0	232	390

a. Includes tax lien sales

### **July 2007-June 2008, (FY08)**

Table 11 shows the upward trend for total cash receipts and average daily receipts during FY04-FY08. Total receipts increased steadily, rising by 34 percent. Average daily receipts increased by \$79 million over the five years. Receipts in each quarter of FY08 were greater than in the same periods in FY04-FY07. Receipts during FY08 were 8 percent greater than in FY07.

**Table 11. Five Year History of Total and Average Daily Receipts, FY04-FY08**

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY04	FY05	FY06	FY07	FY08	FY04	FY05	FY06	FY07	FY08
1Q	\$14,145	\$14,576	\$16,537	\$15,170	\$16,821	\$221	\$228	\$258	\$241	\$267
2Q	13,996	15,491	15,464	16,545	18,712	229	258	258	276	307
3Q	15,006	17,204	16,378	20,031	20,539	242	277	264	323	331
4Q	13,916	15,616	18,190	19,037	20,504	217	244	284	297	320
<b>FY</b>	<b>\$57,063</b>	<b>\$62,887</b>	<b>*\$66,570</b>	<b>*\$70,782</b>	<b>\$76,576</b>	<b>\$227</b>	<b>\$252</b>	<b>\$266</b>	<b>\$284</b>	<b>\$306</b>

\*Data may not add due to rounding.

Table 12 shows the five year history for selected receipts. The five greatest sources of cash receipts were real property tax, including tax lien sales, PIT (gross of TFA debt service), NYS education, sales tax, and general corporation tax. The five year average for each of these sources as a percent of the average of total receipts for the five years was 20 percent, 11 percent, 10 percent, 6 percent, and 5 percent, respectively.

**Table 12. Five Year History of Total and Average Selected Cash Receipts, FY04-FY08**

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	Average Receipts FY04-FY08
Real Property Tax	\$12,070	\$12,523	\$14,413	\$12,649	\$13,867	\$13,104
Personal Income Tax	5,562	6,539	7,330	7,714	8,836	7,196
NYS Education	6,266	6,448	6,687	7,273	7,857	6,906
Sales Tax <sup>a</sup>	3,485	4,252	4,459	4,586	4,891	4,335
General Corporation Tax	2,084	2,589	2,859	4,166	4,077	3,155
Federal Welfare	2,718	2,229	2,393	2,290	2,115	2,349
NYS Welfare	1,745	1,895	1,812	1,895	2,181	1,906
Federal Education	1,553	1,714	1,855	1,859	1,734	1,743
Unincorporated Business Tax	1,020	1,186	1,416	1,775	1,974	1,474
Water and Sewer Fees	881	936	973	1,093	1,211	1,019
STAR	677	784	857	1,093	1,256	933
<b>Total FY Receipts</b>	<b>\$57,063</b>	<b>\$62,887</b>	<b>\$66,570</b>	<b>\$70,782</b>	<b>\$76,576</b>	<b>\$66,776</b>

a. Sales tax was reduced by Municipal Assistance Corporation (MAC) debt service of \$502 million in FY04, \$111 million in FY05, \$5 million in FY06, \$10 million in FY07, and \$3 million in FY08.

Table 13 compares receipts, net of reimbursements for capital expenditures, during FY07 and FY08. Net receipts totaled \$3.119 billion more in FY08 than during FY07.

**Table 13. Cash Receipts, Net of Reimbursements for Capital Expenditures, FY07 and FY08**

(\$ in millions)

	FY07	FY08	Diff. FY07/ FY08
July	\$ 5,229	\$ 6,391	\$1,162
August	3,011	3,274	263
September	6,105	5,874	(231)
<b>1Q</b>	<b>14,345</b>	<b>15,539</b>	<b>1,194</b>
October	3,156	3,371	215
November	3,395	3,584	189
December	8,461	9,227	766
<b>2Q</b>	<b>15,012</b>	<b>16,182</b>	<b>1,170</b>
<b>1H</b>	<b>29,357</b>	<b>31,721</b>	<b>2,364</b>
January	6,740	6,885	145
February	3,409	3,639	230
March	8,589	8,460	(129)
<b>3Q</b>	<b>18,738</b>	<b>18,984</b>	<b>246</b>
April	4,288	4,791	503
May	3,991	3,706	(285)
June	8,882	9,173	291
<b>4Q</b>	<b>17,161</b>	<b>17,670</b>	<b>509</b>
<b>2H</b>	<b>35,899</b>	<b>36,654</b>	<b>755</b>
<b>FY</b>	<b>\$65,256</b>	<b>\$68,375</b>	<b>\$3,119</b>

## C. CASH EXPENDITURES

### April-June 2008, (4QFY08)

Cash expenditures, including capital, totaled \$25.573 billion during the 4QFY08 and averaged \$400 million daily. As shown in Table 14, total expenditures were 73 percent greater than in the 4QFY04 and only .3 percent greater than in the 4QFY07. Average daily expenditures were \$169 million higher than in the 4QFY04 and \$2 million above the 4QFY07.

**Table 14. Five Year History of Total and Average Daily Cash Expenditures, 4QFY04-4QFY08**

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY04	FY05	FY06	FY07	FY08	FY04	FY05	FY06	FY07	FY08
April	\$ 4,145	\$ 4,372	\$ 4,257	\$ 5,254	\$ 5,810	\$188	\$208	\$213	\$250	\$264
May	3,930	4,612	5,642	6,294	6,057	197	220	256	286	288
June	6,689	8,152	10,527	13,950	13,706	304	371	479	664	653
<b>4Q</b>	<b>\$14,764</b>	<b>\$17,136</b>	<b>\$20,426</b>	<b>\$25,498</b>	<b>\$25,573</b>	<b>\$231</b>	<b>\$268</b>	<b>\$319</b>	<b>\$398</b>	<b>\$400</b>

During the 4QFY08, expenditures were \$75 million more than expenditures during the 4QFY07. Table 15 shows monthly expenditures by major category during the 4QFY07 and the 4QFY08. Higher expenditures totaling \$556 million in April 2008 over April 2007 were mostly offset by lower expenditures of \$237 million in May 2008 compared with May 2007 and \$244 million less in June 2008 expenditures compared with June 2007.

**Table 15. Cash Expenditures by Category, 4QFY07 and the 4QFY08**

(\$ in millions)

Expenditures	April 2007	May 2007	June 2007	4QFY07 Total	April 2008	May 2008	June 2008	4QFY08 Total	Diff. 4Q Total FY07/08
Gross Payroll	\$1,521	\$1,786	\$ 2,095	\$ 5,402	\$1,693	\$2,053	\$ 1,738	\$ 5,484	\$ 82
Other Personal Services	779	1,823	2,732	5,334	902	894	2,384	4,180	(1,154)
Public Assistance	180	175	174	529	180	211	161	552	23
Medical Assistance	338	439	363	1,140	359	341	330	1,030	(110)
Other Social Services	185	184	260	629	130	201	170	501	(128)
Vendor Payments	1,253	1,089	1,411	3,753	1,175	1,134	1,294	3,603	(150)
All Other	998	798	6,915	8,711	1,371	1,223	7,629	10,223	1,512
<b>Total</b>	<b>\$5,254</b>	<b>\$6,294</b>	<b>\$13,950</b>	<b>\$25,498</b>	<b>\$5,810</b>	<b>\$6,057</b>	<b>\$13,706</b>	<b>\$25,573</b>	<b>\$ 75</b>

Personal service (PS) expenditures include payroll, pensions, social security, health plan, and supplemental welfare benefits. Table 16 shows PS expenditures during the 4QFY04-4QFY08. PS expenditures increased 80 percent from the 4QFY04 through the 4QFY07. PS expenditures declined by \$1.072 billion to \$9.664 billion during the 4QFY08 from \$10.736 billion during the 4QFY07. Salaries and benefits increased throughout the period. The number of bi-weekly payrolls was six in the 4QFY04 and the 4QFY05 and seven in the 4QFY06, the 4QFY07, and the 4QFY08.

**Table 16. Five Year History of PS Expenditures, 4QFY04-4QFY08**

(\$ in millions)

	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08
Gross Payroll	\$4,311	\$4,354	\$5,198	\$ 5,402	\$5,484
Other Personal Service	1,639	2,246	3,550	5,334	4,180
<b>Total PS</b>	<b>\$5,950</b>	<b>\$6,600</b>	<b>\$8,748</b>	<b>\$10,736</b>	<b>\$9,664</b>

Gross payroll expenditures increased by \$82 million during the 4QFY08 compared with the 4QFY07. Other personal service expenditures were \$1.154 billion less in the 4QFY08 than during the 4QFY07. In the 4QFY07, the City paid the Retiree Health Benefits Trust Fund (RHBTF) \$1.5 billion to build the Trust's assets and \$1.327 billion for current retiree health expenses (PAYGO). During the 4QFY08, the City paid \$1.383 billion in PAYGO. Payments to the pension funds were greater by \$213 million in the 4QFY08 than in the 4QFY07, partially offsetting the decrease in health costs.

As shown in Table 17, other-than-personal-service (OTPS) expenditures for public assistance (PA), medical assistance (MA), other social services, and vendor and other payments increased 33 percent from the 4QFY04 through the 4QFY07. OTPS expenditures totaled \$6.051 billion in the 4QFY07 and declined to \$5.686 billion in the



4QFY08. PA increased by \$23 million during the 4QFY08 over the 4QFY07. MA and other social services fell \$110 million and \$128 million in the 4QFY08 from the 4QFY07. Vendor and other payments increased steadily from the 4QFY04 through the 4QFY07 before declining by \$150 million in the 4QFY08.

**Table 17. Five Year History of OTPS Expenditures, 4QFY04-4QFY08**

(\$ in millions)

	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08
Public Assistance	\$ 484	\$ 533	\$ 582	\$ 529	\$ 552
Medical Assistance	1,020	1,142	1,108	1,140	1,030
Other Social Services	396	376	426	629	501
Vendor and Other Payments	2,650	2,957	3,281	3,753	3,603
<b>Total OTPS</b>	<b>\$4,550</b>	<b>\$5,008</b>	<b>\$5,397</b>	<b>\$6,051</b>	<b>\$5,686</b>

An increase of \$1.512 billion in all other expenditures offset the decline in other personal service expenditures accounting for the bulk of the growth in expenditures during the 4QFY08 over the 4QFY07. All other expenditures included \$371 million in tax refunds during the 4QFY08 and \$203 million during the 4QFY07. All other expenditures also included capital expenditures and cash prepayments, which were \$774 million and \$694 million greater, respectively, in the 4QFY08.

When a fiscal year has a budget surplus, June expenditures can include cash prepayments of future years' expenditures.<sup>4</sup> Table 18 shows the cash prepayments made during June in the last five fiscal years. Net of prepayments, total June expenditures would have been \$4.569 billion, \$4.424 billion, \$6.776 billion, \$8.033 billion, and \$7.095 billion in FY04, FY05, FY06, FY07, and FY08, respectively.

**Table 18. Five Year History of Cash Prepayments, FY04-FY08**

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08
General Obligation Debt Service	\$ 969	\$1,848	\$3,204	\$3,313	\$3,073
NYCTFA Debt Service	400	947	0	546	546
Lease Payments	71	88	74	165	46
Payments to the Transit Authority	138	138	138	137	137
Payments to the Metropolitan Transportation Authority	71	110	110	138	138
Payments to the Libraries	112	225	225	273	225
Payments to the Health and Hospitals Corporation	159	172	0	91	0
Prepayment of Outstanding Debt	200	200	0	0	1,986
Defease Debt	0	0	0	1,254	0
Payments to the Retiree Health Benefits Trust Fund	0	0	0	0	460
<b>Total</b>	<b>\$2,120</b>	<b>\$3,728</b>	<b>\$3,751</b>	<b>\$5,917</b>	<b>\$6,611</b>

#### **July 2007-June 2008, (FY08)**

Table 19 summarizes expenditures during FY04-FY08. From FY04 through FY08, total expenditures grew 37 percent and average daily expenditures grew \$83 million. Expenditures in FY08 were 5 percent (\$3.365 billion) more than expenditures in FY07.

4. Instead of making a cash prepayment to pay outstanding debt, \$350 million of PIT was withheld from the New York City Central Treasury in the 4QFY06. Also journal entries, which did not impact cash, were made for pay-as-you-go capital of \$200 million in June 2006 and \$300 million in June 2007.

Expenditures in the 1QFY08 rose by \$216 million, in the 2QFY08 by \$1.795 billion, in the 3QFY08 by \$1.279 billion, and in the 4QFY08 by \$75 million over the same periods in FY07.

**Table 19. Five Year History of Total and Average Daily Cash Expenditures, FY04-FY08**

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY04	FY05	FY06	FY07	FY08	FY04	FY05	FY06	FY07	FY08
1Q	\$14,109	\$14,874	\$16,071	\$15,392	\$15,608	\$220	\$232	\$251	\$244	\$248
2Q	12,392	14,442	15,015	15,853	17,648	203	241	250	264	289
3Q	14,092	13,813	15,501	15,953	17,232	227	223	250	257	278
4Q	14,764	17,136	20,426	25,498	25,573	231	268	319	398	400
<b>FY</b>	<b>\$55,357</b>	<b>\$60,265</b>	<b>*\$67,014</b>	<b>\$72,696</b>	<b>\$76,061</b>	<b>\$221</b>	<b>\$241</b>	<b>\$268</b>	<b>\$292</b>	<b>\$304</b>

\*Data may not add due to rounding.

The relationship between the City's expenditures and daily cash balances during a fiscal year has improved by 14 percentage points since FY99. Table 20 shows ten years of expenditures as a percent of daily cash balances.

**Table 20. Ten Year History of Daily Expenditures as a Percent of Daily Cash Balances, FY99-FY08**

Daily Expenditures as a Percent of Daily Cash Balances										
	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
4Q	9%	18%	6%	6%	16%	6%	3%	4%	7%	6%
<b>FY</b>	<b>19%</b>	<b>21%</b>	<b>12%</b>	<b>9%</b>	<b>10%</b>	<b>7%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>

Table 21 shows PS and OTPS expenditures for FY04-FY08.<sup>5</sup>

**Table 21. Five Year History of PS and OTPS Expenditures, FY04-FY08**

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	Average Percent of Total FY Expenditures FY04-FY08
<b>PS</b>	\$25,125	\$26,741	\$32,187	\$33,408	\$33,870	46%
<b>OTPS</b>	17,925	20,026	21,220	22,443	22,880	32

PS outlays increased 35 percent between FY04 through FY08 and accounted for an average of 46 percent of total expenditures. PS expenditures were lowest as a percent of total expenditures in FY05 at 44 percent and highest in FY06 at 48 percent. Over 30,000 employees have been added to the City's payroll in the last five years. Full-time headcount was 239,616 at the opening of FY04, 266,624 at the opening of FY07, and 270,839 at the opening of FY08. PS expenditures included collective bargaining and associated retroactive payments. There were payments of \$1 billion in FY06 and \$1.5 billion in FY07 to fund the RHBTF.

5. During FY04, the City had PS and OTPS payments associated with expenditures resulting from the destruction of the World Trade Center. PS expenditures included \$5 million. OTPS expenditures included over \$50 million. The City submitted claims to the Federal Emergency Management Agency and received reimbursement for most of these expenditures.

OTPS payments increased 28 percent over the last five years and averaged 32 percent of total expenditures. OTPS expenditures were lowest as a percent of total expenditures in FY08 at 30 percent and highest in FY05 at 33 percent. PA costs fell from \$2.4 billion during FY04 to \$2.163 billion during FY07, and then rose 1 percent in FY08 to \$2.185 billion. PA recipients numbered 425,344 in July 2003, 388,692 in July 2006, and 359,285 during July 2007. MA expenditures increased from \$3.744 billion in FY04 to \$4.442 billion in FY08. The number of Medicaid enrollees was 2,303,288 in July 2003 and 2,565,687 in July 2007.

Table 22 compares expenditures, net of capital expenditures, during FY07 and FY08. Expenditures, net of capital, totaled \$1.597 billion more in FY08 than during FY07; 95 percent of the increase occurred in the 1HFY08 over the 1HFY07.

**Table 22. Cash Expenditures, Net of Capital Expenditures, FY07 and FY08**

(\$ in millions)

	<b>FY07</b>	<b>FY08</b>	<b>Diff. FY07/ FY08</b>
July	\$ 5,288	\$ 5,018	\$ (270)
August	4,016	4,680	664
September	4,589	4,348	(241)
<b>1Q</b>	<b>13,893</b>	<b>14,046</b>	<b>153</b>
October	4,876	5,386	510
November	4,578	5,044	466
December	4,765	5,161	396
<b>2Q</b>	<b>14,219</b>	<b>15,591</b>	<b>1,372</b>
<b>1H</b>	<b>28,112</b>	<b>29,637</b>	<b>1,525</b>
January	4,834	5,028	194
February	4,407	4,706	299
March	5,106	5,384	278
<b>3Q</b>	<b>14,347</b>	<b>15,118</b>	<b>771</b>
April	4,473	4,845	372
May	5,814	5,168	(646)
June	13,402	12,977	(425)
<b>4Q</b>	<b>23,689</b>	<b>22,990</b>	<b>(699)</b>
<b>2H</b>	<b>38,036</b>	<b>38,108</b>	<b>72</b>
<b>FY</b>	<b>\$66,148</b>	<b>\$67,745</b>	<b>\$1,597</b>

## II. Capital Expenditures

Capital expenditures are included in total cash expenditures. Table 23 shows capital expenditures during FY07 and FY08.

**Table 23. Capital Expenditures, FY07 and FY08**

(\$ in millions)

	FY07		FY08		Diff. FY07/FY08	
	Total Capital	City-funded Capital	Total Capital	City-Funded Capital	Total Capital	City-funded Capital
July	\$ 404	\$ 334	\$ 809	\$ 406	\$ 405	\$ 72
August	792	362	401	373	(391)	11
September	303	277	352	328	49	51
<b>1Q</b>	<b>1,499</b>	<b>973</b>	<b>1,562</b>	<b>1,107</b>	<b>63</b>	<b>134</b>
October	431	385	828	429	397	44
November	796	396	796	380	0	(16)
December	407	343	433	396	26	53
<b>2Q</b>	<b>1,634</b>	<b>1,124</b>	<b>2,057</b>	<b>1,205</b>	<b>423</b>	<b>81</b>
<b>1H</b>	<b>3,133</b>	<b>2,097</b>	<b>3,619</b>	<b>2,312</b>	<b>486</b>	<b>215</b>
January	865	464	827	393	(38)	(71)
February	371	325	507	475	136	150
March	370	341	780	372	410	31
<b>3Q</b>	<b>1,606</b>	<b>1,130</b>	<b>2,114</b>	<b>1,240</b>	<b>508</b>	<b>110</b>
April	781	365	965	927	184	562
May	480	440	889	462	409	22
June	548	459	729	646	181	187
<b>4Q</b>	<b>1,809</b>	<b>1,264</b>	<b>2,583</b>	<b>2,035</b>	<b>774</b>	<b>771</b>
<b>2H</b>	<b>3,415</b>	<b>2,394</b>	<b>4,697</b>	<b>3,275</b>	<b>1,282</b>	<b>881</b>
<b>FY</b>	<b>\$6,548</b>	<b>\$4,491</b>	<b>\$8,316</b>	<b>\$5,587</b>	<b>\$1,768</b>	<b>\$1,096</b>

### April-June 2008, (4QFY08)

Tables 24 and 25 show total and City-funded capital expenditures and average daily total and City-funded capital expenditures in each month during the 4QFY04-4QFY08. Total capital expenditures were \$1.225 billion more in the 4QFY08 than in the 4QFY04 and \$774 million than in the 4QFY07. City-funded capital expenditures were \$833 million more in the 4QFY08 than in the 4QFY04 and \$771 million greater than in the 4QFY07.

**Table 24. Five Year History of Total Capital Expenditures and Average Daily Total Capital Expenditures, 4QFY04-4QFY08**

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY04	FY05	FY06	FY07	FY08	FY04	FY05	FY06	FY07	FY08
April	\$ 278	\$ 294	\$ 284	\$ 781	\$ 965	\$13	\$14	\$14	\$37	\$44
May	306	448	836	480	889	15	21	38	22	42
June	774	375	470	548	729	35	17	21	26	35
<b>4Q</b>	<b>\$1,358</b>	<b>\$1,117</b>	<b>\$1,590</b>	<b>\$1,809</b>	<b>\$2,583</b>	<b>\$21</b>	<b>\$17</b>	<b>\$25</b>	<b>\$28</b>	<b>\$40</b>

**Table 25. Five Year History of City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, 4QFY04-4QFY08**

(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY04	FY05	FY06	FY07	FY08	FY04	FY05	FY06	FY07	FY08
April	\$ 260	\$ 265	\$ 253	\$ 365	\$ 927	\$12	\$13	\$13	\$17	\$42
May	273	399	799	440	462	14	19	36	20	22
June	669	345	426	459	646	30	16	19	22	31
<b>4Q</b>	<b>\$1,202</b>	<b>\$1,009</b>	<b>\$1,478</b>	<b>\$1,264</b>	<b>\$2,035</b>	<b>\$19</b>	<b>\$16</b>	<b>\$23</b>	<b>\$20</b>	<b>\$32</b>

April 2008 had the greatest amount of capital expenditures in any month of a 4Q during the last five years. In April 2008, the City acquired the assets of the Jay Street Development Corporation for \$499 million using City-fund capital dollars.

Capital expenditures include payments to the School Construction Authority (SCA). Table 26 shows payments to the SCA during the 4QFY04-4QFY08.

**Table 26. Payments to the SCA, 4QFY04-4QFY08**

(\$ in millions)

	SCA Capital Expenditures				
	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08
City-funded	\$263	\$0	\$400	\$ 15	\$ 16
Non City-funded*	37	0	0	385	384
<b>Total</b>	<b>\$300</b>	<b>\$0</b>	<b>\$400</b>	<b>\$400</b>	<b>\$400</b>

\*Non City-funded in the 4QFY08 includes \$382 million of state and \$2 million of federal and other funding.

City-funded capital expenditures are financed primarily from the proceeds of General obligation (GO), water and sewer, and TFA debt. Non City-funded capital expenditures for the Five-Year Educational Facilities Capital Plan are financed from TFA Building Aid bonds and Expanding our Children's Education and Learning (EXCEL) capital grants from the Dormitory Authority of the State of New York (DASNY). All capital expenditures are initially paid from the New York City Central Treasury.

Table 27 shows the reimbursements for capital expenditures during the 4QFY08 to the New York City Central Treasury. Reimbursements in the 4QFY08 totaling \$2.834 billion exceeded the total of City-funded capital expenditures and state funded SCA capital expenditures, increasing the cash balances by \$417 million. April 2008 included the reimbursement of \$499 million for the purchase of the assets of the Jay Street Development Corporation.

**Table 27. Reimbursements to the New York City Central Treasury for Capital Expenditures, 4QFY08**

(\$ in millions)

	April 2008	May 2008	June 2008	Total
GO	\$ 595	\$218	\$ 347	\$1,160
Water and Sewer	36	2	652	690
TFA	2	2	3	7
<b>Sub-total</b>	<b>633</b>	<b>222</b>	<b>1,002</b>	<b>1,857</b>
TFA Building Aid	0	0	490	490
DASNY	487	0	0	487
<b>Sub-total</b>	<b>487</b>	<b>0</b>	<b>490</b>	<b>977</b>
<b>Total</b>	<b>\$1,120</b>	<b>\$222</b>	<b>\$1,492</b>	<b>\$2,834</b>

Table 28 shows the reimbursements for capital expenditures during the 4QFY04-4QFY08.

**Table 28. Five Year History of Reimbursements to the New York City Central Treasury for Capital Expenditures, 4QFY04-4QFY08**

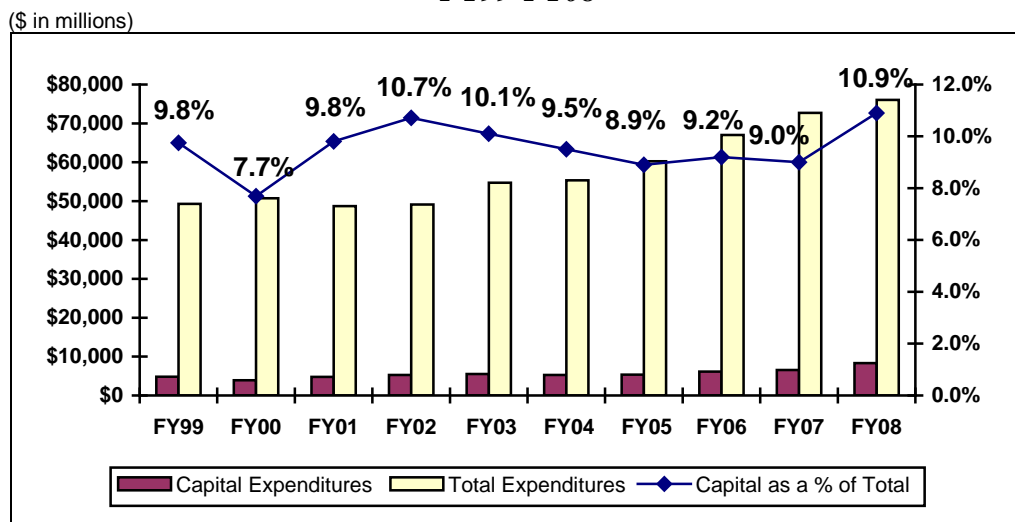
(\$ in millions)

	4QFY04	4QFY05	4QFY06	4QFY07	4QFY08	Total 4QFY04- 4QFY08
GO	\$1,007	\$ 718	\$1,219	\$ 389	\$1,160	\$4,493
Water and Sewer	376	598	645	955	690	3,264
TFA	0	0	0	272	7	279
TFA Building Aid	0	0	0	87	490	577
DASNY	0	0	0	173	487	660
Other	42	9	11	0	0	62
<b>Total</b>	<b>\$1,425</b>	<b>\$1,325</b>	<b>\$1,875</b>	<b>\$1,876</b>	<b>\$2,834</b>	<b>\$9,335</b>

**July 2007-June 2008, (FY08)**

Chart 3 displays capital expenditures as a percent of total expenditures during the past ten years. Capital expenditures ranged from a low of 7.7 percent of total expenditures in FY00 to a high of 10.9 percent of total expenditures in FY08 and averaged 9.6 percent from FY99 through FY08.

**Chart 3. Ten Year History of Capital Expenditures as a Percent of Total Expenditures, FY99-FY08**



Tables 29 and 30 show capital expenditures during FY04-FY08. FY08 had the highest level of total capital expenditures in the past five years due in part to the purchase of the Jay Street Development Corporation and increased payments to the SCA. Total capital expenditures were \$3.052 billion more in FY08 than in FY04 and \$1.768 billion greater than in FY07.

**Table 29. Five Year History of Total Capital Expenditures and Average Daily Total Capital Expenditures, FY04-FY08**

(\$ in millions)

	Total Capital Expenditures					Average Daily Total Capital Expenditures				
	FY04	FY05	FY06	FY07	FY08	FY04	FY05	FY06	FY07	FY08
1Q	\$1,264	\$1,462	\$1,730	\$1,499	\$1,562	\$20	\$23	\$27	\$24	\$25
2Q	1,297	1,440	1,402	1,634	2,057	21	24	23	27	34
3Q	1,345	1,341	1,420	1,606	2,114	22	22	23	26	34
4Q	1,358	1,117	1,590	1,809	2,583	21	17	25	28	40
<b>FY</b>	<b>\$5,264</b>	<b>\$5,360</b>	<b>\$6,142</b>	<b>\$6,548</b>	<b>\$8,316</b>	<b>\$21</b>	<b>\$21</b>	<b>\$25</b>	<b>\$26</b>	<b>\$33</b>

City-funded capital expenditures were \$821 million more in FY08 than in FY04 and \$1.096 billion greater than in FY07. City-funded expenditures during FY07 were the lowest in the last five years. This reflects the classification of education expenditures in the Five-Year Educational Facilities Capital Plan as non City-funded capital expenditures.

**Table 30. Five Year History of City-funded Capital Expenditures and Average Daily City-funded Capital Expenditures, FY04-FY08**

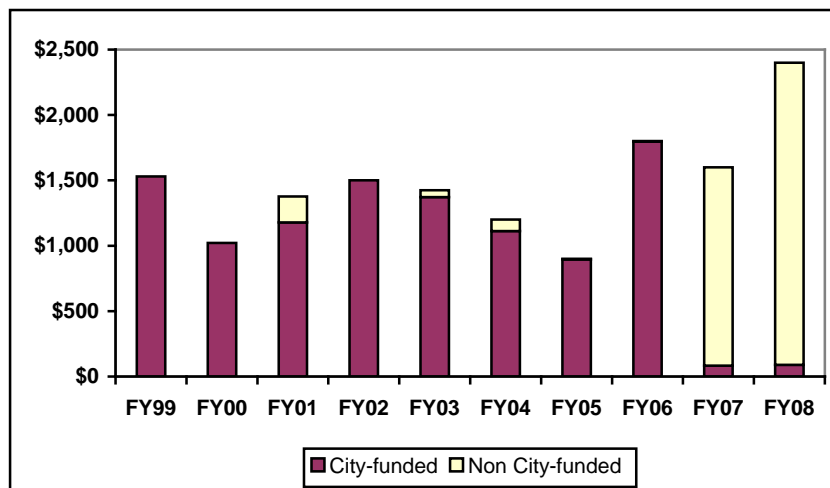
(\$ in millions)

	City-funded Capital Expenditures					Average Daily City-funded Capital Expenditures				
	FY04	FY05	FY06	FY07	FY08	FY04	FY05	FY06	FY07	FY08
1Q	\$1,174	\$1,349	\$1,612	\$ 973	\$1,107	\$18	\$21	\$25	\$15	\$18
2Q	1,152	1,321	1,284	1,124	1,205	19	22	21	19	20
3Q	1,238	1,255	1,314	1,130	1,240	20	20	21	18	20
4Q	1,202	1,009	1,478	1,264	2,035	19	16	23	20	32
<b>FY</b>	<b>\$4,766</b>	<b>\$4,934</b>	<b>\$5,688</b>	<b>\$4,491</b>	<b>\$5,587</b>	<b>\$19</b>	<b>\$20</b>	<b>\$23</b>	<b>\$18</b>	<b>\$22</b>

The SCA was established by state legislation in December 1988 to manage the construction and renovations of New York City public schools. Payments to the SCA began in FY89. As shown in Chart 4, during the last ten years, payments by the City totaling \$14.8 billion to the SCA ranged from a low of \$900 million in FY05 to a high of \$2.4 billion in FY08.

**Chart 4. Ten Year History of Payments to the SCA, FY99-FY08**

(\$ in millions)



During the ten years, non City-funded payments to the SCA included pay-as-you-go funding of \$200 million, federal funding of \$98 million, state funding of \$3.834 billion, other funding of \$44 million, and City funding of \$10.578 billion.

Table 31 shows reimbursements to the New York City Central Treasury during FY04-FY08 for City-funded and educational facilities plan capital expenditures.

**Table 31. Five Year History of Reimbursements to the New York City Central Treasury for Capital Expenditures, FY04-FY08**

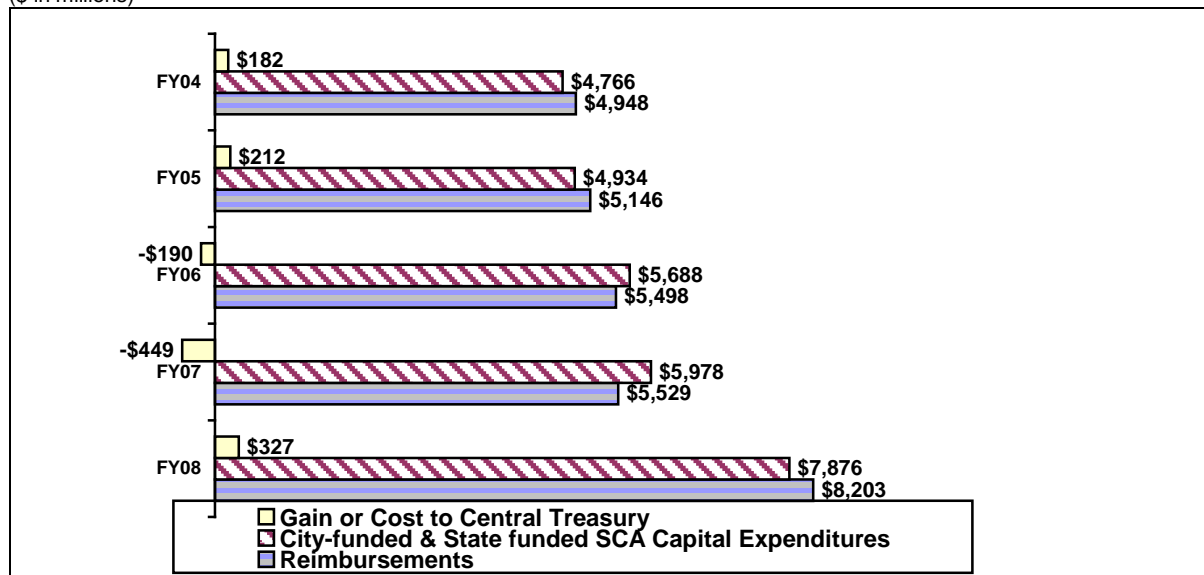
(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	Total FY04- FY08
GO	\$3,342	\$3,385	\$3,832	\$1,059	\$3,339	\$14,957
Water and Sewer	1,238	1,697	1,653	1,866	2,149	8,603
TFA	281	0	0	1,513	532	2,326
Other	87	64	13	0	0	164
<b>Sub-total</b>	<b>4,948</b>	<b>5,146</b>	<b>5,498</b>	<b>4,438</b>	<b>6,020</b>	<b>26,050</b>
TFA Building Aid	0	0	0	621	1,230	1,851
DASNY	0	0	0	470	953	1,423
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,091</b>	<b>2,183</b>	<b>3,274</b>
<b>Total</b>	<b>\$4,948</b>	<b>\$5,146</b>	<b>\$5,498</b>	<b>\$5,529</b>	<b>\$8,203</b>	<b>\$29,324</b>

Chart 5 compares five years of reimbursements to City-funded capital expenditures and state funded educational facilities plan payments to the SCA during FY04-FY08. During the last five years, reimbursements exceeded expenditures by \$82 million. After two years of cost to the New York City Central Treasury, reimbursements of capital expenditures were greater than reimbursable expenditures in FY08. However, the level of unfinanced capital expenditures at the close of FY08 increased from the close of FY07 and remains a drain on the New York City Central Treasury.

**Chart 5. Five Year History of Reimbursements Compared to City-funded and Non City-funded SCA Capital Expenditures, FY04-FY08**

(\$ in millions)





### III. Financing

During the last ten years, the City has sold \$42.6 billion in long-term GO debt for the capital program and refunding of outstanding debt and the TFA has issued \$21 billion in bonds and Bond Anticipation Notes (BANs) and \$2 billion in Building Aid bonds. During FY07, the City issued less in GO bonds than in any year except FY00. This lower level of GO debt was offset by the TFA issuing debt to fund capital projects for the first time since FY04. Table 32 shows GO debt for capital and refundings and TFA debt in the last ten years.

**Table 32. GO and TFA Debt Issuance History, FY99-FY08**

(\$ in billions)

	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	Total FY99- FY08
GO Capital Program	\$1.6	\$0.6	\$1.2	\$2.7	\$ 2.2	\$3.0	\$3.9	\$3.4	\$0.8	\$3.4	\$22.8
GO Refundings	1.6	0.1	1.1	1.0	2.7	3.9	2.9	1.4	1.1	4.0	19.8
<b>GO Sub-total</b>	<b>3.2</b>	<b>0.7</b>	<b>2.3</b>	<b>3.7</b>	<b>4.9</b>	<b>6.9</b>	<b>6.8</b>	<b>4.8</b>	<b>1.9</b>	<b>7.4</b>	<b>42.6</b>
TFA Bonds & BANs	2.0	2.9	2.0	2.8	5.2	1.9	0.9	0.6	2.7	0.0	21.0
TFA Building Aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.7	2.0
<b>Total</b>	<b>\$5.2</b>	<b>\$3.6</b>	<b>\$4.3</b>	<b>\$6.5</b>	<b>\$10.1</b>	<b>\$8.8</b>	<b>\$7.7</b>	<b>\$5.4</b>	<b>\$5.9</b>	<b>\$8.1</b>	<b>\$65.6</b>

#### GO Debt

As shown in Table 33, GO debt issuances in FY08 totaled \$7.382 billion, an increase of \$5.434 billion over the \$1.948 billion of GO debt issued in FY07. During the 4QFY07, there was no GO debt sold. In the 4QFY08, \$844 million in fixed rate tax-exempt, \$1.438 billion in adjustable tax-exempt, \$132 million in fixed rate taxable, and \$343 million adjustable rate taxable GO debt was issued.

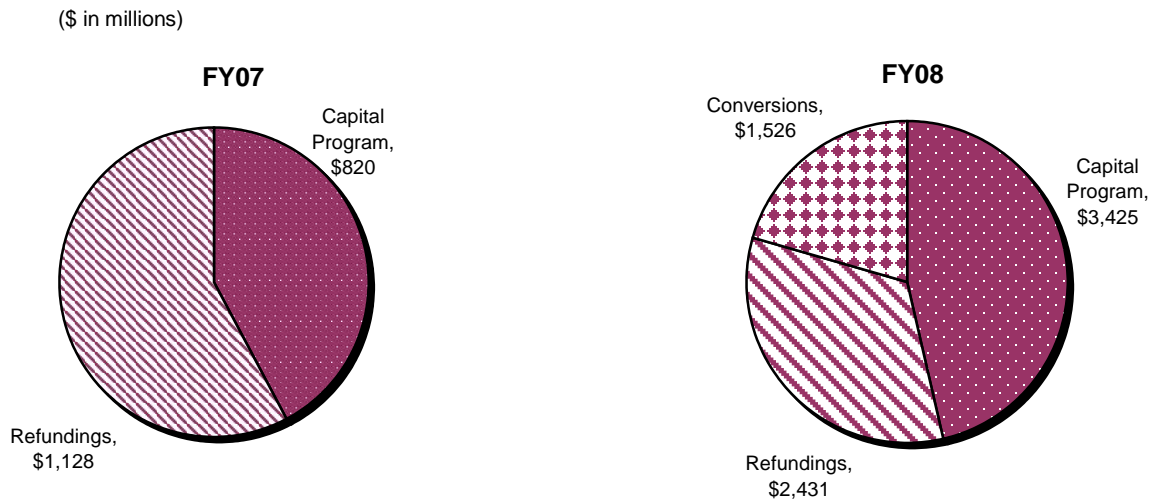
**Table 33. GO Bond Issues, FY07 and FY08**

(\$ in millions)

Month of Closing	FY07			FY08		
	Tax- Exempt	Taxable	Total	Tax- Exempt	Taxable	Total
July	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
August	850	0	850	1,245	0	1,245
September	0	0	0	0	0	0
<b>1Q</b>	<b>850</b>	<b>0</b>	<b>850</b>	<b>1,245</b>	<b>0</b>	<b>1,245</b>
October	0	0	0	800	250	1,050
November	0	0	0	0	0	0
December	0	0	0	1,050	125	0
<b>2Q</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,850</b>	<b>375</b>	<b>2,225</b>
<b>1H</b>	<b>850</b>	<b>0</b>	<b>850</b>	<b>3,095</b>	<b>375</b>	<b>3,470</b>
January	1,028	70	1,098	605	0	605
February	0	0	0	475	75	550
March	0	0	0	0	0	0
<b>3Q</b>	<b>1,028</b>	<b>70</b>	<b>1,098</b>	<b>1,080</b>	<b>75</b>	<b>1,155</b>
April	0	0	0	2,282	475	2,757
May	0	0	0	0	0	0
June	0	0	0	0	0	0
<b>4Q</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,282</b>	<b>475</b>	<b>2,757</b>
<b>FY</b>	<b>\$1,878</b>	<b>\$70</b>	<b>\$1,948</b>	<b>\$6,457</b>	<b>\$925</b>	<b>\$7,382</b>

Chart 6 shows the amount of GO proceeds that funded the capital program and the level of refundings in FY07 and FY08. In FY07, 42 percent of the proceeds were for capital needs compared with 46 percent in FY08. During FY07 and FY08, refundings yielded \$72 million and \$176 million, respectively, in budget savings over the life of the bonds. In FY08, \$1.526 billion of debt converted multi-modal bonds to alternate rate modes in order to restructure a portion of the outstanding insured floating rate debt issued by the City.

**Chart 6. Purposes of GO Debt, FY07 and FY08**



### **TFA Building Aid Bonds**

The TFA sold \$700 million in TFA Building Aid bonds in June 2008. Debt service for these bonds is funded by NYS education building aid. This was the only sale in FY08, bringing the total in TFA Building Aid bonds sold to \$2 billion. The City has received \$1.851 billion of the proceeds from these bonds as reimbursement for education capital expenditures.

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