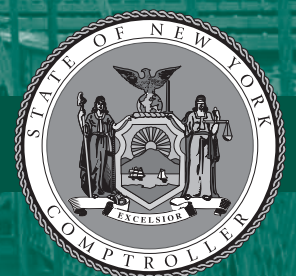


STATE OF NEW YORK

FINANCIAL CONDITION REPORT

For Fiscal Year Ended March 31, 2012

Thomas P. DiNapoli, State Comptroller



STATE OF NEW YORK

FINANCIAL CONDITION REPORT For Fiscal Year Ended March 31, 2012

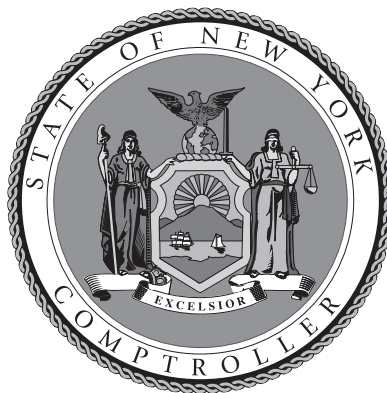
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**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

PRESENTED TO

State of New York

for the Fiscal Year Ended

March 31, 2011



Linda C. Danson
President

Jeffrey L. Esser
Executive Director

**Comptroller's 2012 Report
on the Financial Condition
of New York State**

This report provides citizens with an overview of the financial condition of New York State. It presents selected financial, economic, and demographic information in an easy-to-understand format.

It also presents basic information on trends in State receipts (revenues) and spending (disbursements), the State's financial position as measured by Generally Accepted Accounting Principles (GAAP), and selected economic and demographic trends affecting the State. This report fills an information need not met by the traditional, more detailed financial reports issued by the Comptroller's Office, and is meant to complement these other reports, not replace them. Detailed accounting data can be found in reports such as the *Comprehensive Annual Financial Report*.

Financial condition is a broad concept aimed at assessing the ability of a government to meet current and future financial and service obligations. It deals with the State's ability to deliver acceptable levels of services at acceptable levels of taxation, while achieving budget balance and making required debt service payments and pension contributions.

The Office of the State Comptroller was honored this past year when it received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the *2011 Financial Condition Report*.

Message from the Comptroller

I am pleased to present the State of New York Financial Condition Report for the State fiscal year ended March 31, 2012.

In the past few years, New York State has made important progress toward achieving long-term budget balance. The State has enacted significant changes in its three largest expenditure categories — Medicaid, school aid and agency operations — and created a new cap on local property taxes, ushering in a new era of State and local fiscal policy. It is important that New Yorkers understand the impact of these changes as well as the challenges that remain before us. This report is intended to help by illustrating key trends in our economy as well as in our State and local budgets.

The new pension tier signed into law this year is intended to produce long-term savings for both localities and the State as employee turnover occurs over the next three decades. The property tax cap enacted in 2011 has already begun to influence school and municipal budgets, and may have a significant restraining impact on property taxes, the largest source of locally generated tax revenue, in years to come.

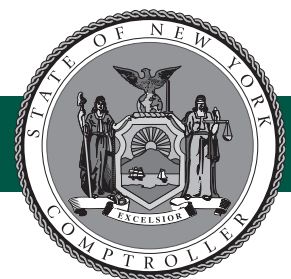
More than at any time in recent history, the policy decisions of 2011 and 2012 establish current and structural budgetary balance as the State's primary fiscal goal. Despite real progress, as of this writing the State faces projected budget gaps of \$3.6 billion and \$4.4 billion in the fiscal years starting in 2014 and 2015, respectively, and a smaller but not insignificant gap of \$982 million during the fiscal year starting April 1, 2013. The bottom line: New York faces continuing challenges both in attaining structural balance and in delivering services in the future.



A truly sustainable fiscal course would become more attainable if the State implements comprehensive reform of both our budgetary and debt practices, as I have recommended repeatedly. I encourage every citizen to learn more about the fiscal, economic and social challenges facing New York and to participate fully in the public debate on these vitally important issues.

Fortunately, it remains the case that New York has tremendous economic and social assets. These include an industrious, well-educated workforce; innovative businesses, including a world-class financial sector; a broad and strong network of human service organizations; exceptional facilities for education and culture; and a well-developed infrastructure. The more effectively we face the challenges mentioned above, the better we will position the Empire State to build on its great assets for a stronger future.

Thomas P. DiNapoli, State Comptroller



Government-Wide Financial Data

New York State's government-wide financial statements include a Statement of Net Assets (Deficits) and a Statement of Activities, both of which distinguish between the State's governmental and business-type activities. (Component Unit data not shown.)

Governmental activities

Most of the State's basic services are reported here, including education, public health, public welfare, public safety, transportation, environment and recreation, support and regulation of business, general government, and interest on long-term debt. Federal grants, personal income taxes, consumption and use taxes, business and other taxes, lottery revenues, and bond proceeds finance most of these activities.

Business-type activities

Revenues are received by the State from its customers to help it cover all or part of the cost of certain services it provides. The State's Lottery Fund, Unemployment Insurance Benefit Fund, the State University of New York (SUNY) and the City University of New York – Senior Colleges (CUNY) are reported here.

The full accrual method of accounting, which is also used by many businesses, recognizes revenues and expenses when the earning process is complete, regardless of when cash is received or disbursed. This results in a long-term perspective on finances.

Condensed Statement of Activities — Primary Government For the year ended March 31, 2012 (amounts in millions)

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenues
Governmental activities:			
Education	\$30,828	\$4,221	(\$26,607)
Public health	58,817	34,984	(23,833)
Public welfare	12,703	12,011	(692)
Public safety	6,264	762	(5,502)
Transportation	8,347	3,365	(4,982)
Environment and recreation	1,653	625	(1,028)
Support and regulate business	1,625	1,546	(79)
General government	5,641	3,261	(2,380)
Interest on debt	1,922	43	(1,879)
Total governmental activities	127,800	60,818	(66,982)
Business-type activities:			
Lottery	5,587	8,439	2,852
Unemployment insurance	7,363	7,323	(40)
State University of New York	9,709	5,893	(3,816)
City University of New York	2,937	1,525	(1,412)
Total business-type activities	25,596	23,180	(2,416)
Total primary government	\$153,396	\$83,998	(69,398)
General revenues and net transfers:			
Taxes			63,731
Other			4,523
Net transfers			(211)
Total general revenues and net transfers			68,043
Change in Net Assets (decrease)			(\$1,355)

Condensed Statement of Net Assets (Deficits) — Primary Government

As of March 31, 2012 (amounts in millions)

Assets and Deferred Outflows of Resources	Governmental Activities	Business-type Activities	Total
Cash and investments	\$9,388	\$6,977	\$16,365
Receivables, net	19,563	3,893	23,456
Internal balances	(249)	794	545
Other assets	745	294	1,039
Capital assets	83,696	11,746	95,442
Total Assets	113,143	23,704	136,847
Deferred outflows of resources	146	58	204
Total Assets and Deferred Outflows of Resources	113,289	23,762	137,051
Liabilities			
Tax refunds payable	9,157	—	9,157
Payable to local governments	4,515	—	4,515
Accrued liabilities and accounts payable	7,038	1,887	8,925
Other liabilities due within one year	5,397	3,881	9,278
Liabilities due in more than one year	60,849	18,652	79,501
Total Liabilities	86,956	24,420	111,376
Net Assets (Deficits)			
Invested in capital assets net of related debt	65,875	920	66,795
Restricted for debt service and other purposes	3,151	1,345	4,496
Unrestricted deficits	(42,693)	(2,923)	(45,616)
Total Net Assets (Deficits)	\$26,333	(\$658)	\$25,675

The Statement of Net Assets (Deficits) reports the State's total assets and liabilities. This Statement reports the difference between assets and liabilities in three categories: Capital Assets Net of Related Debt, Restricted Net Assets and Unrestricted Net Assets.

The Statement of Activities reports the expenses of each of the State's programs, reduced by the revenues generated by those programs, to arrive at net program expense. The net program expense is then reduced by general revenues and other gains and losses to arrive at a change in net assets for the year.

For prior years' comparative government-wide data, please see the Statistical Section of the Comprehensive Annual Financial Report (Net Assets by Component, Changes in Net Assets, and Program Revenues by Function schedules).

Fund Financial Data

The State also prepares fund financial statements. Funds represent sources of funding and spending for particular purposes. The General Fund is used to report sources of funds and expenditures that are not required to be accounted for in another separate fund. In New York, significant sources of funds that normally would be reported in the General Fund have been pledged or dedicated to other funds for repayment of debt or project funding and are therefore reported in other governmental funds.

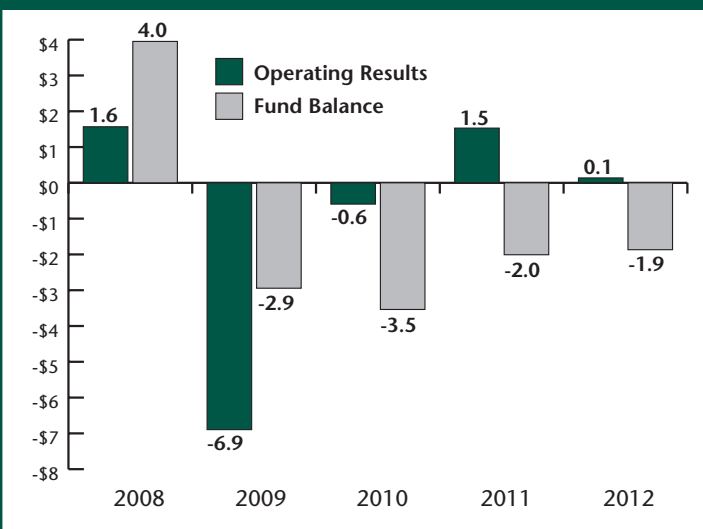
Fund financial statements provide a short-term view of government finances. Thus, payment of fund expenditures from proceeds of long-term borrowing will not have any impact on the fund balance, because the liability to repay the borrowing is not reported in the fund.

The relationship between fund operating results and accumulated fund balance (or deficit) is graphically depicted at right. Operating results are the net change in fund balance in a reporting period; the amount by which the accumulated fund balance increased or decreased during the reporting period.

- As of the year ended March 31, 2012, the State’s governmental funds reported a combined operating surplus of \$619 million, increasing the combined fund balance from \$5.8 billion at April 1, 2011 to \$6.4 billion at March 31, 2012.
- The combined governmental funds operating surplus included a \$137 million surplus in the General Fund. While General Fund expenditures exceeded revenues, the surplus occurred as a result of transfers to the General Fund from other funds. The General Fund accumulated fund deficit decreased from \$2 billion at April 1, 2011 to \$1.9 billion at March 31, 2012.

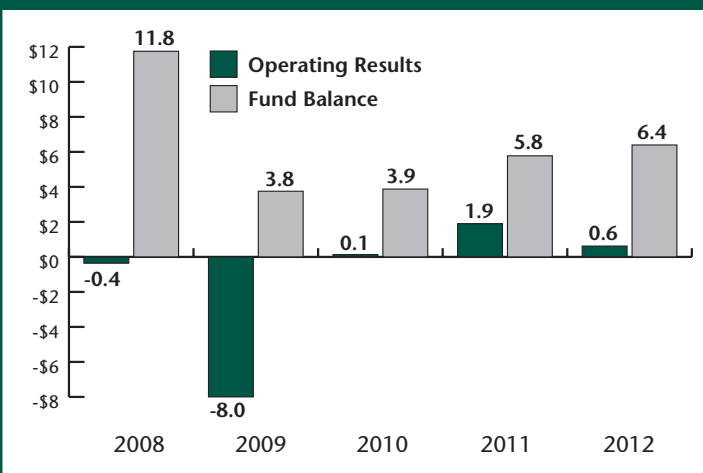
General Fund Operating Results versus Accumulated Surplus (Deficit)

(amounts in billions)



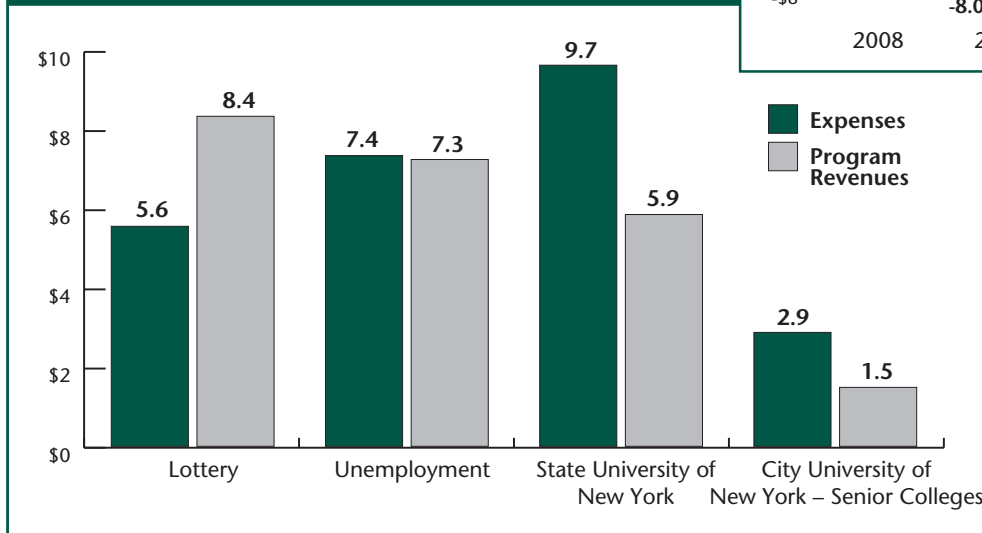
Governmental Operating Results versus Accumulated Surplus

(amounts in billions)



Business-type Activities

(amounts in billions)

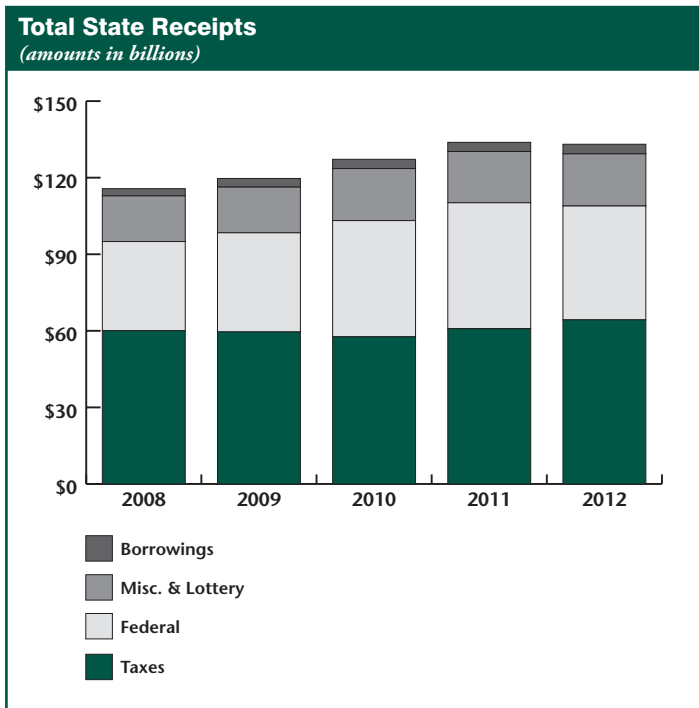
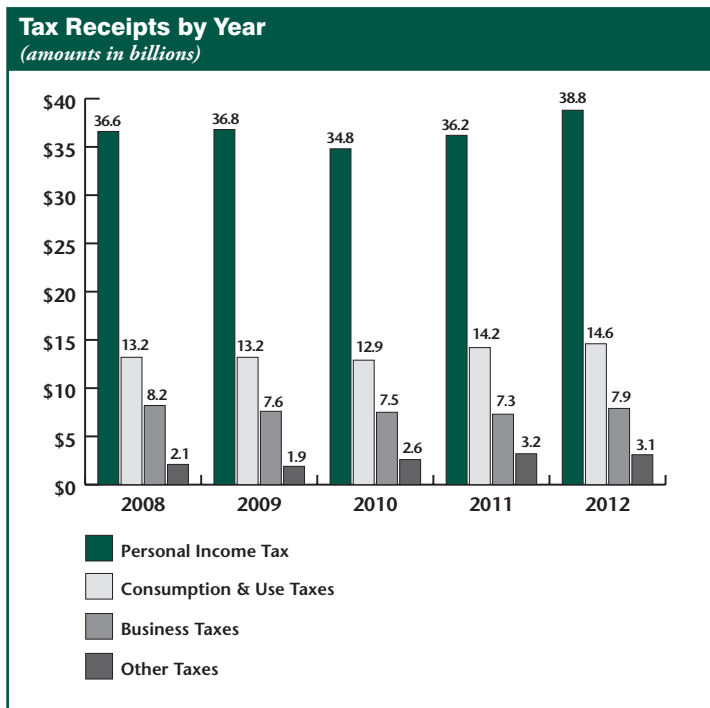
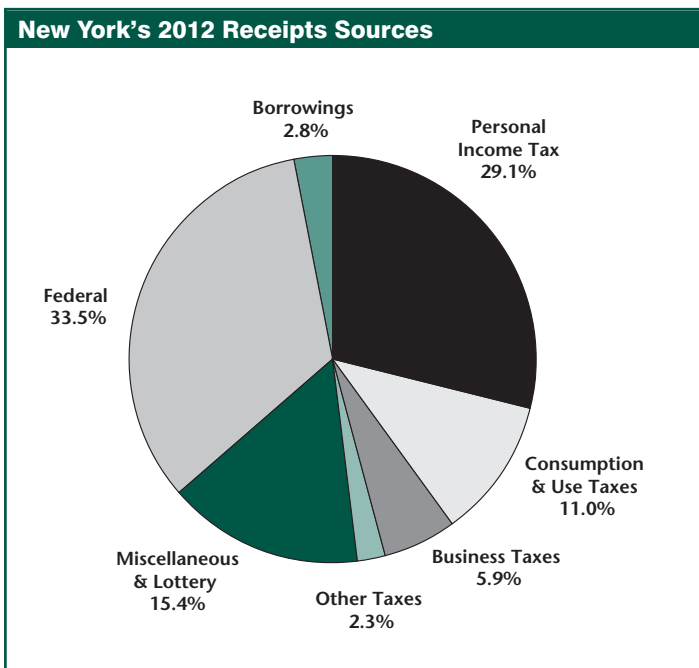


For more detail please see the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) in the Comprehensive Annual Financial Report.

Total Receipts

Revenues are affected by economic changes and changes in federal and State policies. Tax base is a measure of the State's ability to generate revenue. A decreasing tax base may force spending reductions and/or increased taxes. Receipts are revenues that have been recorded on a cash basis. Appendix 3 contains State receipts by major source for the past five fiscal years.

- Receipts have increased \$17.4 billion (15.0 percent) since 2008.
- In 2012, total tax receipts of \$64.3 billion represented a 7.0 percent increase over 2008 tax receipts.
- Receipts from the federal government increased 27.8 percent since 2008. Medicaid was responsible for the largest increase in federal cash receipts. During fiscal years 2009 through 2012, the State received additional federal funding under the American Recovery and Reinvestment Act.
- Personal income tax and consumer taxes accounted for 40.1 percent of 2012 receipts, and have increased 7.2 percent since 2008.
- During fiscal year 2012, the State experienced a 7.1 percent increase in personal income tax receipts — its largest tax revenue source.

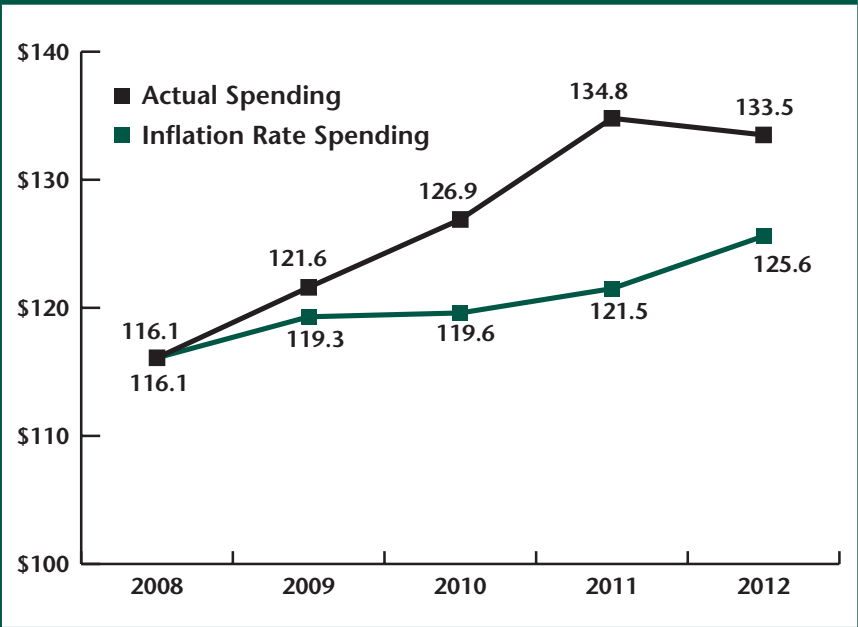


Total Spending

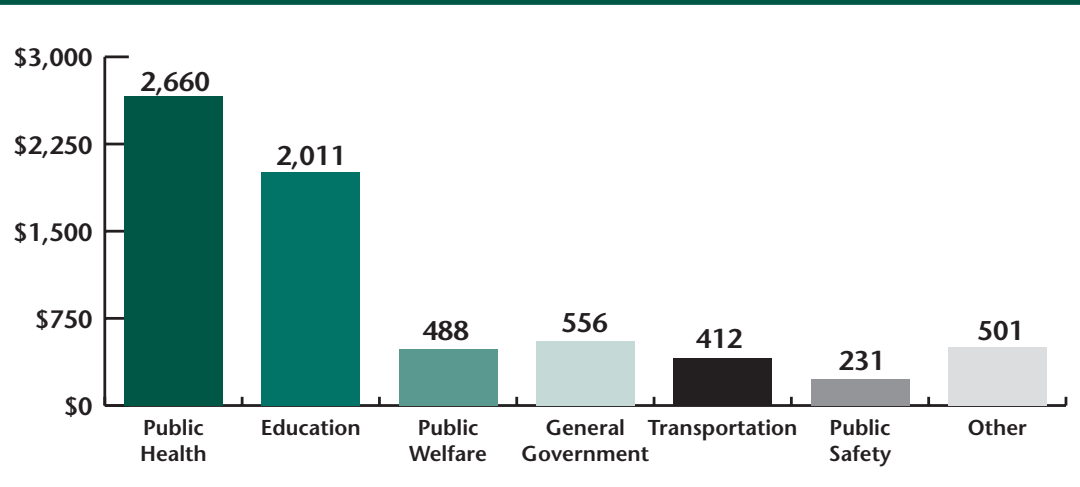
Spending data can be used to evaluate the State’s program priorities and, compared to revenue data, can be used to measure the State’s ability to support continuing programs. Appendices 1 and 2 show a history of State spending on a cash basis by major program and funding source for the past five fiscal years.

- State spending, including spending from federal funds, totaled \$133.5 billion in 2012, a decrease of \$1.3 billion (1.0 percent) from the prior year.
- Since 2008, growth in State spending (15.0 percent) has outpaced inflation (Consumer Price Index of 8.2 percent).
- State spending has been partially paid for by borrowing \$17.2 billion since 2008, including \$3.8 billion in 2012.
- New York’s spending in 2012 was \$6,859 per person.
- Public health and education spending represents 68.1 percent of total State spending.

Actual State Spending versus Spending at the Rate of Inflation
(amounts in billions)

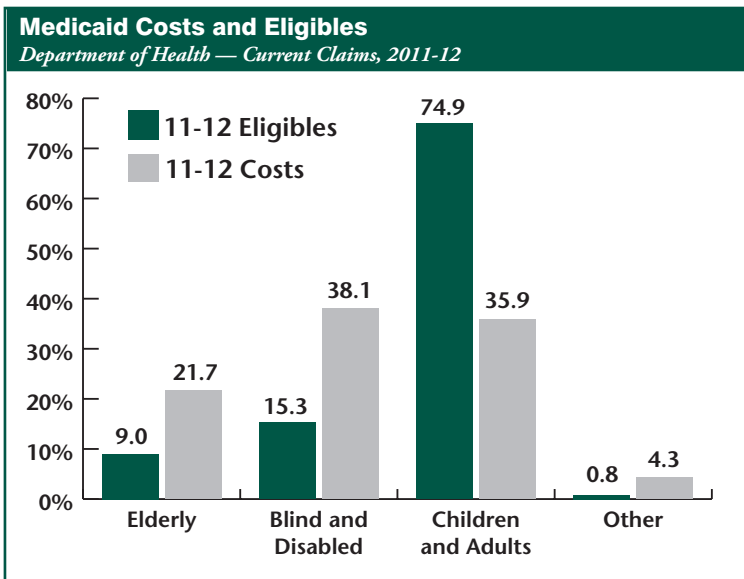


2012 Total State Spending per Person by Program Area



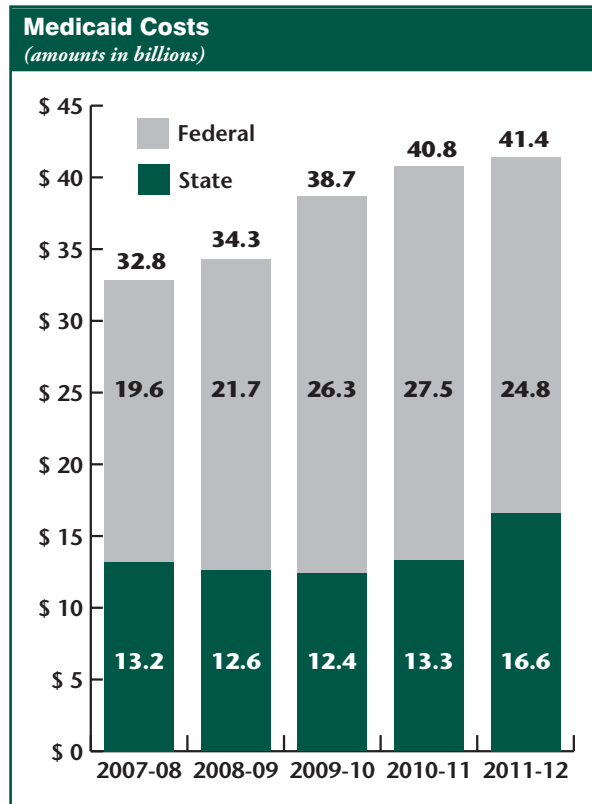
Public Health

■ State and federal Medicaid costs increased in SFY 2011-12 by approximately \$591 million, or 1.5 percent, to \$41.4 billion, while the average monthly number of eligible recipients increased about 167,000, or 3.5 percent, to over 4.9 million. These increases are smaller than in recent years and reflect New York's measured recovery from the recent economic recession, as well as significant savings actions initiated by the Governor and the Legislature. These actions include a cap, which limits growth in certain State Medicaid spending to approximately 4.0 percent a year starting in SFY 2012-13. In SFY 2011-12, State Medicaid spending increased by \$3.3 billion, or 24.7 percent, to \$16.6 billion, while federal Medicaid spending decreased by \$2.7 billion, or 9.8 percent, to \$24.8 billion. The increase in State spending and decrease in federal spending largely reflect the expiration of a temporary increase in the federal matching rate for Medicaid expenditures approved by Congress.

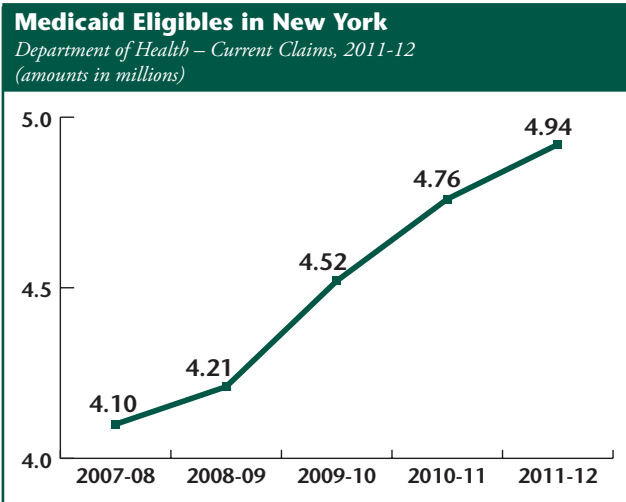


■ While children and adults continue to comprise nearly three-quarters of all average monthly eligible recipients, they account for about 36 percent of overall Department of Health (DOH) Medicaid costs. Elderly, blind and disabled recipients make up about a quarter of eligible recipients, but account for nearly 60 percent of Medicaid costs.

■ Family Health Plus, the Medicaid expansion program implemented in SFY 2001-02 for adults without health insurance, but with income or resources too high to qualify for regular Medicaid, saw a 6.2 percent increase in average monthly eligible recipients in SFY 2011-12 and an 8.2 percent increase in costs. The average monthly number of eligible recipients increased by nearly 26,000 to 438,000, while year-to-year costs increased by \$125.0 million to nearly \$1.7 billion in SFY 2011-12.

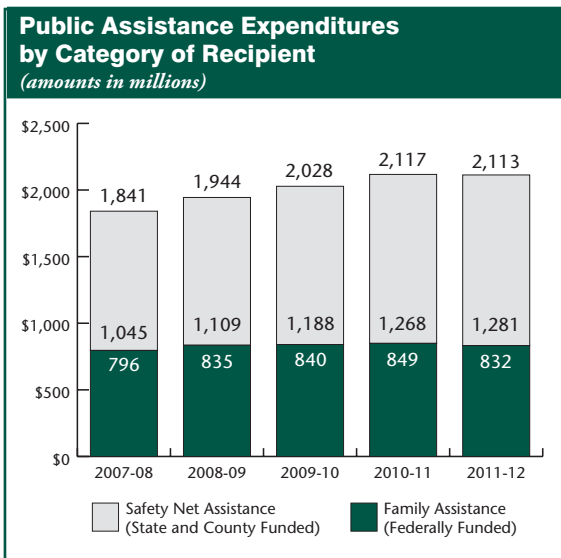


■ Adults accounted for the largest portion of the average monthly increase in eligible recipients, growing by 93,000, or 5.2 percent, to nearly 1.9 million. The number of children with Medicaid coverage increased by nearly 40,000, or 2.2 percent, to over 1.8 million. The number of eligible elderly recipients increased by 18,000, or 4.3 percent, to approximately 443,000, while the number of blind and disabled recipients increased by 18,000, or 2.5 percent, to nearly 756,000. The number of other eligible recipients, mostly legal immigrants, decreased by 2,000, or 5.0 percent, to 38,000.



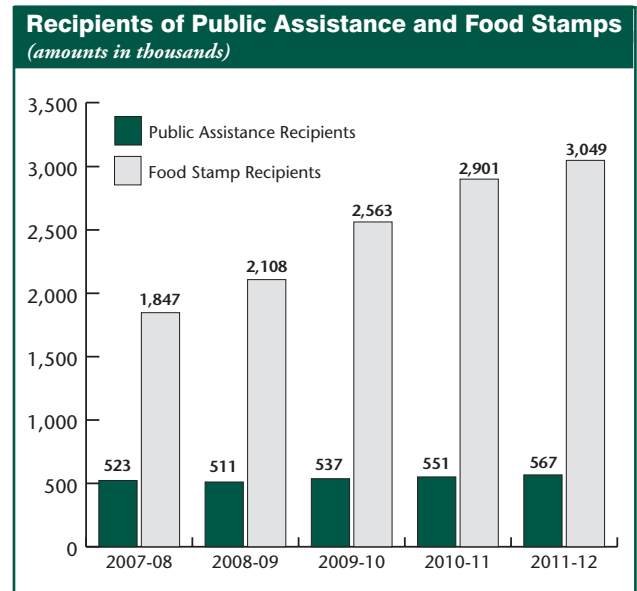
Public Welfare

- The number of public assistance recipients in New York increased for the third consecutive year in SFY 2011-12, largely due to higher Safety Net Assistance (SNA) enrollment, especially in areas of the State outside of New York City. However, overall public assistance spending decreased slightly from its peak in SFY 2010-11, largely due to lower Family Assistance (FA) expenditures in New York City. Areas outside of the City registered significant increases in spending and recipients in both programs in SFY 2011-12. New York City recorded a slight increase in overall recipients, but fewer FA recipients and significantly less FA spending than the year before. Divergent trends in the State's public assistance recipients and spending reflect the uneven, regional nature of New York's recovery from the recent recession.
- The number of public assistance recipients grew by about 15,000, or 2.8 percent, to nearly 567,000 last year, which represents slightly faster growth than SFY 2010-11, but much slower growth than SFY 2009-10. The number of recipients in New York City increased by about 2,000, or less than 1.0 percent, to 346,000; the number of recipients in the rest of the State increased by 13,000, or 6.4 percent, to nearly 221,000.



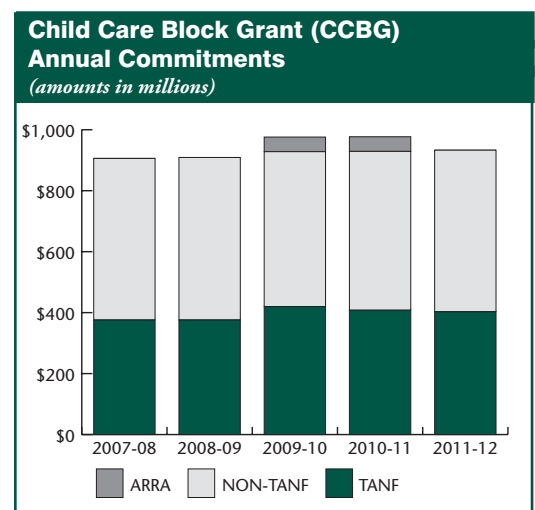
percent, to \$5.5 billion last year. The Food Stamp Program had recorded double-digit growth in recipients and expenditures for each of the three previous State fiscal years. Food stamp expenditures in New York City increased 2.2 percent to nearly \$3.5 billion in SFY 2011-12, but 6.9 percent to over \$2.0 billion in the rest of the State. Average monthly recipients increased 2.9 percent to 1.8 million in the City, but 8.5 percent to 1.2 million in areas outside of New York City.

- The State's child care block grant subsidies for public assistance and low-income families, financed by a combination of federal, State and local sources, decreased by \$43 million, or 4.4 percent, to \$933 million in SFY 2011-12. This decrease is largely due to the phase-out of federal stimulus funding provided in the previous two State fiscal years.



- Statewide public assistance expenditures decreased by \$4.3 million, or less than 1.0 percent, to \$2.1 billion in SFY 2011-12. Public assistance spending in New York City decreased by \$41.1 million, or 3.1 percent, to \$1.3 billion, while spending in the rest of the State increased by \$36.8 million, or 4.6 percent, to \$835.7 million in SFY 2011-12. SNA expenditures, which accounted for nearly 61 percent of total public assistance spending, increased by \$12.1 million, or less than 1.0 percent, to \$1.3 billion in SFY 2011-12. FA expenditures decreased by \$16.3 million, or 1.9 percent, to \$832.4 million last year; in New York City, FA expenditures decreased by \$36.3 million, or 7.7 percent, to \$434.7 million.

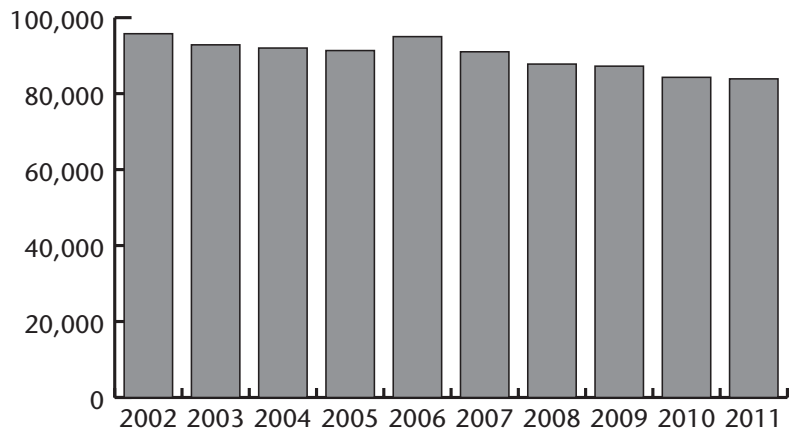
- The State's Food Stamp Program, financed by the federal government, experienced the slowest growth in recipients since SFY 2007-08 and the slowest growth in expenditures in the last ten years. Average monthly recipients increased by about 148,000, or 5.1 percent, to three million individuals in SFY 2011-12. Expenditures grew by \$205.9 million, or 3.9



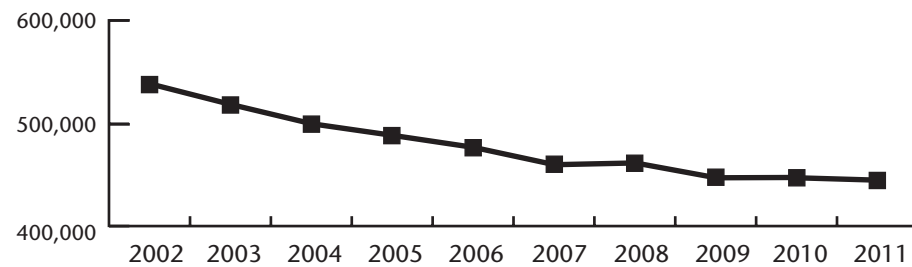
Public Safety

- A total of 83,887 inmates were held in 137 State and local correctional facilities at the end of 2011 (including 60 State correctional facilities, 61 county jail facilities, and 16 New York City correctional facilities). Overall, there was a decline in the inmate population of more than 11,000 (11.6 percent) since the year 2002. In 2011, the State closed seven prison facilities with 3,800 beds.
- The total number of crimes reported in New York State declined by 93,716, or 17.4 percent, from 2002 to 2011. This trend is illustrated by the falling crime rates across all major categories of crimes.

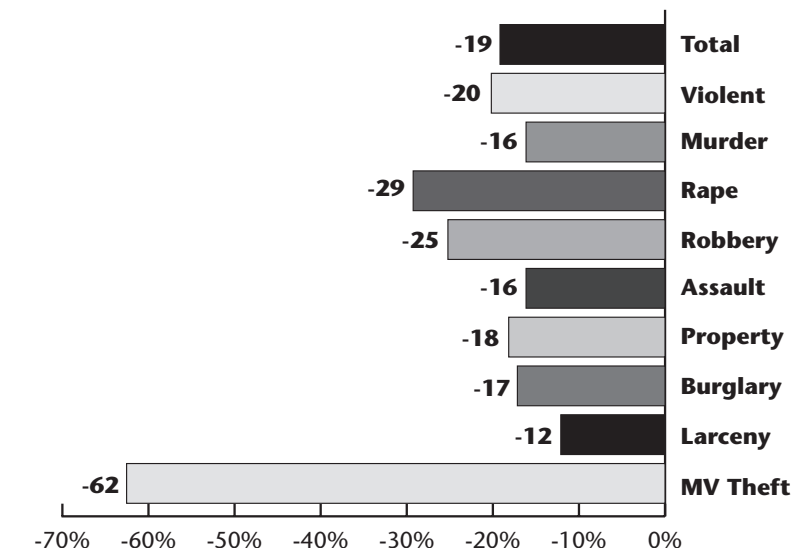
Inmates Held in State and Local Correctional Facilities
(number of inmates)



New York State Total Crimes Reported
(number of crimes)



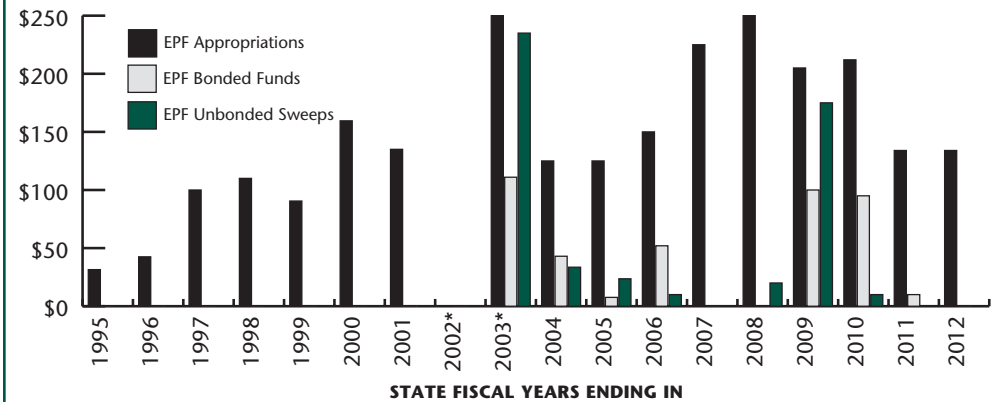
Percentage Change in Crime Rates
from 2002 to 2011



Environment

■ The Environmental Protection Fund (EPF) is New York State's primary source of capital funding for conservation and recreational purposes. Since the EPF was established in 1993, more than \$2.5 billion has been appropriated and \$1.8 billion disbursed in support of environmental programs. In SFY 2011-12, \$134 million was appropriated to the EPF, an amount equal to the SFY 2010-11 appropriation level. EPF spending in SFY 2011-12 reached \$148.4 million, a slight increase over the SFY 2010-11 spending level of \$148.3 million but 17.7 percent below the historic high spending level set in SFY 2008-09.

History of EPF Appropriations and Sweeps Backed by General Fund Repayment Authorization and Bonding
(amounts in millions)



* No appropriation was enacted for the EPF in SFY 2002; there were two EPF appropriations enacted in SFY 2003.

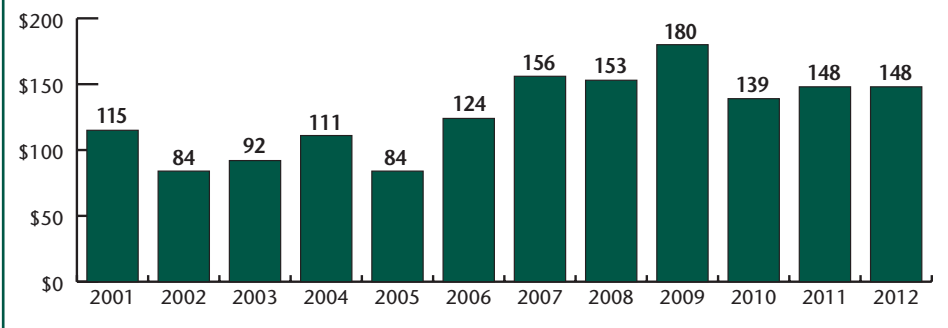
EPF Cash Sweeps and Bonding

■ Recently enacted State budgets have transferred funds totaling \$914 million (or 39 percent of total EPF appropriations) from the EPF to address shortfalls in the State General Fund. To date, \$406 million (or 17 percent of total appropriations) has been replaced with revenues from public authority-issued bonds, obligating the State to repay the bonds with debt service.

■ A total of \$507 million (22 percent of total appropriations) has been swept from the EPF without being replaced by bonded funds, although the State Division of Budget is authorized to repay up to \$447 million of these funds if needed to meet the obligations of EPF programs.

■ No funds were swept from the EPF in SFY 2011-12.

EPF Disbursements by Fiscal Year
(amounts in millions)



Parks, Energy, Environment, and Agriculture

■ The SFY 2012-13 Enacted Budget created the Western New York Power Proceeds Allocation Act with net proceeds from sales by the New York Power Authority expansion power, replacement power and power generated by the Niagara Power Project. The program will provide funding to private businesses located within a 30 mile radius of the Niagara Project for a broad range of purposes, including investment in capital infrastructure, research and development and tourism marketing initiatives.

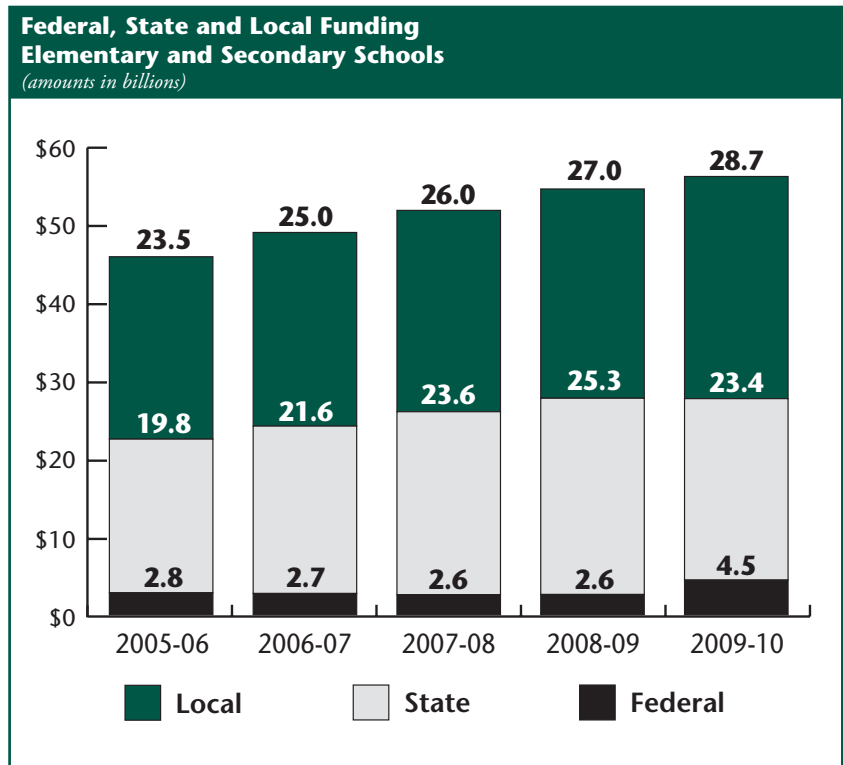
■ New York State has the fourth lowest per-capita energy consumption in the nation.

- New York's farms generated \$4.6 billion in cash receipts from commodities in 2010.
- New York is the 4th leading milk producing state with 12.7 billion pounds produced in 2010.
- New York State ranked second in the nation in the number of State parks, recreation areas and natural areas available to its residents in 2010.
- New York State used less gasoline per capita than any other State in 2010, largely due to alternative transportation sources, including mass transportation in New York City.

Education

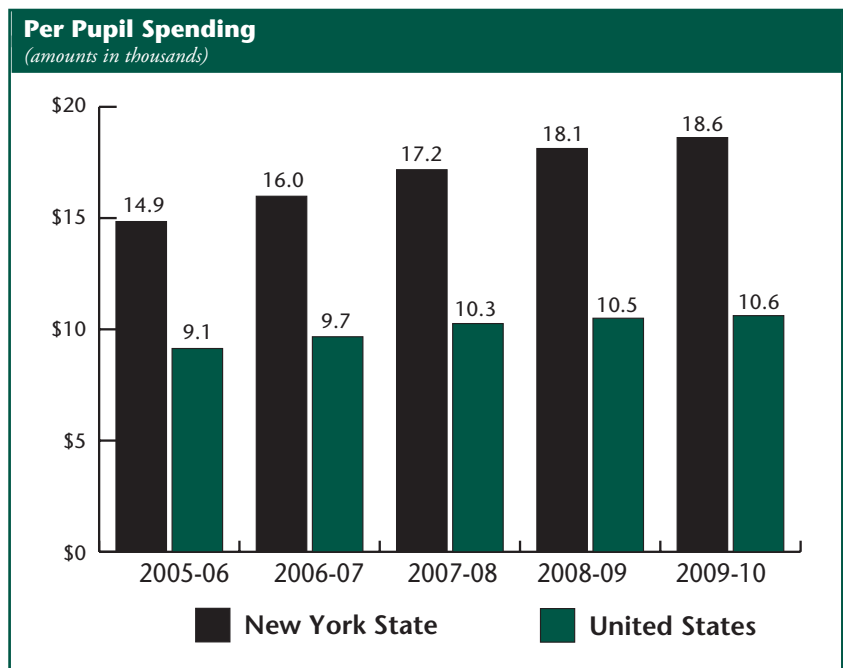
Elementary and Secondary

- According to the US Census Bureau, for the 2009-10 school year, New York was the highest among the states in per pupil expenditures for public elementary and secondary education, at \$18,618, representing an increase of 2.7 percent from the previous year. This amount is 75.3 percent higher than the national average of \$10,615 per pupil.
- Over the last five years, annual per pupil spending has increased an average 6.3 percent in New York, compared to 4.2 percent for the nation.
- In 2009-10, support for public elementary and secondary schools came from State, local, and federal sources in the amounts of \$23.4 billion, \$28.7 billion, and \$4.5 billion respectively. State support includes the School Tax Relief Program (STAR), totaling \$3.2 billion in 2009-10.
- In school budgets proposed for the 2012-13 school year, property tax increases averaged 2.2 percent, lower than the 3.4 percent increase last year, as well as the 3.4 percent average annual increase from 2006 to 2011.



Higher Education

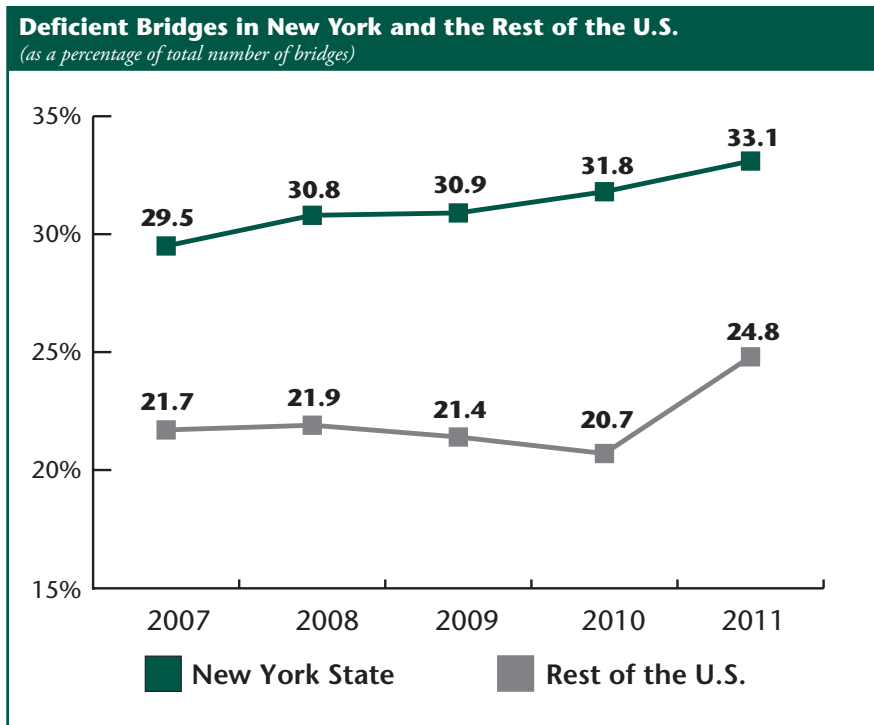
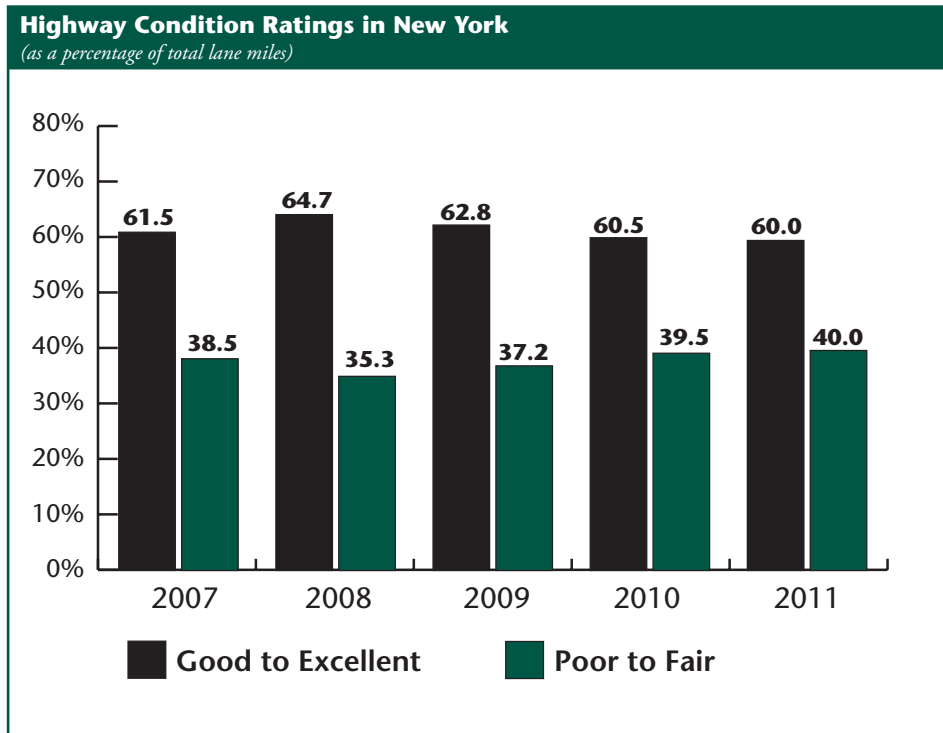
- In calendar year 2011, there were 908,999 full-time and 371,965 part-time students in degree-credit enrollments in New York higher education institutions. New York has a higher proportion of private colleges than most states, with 187 independent and proprietary colleges containing nearly 45 percent of statewide full-time equivalent (FTE) enrollment.
- Average costs of tuition and fees for full-time, in-state students at public four-year institutions in the 2011-12 academic year were \$6,600 for resident SUNY students and \$5,430 for resident CUNY students. Average full-time tuition and fees at two-year community colleges totaled \$4,190 at SUNY and \$3,900 at CUNY.
- Nearly 375,000 students received State Tuition Assistance Program (TAP) awards in the 2010-11 academic year, totaling \$855 million.
- The State spent \$240 per person on higher education in 2011-12, ranking New York 26th in the nation for higher education spending per capita.



Transportation

Data on the condition of highways and bridges, as provided by the State Department of Transportation, provide insight into the quality of infrastructure which is used daily by residents and businesses.

- The State is responsible for maintaining more than 42,600 lane miles of highway.
- The number of highway lane miles rated poor/fair has increased by 5.2 percent since 2007.
- In 2011, 60 percent of the State's highways were rated good to excellent, a 1.5 percent decline since 2007.
- The State is responsible for maintaining more than 7,860 bridges, of which 33.1 percent were rated deficient in 2011 as compared to 29.5 percent in 2007.
- The State's 2011 percentage (33.1 percent) of deficient bridges compares to the nationwide percentage of 24.8 percent. A deficient rating means a bridge is either structurally or functionally deficient, but not a current safety threat.



Local Government

The plight of local governments in New York State has not significantly improved over the last several years. The slow and uneven economic recovery continues to impact local budgets as local officials struggle to develop and maintain a strong revenue base to help support increasing costs. At the same time, a new limitation on the annual growth in property tax levies became effective for local fiscal years beginning in 2012. There is some good news, however. New home foreclosure filings are declining statewide, although property values are still weakening, and sales tax collections have been steadily improving over the past two years in all regions of the State.

Property Values

Home values increased at an unsustainable rate through much of the last decade, and now growth rates have slowed, or in some cases, are decreasing.

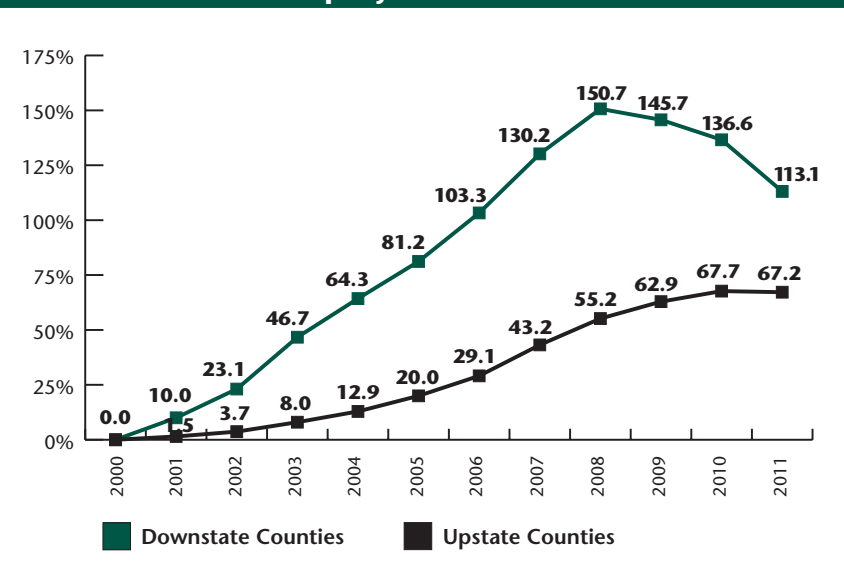
Downstate counties experienced historic growth through the first decade of the 21st century, peaking in 2008. During this 8-year span, property values grew 150 percent, or at an average annual rate of 12.2 percent. By the end of the period, the housing crisis was taking a toll on the areas that grew the fastest, and by 2011, all 9 downstate counties outside New York City (Dutchess, Nassau, Orange, Putnam, Rockland, Sullivan, Suffolk, Ulster and Westchester) had experienced a downturn in property values. Between 2008 and 2011, property values downstate fell at an average annual rate of 5.3 percent.

The trend in property values differed for upstate counties. Although these counties experienced property value growth, the growth was more moderate. Between 2000 and 2008, values grew 5.6 percent on an average annual basis. Property values peaked in 2010, and grew 67.7 percent between 2000 and 2010. Since 2000, upstate counties only experienced one year of decline, with 21 of 48 counties seeing property values drop in 2011 compared to 2010.

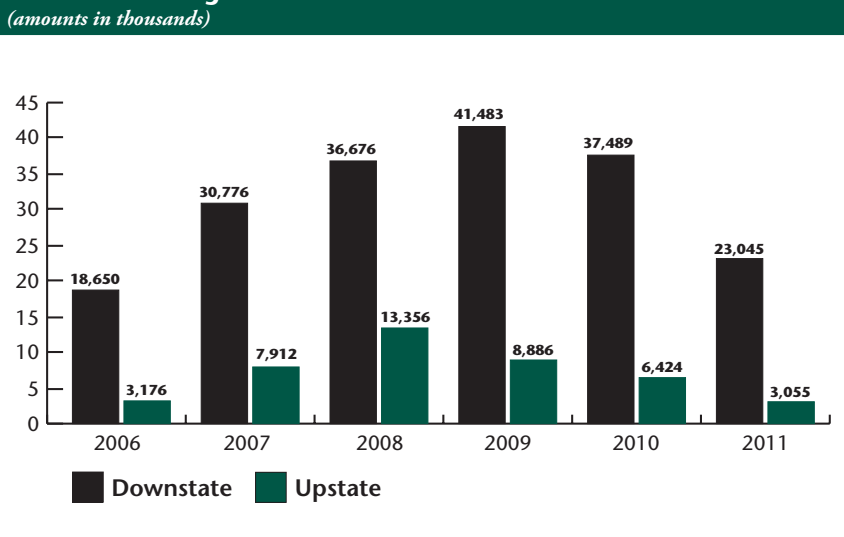
Foreclosure Trends

Following a period of significant growth, new foreclosure filings are now on the decline, statewide. This is even true of the hardest hit downstate regions. While the sheer numbers of foreclosure filings in 2007 and 2008 were much lower upstate, compared to downstate, the percentage increase was markedly higher. Between 2006 and 2008, foreclosure filings increased fourfold upstate. Fortunately, foreclosure filings have dropped almost as quickly in these areas, and in 2011, foreclosure filings dipped below 2006 levels. Downstate, growth in the number of filings increased until 2009. Over the past two years, filings have declined. In 2011, downstate foreclosure filings were 39 percent lower than in 2010, but were still 24 percent higher than in 2006.

Cumulative Growth in Property Values



Foreclosure Filings



For the first quarter of 2012, the upstate and downstate foreclosure stories are divergent. Downstate, the downward trend appears to have continued — there were 43 percent fewer filings in the first quarter of 2012 compared to the same period in 2011. Upstate, the first quarter of 2012 represented an increase of more than 50 percent in filings from the first quarter of 2011, with a few of the larger upstate counties responsible for most of the increase in this number. In all, 36 of the 48 upstate counties saw an increase in foreclosure filings.

Sales Tax Collections

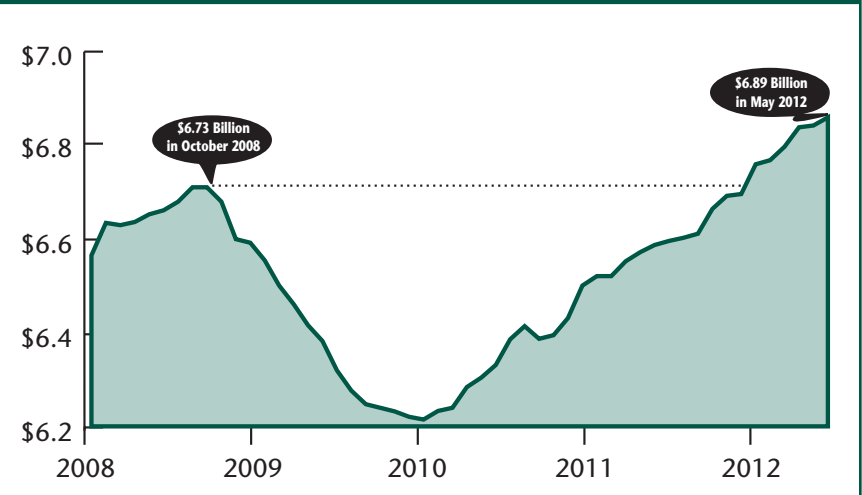
Sales tax is a critical component of the local tax base - second only to property tax on a statewide basis. For counties, it represents the most important single source of local revenues. County sales tax collections sustained significant losses following a peak of \$6.73 billion in late 2008, declining by 5.9 percent in 2009. Collections then grew by 4.7 percent in 2010 and by 4.1 percent in 2011. County sales tax collections finally matched their late 2008 levels at the end of 2011, and exceeded those levels by May 2012.

Property Tax Cap

In June 2011, legislation was enacted that limits annual growth in a local government’s or school district’s real property tax levy to the lesser of 2 percent or the rate of inflation, with some limited exclusions. This law affects all local governments, most school districts and a host of other taxing entities, such as libraries and special districts. Local communities may choose to override the levy limit, but must do so in accordance with specific requirements detailed in the legislation.

Shortly after passage of this new law, the Office of the State Comptroller launched an outreach effort to help educate local officials about their responsibilities and the levy limit calculation. As a result of the Agency’s numerous training events, a dedicated tax cap website and an online reporting tool, local governments have demonstrated an impressive rate of compliance. Many local governments, according to reported data, are living within the 2 percent “cap.” The table above shows the number of entities in each class of government that were required to file property tax calculation forms with the Office of the State Comptroller, the number that submitted forms and the number of entities that planned to override the property tax caps, as of May 2012.

County Sales Tax Collections (excluding NYC), January 2008 to May 2012
(12-month moving total — amounts in billions)



Property Tax Cap Reporting Compliance

Type	Total Entities*	Levy Limits Submitted		Planning to Override	
		Number	Percent	Number	Percent
County	57	57	100%	12	21%
City	61	55	90%	11	20%
Town	932	867	93%	178	21%
Village	551	479	87%	177	37%
School District	679	679	100%	41	6%
Fire District	874	811	93%	126	16%
Grand Total	3,154	2,948	93%	545	18%

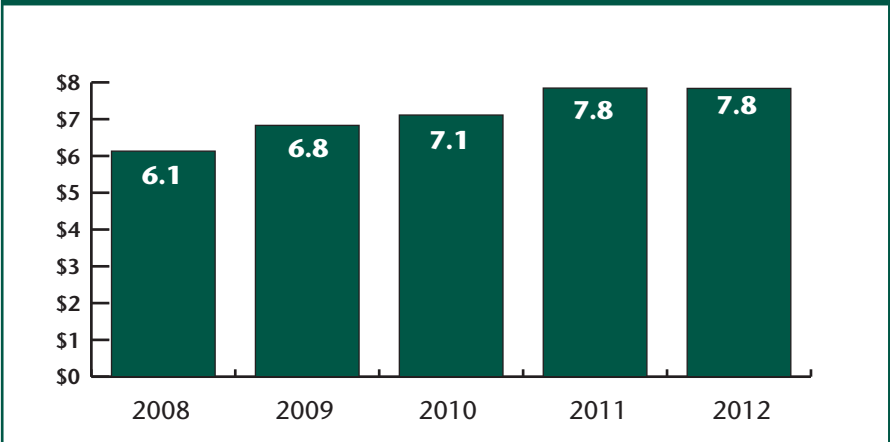
**This list excludes libraries and independent special districts*

Capital

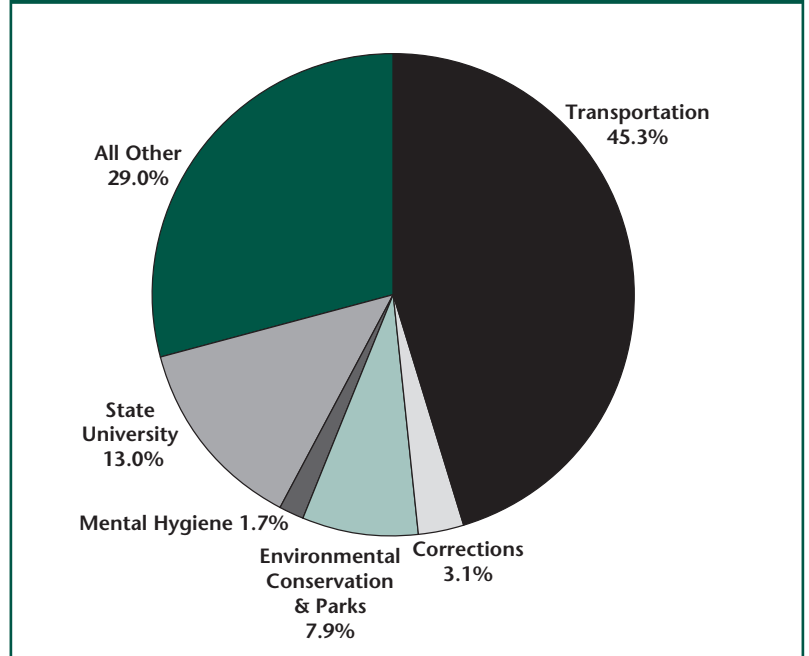
A deterioration in capital assets can have a direct impact on the State's economy and its ability to attract and retain business. Capital assets include not only highways and bridges, but also education, government, health and recreation facilities.

- Overall, capital spending in 2012 was \$1.7 billion (27.9 percent) higher than in 2008. Transportation and other related spending accounts for most of the increase.
- In 1994, the pay-as-you-go share of non-federal capital financing was 51 percent. Since then, pay-as-you-go financing has averaged 39 percent.
- In the current Capital Program and Financing Plan, spending is projected to average \$8.8 billion per year through 2016-17. At the same time, the projected share of non-federal capital spending financed on a pay-as-you-go basis is projected to average 37 percent over the 5-year period.
- As of March 31, 2012, the State reported \$95.4 billion in capital assets, an increase of \$2.2 billion or 2.4 percent from the prior year. Capital assets include buildings and building improvements, construction in progress, equipment, land, land improvements, land preparation, intangible assets and infrastructure such as roads and bridges.

New York Capital Spending
(amounts in billions)



Capital Spending by Functional Area – SFY 2011-12



New York's Public Authorities

Public authorities are legally separate entities that are created by government to provide services to the public as well as to State and local governments. While public authorities are generally supported through revenues derived from their activities, State and local governments do, in some cases, provide financial assistance and support for operating and other expenses. New Yorkers pay for public authorities in the form of rates, tolls or fees, and New York taxes offset authority-related tax exemptions and pay the debt service on certain authority-issued debt.

- As of December 31, 2011, the 18 public authorities shown in the chart below had debt outstanding of \$100 million or more. The aggregate debt outstanding, including refunding bonds, of these public authorities was more than \$170 billion, only a portion of which constitutes State debt.
- Public authorities and subsidiaries that submit annual employee data to the Comptroller via the Public Authorities Reporting Information System (PARIS) reported over 144,000 employees in 2011.*
- Public authorities and subsidiaries that submit annual procurement data to the Comptroller via PARIS reported making payments of more than \$10 billion pursuant to contracts in 2011.*

The fiscal stability of the State is related in part to the fiscal stability of certain public authorities closely related to the State. The State's access to public credit markets could be impaired if certain public authorities closely associated to the State were to default on their obligations.

* The data contained in PARIS and used in this report is self-reported by the authorities.

Not all authorities have complied with reporting requirements for 2011.

Source: Office of the State Comptroller

⁽¹⁾ Includes only authorities with \$100 million or more in outstanding debt which are reported as component units or joint ventures of the State in the Comprehensive Annual Financial Report (CAFR).

⁽²⁾ Reflects original par amounts for bonds and financing arrangements or original gross proceeds in the case of capital appreciation bonds. Amounts outstanding do not reflect accretion of capital appreciation bonds or premiums received. In prior years, amounts reported for the Port Authority of NY & NJ (PANYNJ) and the Long Island Power Authority (LIPA) included accretion. December 2011 amounts exclude \$10 million of accretion for PANYNJ and \$263 million for LIPA.

⁽³⁾ Includes short-term and long-term debt.

⁽⁴⁾ All Job Development Authority (JDA) debt outstanding reported as of March 31, 2012. This includes \$6.6 billion in conduit debt issued by JDA's blended component units consisting of \$6.1 billion issued by New York Liberty Corporation (\$1.2 billion of which is also included in the amount reported for PANYNJ) and \$511 million issued by the Brooklyn Arena Local Development Corporation. In addition, JDA has \$19 million in State-guaranteed bonds outstanding.

⁽⁵⁾ Includes debt previously issued by New York State Medical Care Facilities Finance Agency, which was consolidated with the Dormitory Authority on September 1, 1995. The debt also includes \$220 million in bonds outstanding issued by the Dormitory Authority for Roswell Park Cancer Institute.

⁽⁶⁾ Includes \$700 million in bonds outstanding issued by the Convention Center Development Corporation, a subsidiary of the Urban Development Corporation.

⁽⁷⁾ Includes \$155 million in bonds issued by the Energy Research and Development Authority (ERDA) and included in amounts reported for both ERDA and LIPA.

Outstanding Debt of Certain Authorities ⁽¹⁾⁽²⁾⁽³⁾ as of December 31, 2011 ⁽⁴⁾ (amounts in millions)

Authority	Total Debt	State Debt
Dormitory Authority ⁽⁵⁾	\$45,199	\$22,953
Metropolitan Transportation Authority	23,635	2,034
Port Authority of NY & NJ	19,515	—
Thruway Authority	14,156	11,071
Housing Finance Agency	10,605	1,077
UDC/ESDC ⁽⁶⁾	10,430	9,426
Triborough Bridge and Tunnel Authority	8,553	9
Environmental Facilities Corporation	8,154	896
Long Island Power Authority ⁽⁷⁾	6,631	—
New York Job Development Authority ⁽⁴⁾	6,630	19
Energy Research and Development Authority ⁽⁷⁾	3,836	—
State of New York Mortgage Agency	3,217	—
Local Government Assistance Corporation	3,119	3,119
Tobacco Settlement Financing Corporation	2,690	2,690
Power Authority	1,784	—
Battery Park City Authority	1,053	—
Municipal Bond Bank Agency	721	368
Niagara Frontier Transportation Authority	170	—
TOTAL OUTSTANDING	\$170,098	\$53,662

Debt

The debt burden of a governmental entity directly affects its ability to provide current services as well as its long-term fiscal health. Existence of high levels of government borrowing may:

- Indicate that the State is unable to support current programs with current revenues.
- Force future program reductions, increased taxation or additional borrowing when future resources are needed to repay debt.
- Limit capacity to finance additional capital assets, budgetary deficits and capital grants.

■ Several different measurements of the State's debt burden are reported at March 31, 2012:

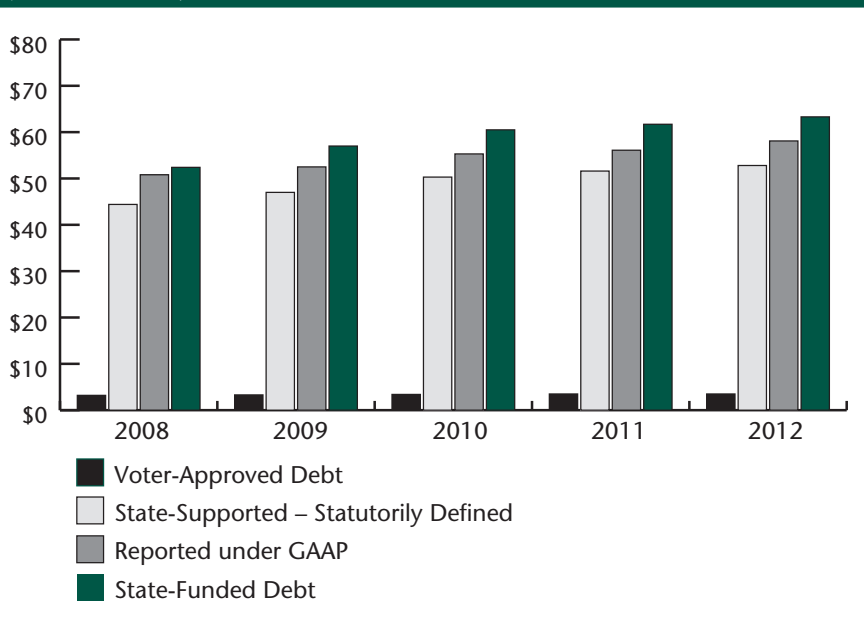
- Constitutionally recognized (voter approved) general obligation debt (\$3.5 billion).
- State-Supported debt as statutorily defined in the Debt Reform Act of 2000 (\$52.8 billion).
- Debt reported in accordance with full accrual accounting - GAAP (\$58.1 billion).

- State-Funded debt (\$63.3 billion). This category has been defined by the State Comptroller as a comprehensive measurement of the State's debt burden. It includes all instances where the State makes payments with State resources, directly or indirectly, to a public authority, bank trustee or municipal issuer to enable them to make payments on debt issued for State purposes. Over 94 percent of the debt counted within this category was issued by public authorities and without voter approval.

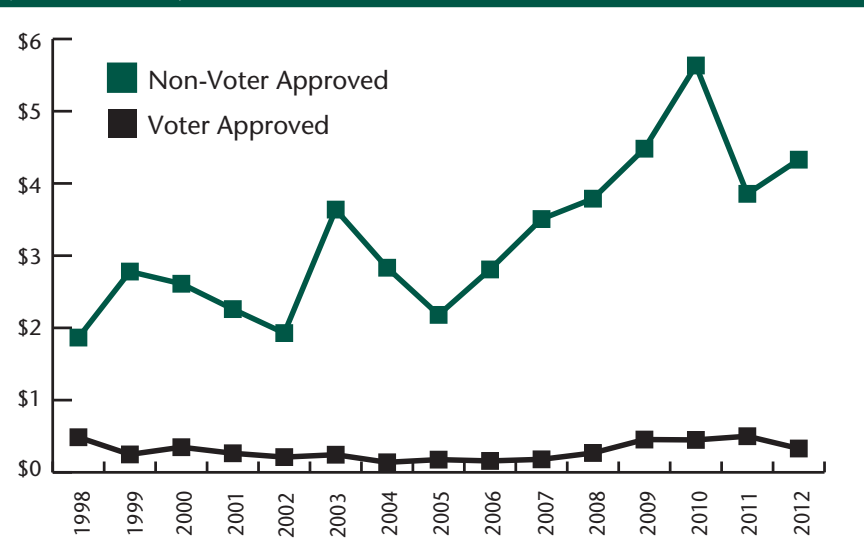
■ Since 2008, State-Funded debt increased by 21 percent, more rapidly than any other category of debt, while voter approved debt, by far the smallest category of debt, increased by 9 percent. State-Supported debt and debt recognized in accordance with GAAP increased 19 percent and 15 percent, respectively.

■ In 2011, New York State was the second most indebted state behind California and had nearly twice as much debt as the third most indebted state. New York State also ranked fifth among all states in debt per person.

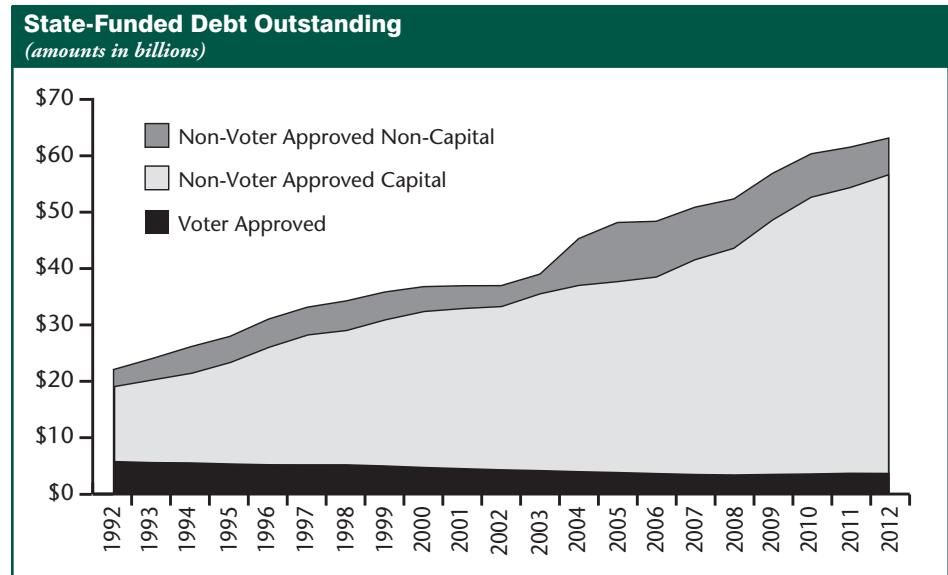
New York's Debt
(amounts in billions)



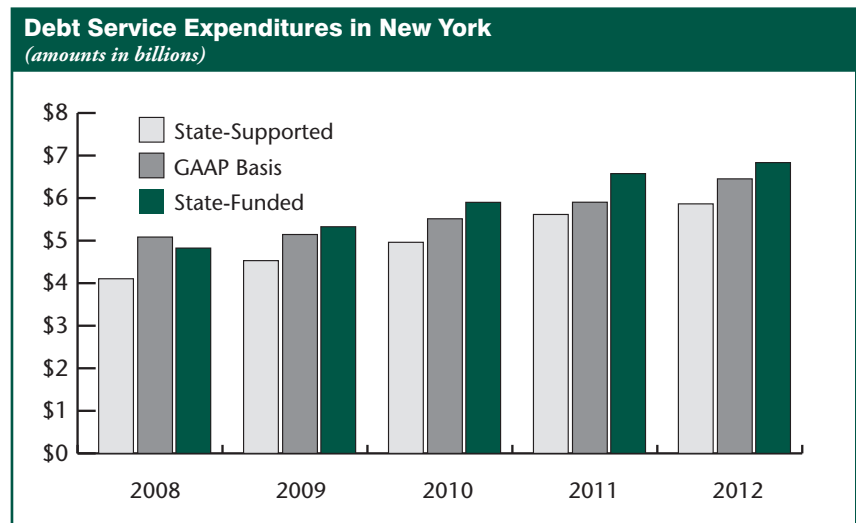
State Debt Issuance
(amounts in billions)



- On March 31, 2012, New York’s State-Funded debt outstanding per person was \$3,253, which was equal to 6.4 percent of personal income.
- The SFY 2012-13 Enacted Five-Year Capital Program & Financing Plan projects that the State will issue 1.2 times more debt than it will retire, with \$22.2 billion in new State-Supported debt issuance and \$18.6 billion in State-Supported debt retirement through March 31, 2017. The State is experiencing a period of reduced debt capacity in part due to past excessive use of debt and current and recent economic conditions.



- Based upon scheduled repayment dates, the State’s accumulated deficit financing (\$6.2 billion as of March 31, 2012) will not be fully repaid until fiscal year 2026. This includes bonds issued by the New York Local Government Assistance Corporation, the Municipal Bond Bank Agency, and the Tobacco Settlement Financing Corporation. There is an additional \$2.3 billion in debt outstanding associated with budget relief issued by the Sales Tax Asset Receivable Corporation, which will not be fully repaid until 2034, as well as debt associated with the sale of Attica.



- Debt service is one of the fastest growing categories of the budget, with a large portion of the increase attributable to debt previously issued for non-capital purposes, including deficit financing and budget relief. State-Funded debt service totaled \$6.8 billion in SFY 2011-12 and is expected to grow to \$7.8 billion by 2017 based on projected issuance and retirement amounts from New York State and New York City.

- Significant differences exist between debt reported under the State-Funded measurement (cash reporting) criteria and debt reported under Generally Accepted Accounting Principles (GAAP): State-Funded debt includes certain obligations that are not recognized as a State liability under GAAP, including \$2.2 billion in bonds outstanding issued in fiscal year 2005 that will be repaid from future sales tax revenues of the State and \$5.3 billion in bonds outstanding issued by New York City’s Transitional Finance Authority since fiscal year 2007 that will be repaid with pledged local assistance payments from the State; debt reported under GAAP but not counted in the State-Funded debt measurement includes bond premiums (\$2.2 billion), accumulated accretion on capital appreciation bonds (\$68 million), and vendor financed capital lease obligations and mortgage loan commitments (\$508 million).

- The State’s general obligation bond ratings on March 31, 2012 were assigned as follows: Aa2 by Moody’s Investors Service, AA by Fitch Ratings, and AA by Standard & Poor’s (S&P) Rating Services. These ratings are two steps below AAA, the highest investment grade rating.

Economic and Demographic Trends

Economic and demographic trends affect both the demand for State services (such as education, Medicaid, social assistance, and economic development) and the level of revenue that can be generated to fund these programs.

The national and State economies experienced mixed performance in 2011. Growth was weak in the beginning of the year, but then strengthened. While employment growth in New York has been stronger than in many other parts of the nation, unemployment rates remain high and not all parts of the State have benefited equally. The broker/dealer operations of New York Stock Exchange member firms (the traditional measure of Wall Street's profitability) had strong profits in the first half of the year but then experienced losses in the second half. The housing markets had yet to recover fully from the Great Recession. As 2012 began, economic growth had begun to weaken again.

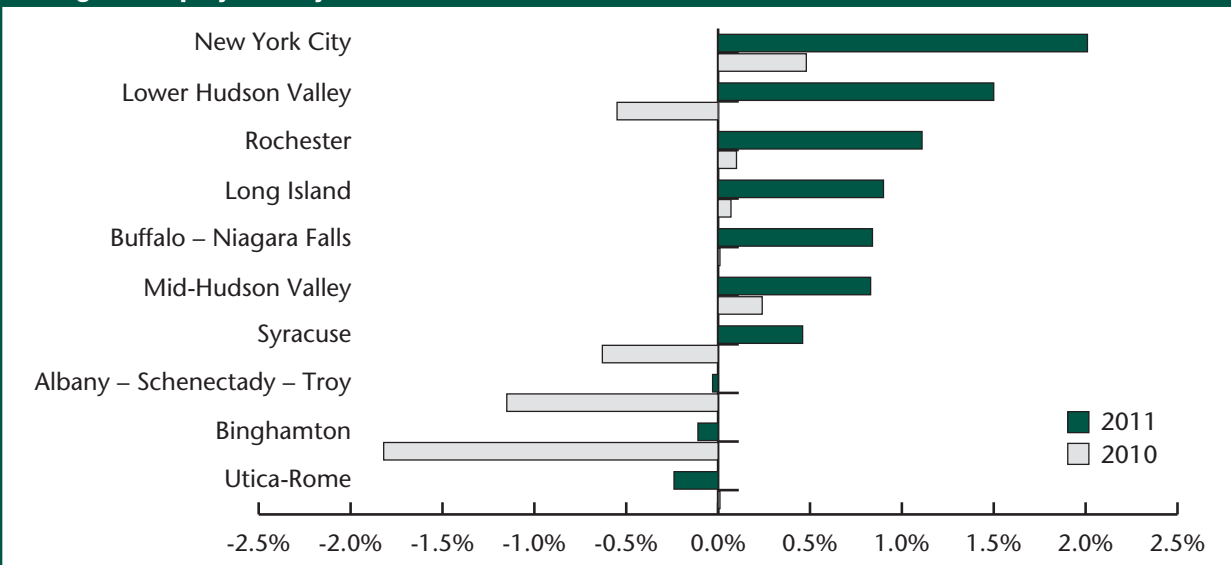
- The national economy slowed in 2011, with Gross Domestic Product (GDP) growing by 1.7 percent, considerably less than the 3 percent gain in 2010. The slowdown reflected an easing in the pace of business investment and declines in government spending due to budgetary pressures.
- New York's Gross State Product (GSP), which accounts for 7.7 percent of the nation's economy, also slowed markedly in 2011. The State's GSP increased by 1.1 percent, much less than the 4.3 percent gain in 2010, and the State's ranking for GSP growth fell to 27th among the 50 states, from 9th in 2010.
- Personal income, which had fallen during the recession, increased in 2011 for the second consecutive year to reach a record \$983.9 billion. Nationally, personal income increased 5.1 percent, while New York's gain of 4.4 percent was ranked 39th among all 50 states.
- The job recovery has been much stronger in New York than in other parts of the nation. Between December 2009 (when employment reached its recessionary low) and March 2012, New York regained 312,000 jobs, equal to nearly 94 percent of the jobs lost during the recession (more than twice the share recovered by the nation). The rate of employment growth in New York during this period (3.7 percent) exceeded the rate in the nation (2.7 percent). Overall, New York's share of recovered jobs ranked fifth-highest among the 50 states.
- By March 2012, New York's private sector had created more jobs since the end of the recession (335,800) than the number of jobs lost during the recession (311,100). These gains were almost entirely offset by a loss of 23,800 government jobs.
- During calendar year 2011, job growth in New York (1.4 percent) ranked seventh among the 50 states and exceeded the national rate (1.1 percent).

Job Growth and Employment Levels — New York State versus the United States
Percent change compared to one year earlier
(levels are in thousands of jobs)

	New York State		United States	
	2011 Level	Percent Change	2011 Level	Percent Change
Manufacturing	458.0	0.2%	11,733	1.8%
Mining and Construction	312.0	0.0%	6,288	1.0%
Trade, Transportation & Utilities	1,485.0	1.5%	25,019	1.6%
Information	254.9	0.7%	2,659	-1.8%
Financial Activities	683.7	2.1%	7,681	0.4%
Professional and Business Services	1,134.5	3.3%	17,331	3.6%
Educational and Health Services	1,731.8	1.7%	19,884	1.8%
Leisure and Hospitality	765.7	4.1%	13,320	2.1%
Other Services	369.8	1.4%	5,342	0.2%
Government	1,488.1	-1.5%	22,104	-1.7%
Total Nonfarm	8,683.4	1.4%	131,359	1.1%

■ Within New York State, employment increased for most metropolitan areas (with populations that exceeded 250,000 residents) during 2011. New York City led the State’s metropolitan areas in the rate of job growth (2 percent), and accounted for 64 percent of all the jobs added in the State in 2011. Employment also increased by 1 percent or more in the Lower Hudson Valley, Glens Falls and Rochester.

Change in Employment by Metro Area

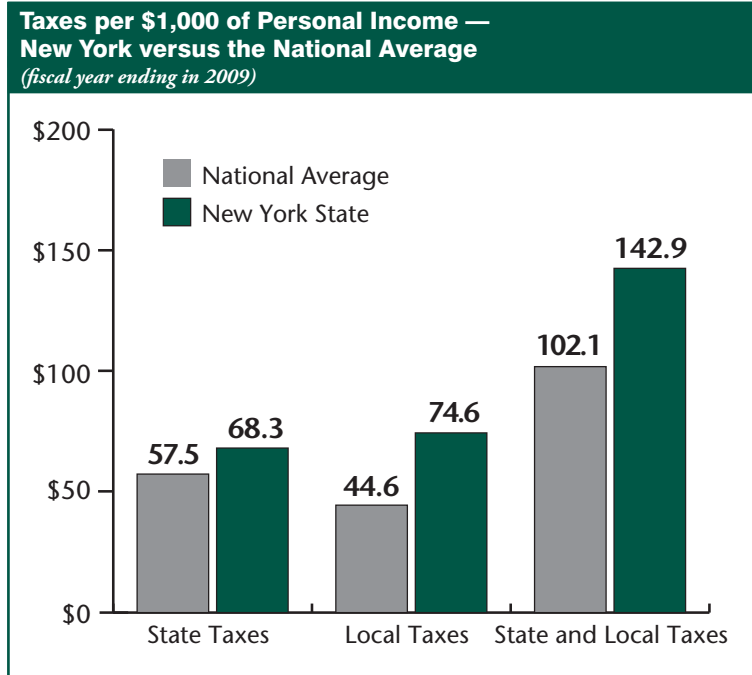


■ New York’s unemployment rate declined from its recessionary peak of 8.9 percent in January 2010 (a 17-year high) to 8 percent in April 2011. The rate then began to rise as more people reentered the labor market, and as of March 2012 it had reached 8.5 percent. This exceeded the national rate (8.2 percent), which had been declining in previous months.

- Wall Street is an important component of the State's economy and generates about 14 percent of State tax revenues. The industry got off to a strong start in 2011, with the broker/dealer operations of New York Stock Exchange member firms earning \$12.6 billion in the first half of the year, but the firms then lost \$4.9 billion in the second half. The full-year profits of \$7.7 billion were the lowest level in a decade (except for the years of the financial crisis).
- As a result of the decline in Wall Street profitability, the State Comptroller estimated that the cash bonuses paid by securities firms to their New York City employees for work done in 2011 declined by 14 percent.
- In New York, the number of foreclosure filings fell by 41 percent in 2011, the second consecutive annual decline, reflecting the continued impact of the temporary suspension of filings due to lawsuits concerning the accuracy of bank documentation (nationally, filings declined by 34 percent). A settlement was reached with the attorneys general of several states in early 2012, which allowed filings to resume. New York's foreclosure filing rate declined to 3.3 per 1,000 households in 2011 (about one quarter of the national rate), from 5.5 in 2010.
- While the foreclosure crisis has been less severe in New York than in many other parts of the nation, the share of mortgages that are at least 90 days delinquent remains at a very high level — 9.5 percent at the end of 2011. Although this is less than the 10.4 percent delinquency rate at the end of 2010, it is considerably higher than the precession rate of 1.5 percent at the end of 2006.
- New York's population is growing slowly, rising by 2.1 percent between 2000 and 2010 to reach 19.4 million. This rate of growth ranked 46th among the 50 states. During this period, the population of New York City grew by 2.1 percent while the City's nearby suburbs (Nassau, Suffolk, Westchester and Rockland counties) grew by 3.3 percent on average. Together, these downstate areas were home to 12.3 million people, or more than 63 percent of the State's population. The State's population rose by 0.4 percent in 2011, with New York City growing by 0.7 percent and its four nearby suburban counties growing by 0.4 percent.

Taxes: Where New York Stands

- In SFY 2009 (the latest year available), New York’s combined State and local tax revenues were 39.9 percent above the national average per \$1,000 of personal income. Local taxes were 67.1 percent above the national average while State taxes were 18.8 percent above the national average.
- New York has the third highest combined State and local taxes as a percentage of personal income in the nation with local taxes ranking first and State taxes ranking fifteenth.
- Local property tax levies grew by 80 percent from 2001 to 2011, almost three times the rate of inflation during the ten year period (27 percent).
- In 2009, New York taxpayers with incomes exceeding \$200,000 represented 5.2 percent of all taxpayers and 44.5 percent of all income, but accounted for 54 percent of all State taxes paid in New York.
- New York relies more heavily on the personal income tax as a source of revenue than most states. In 2011, personal income tax as a percentage of total taxes was 53.3 percent in New York while the national average was 33.9 percent.

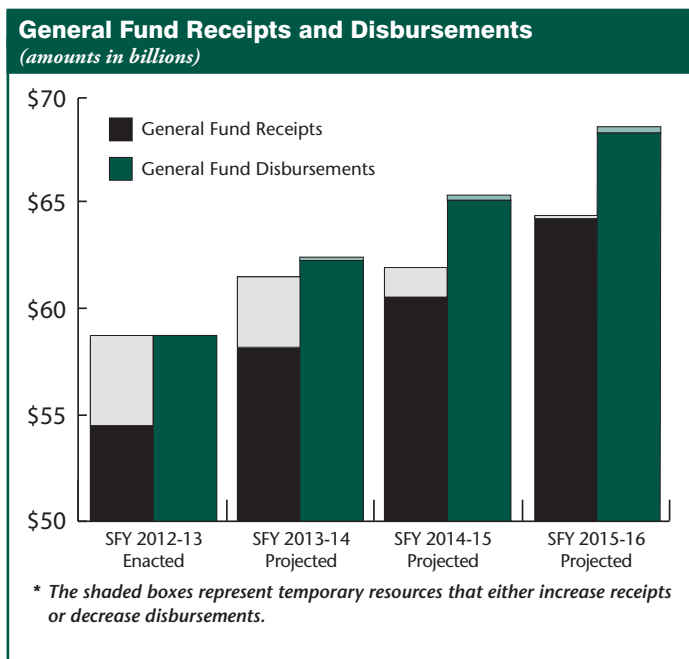
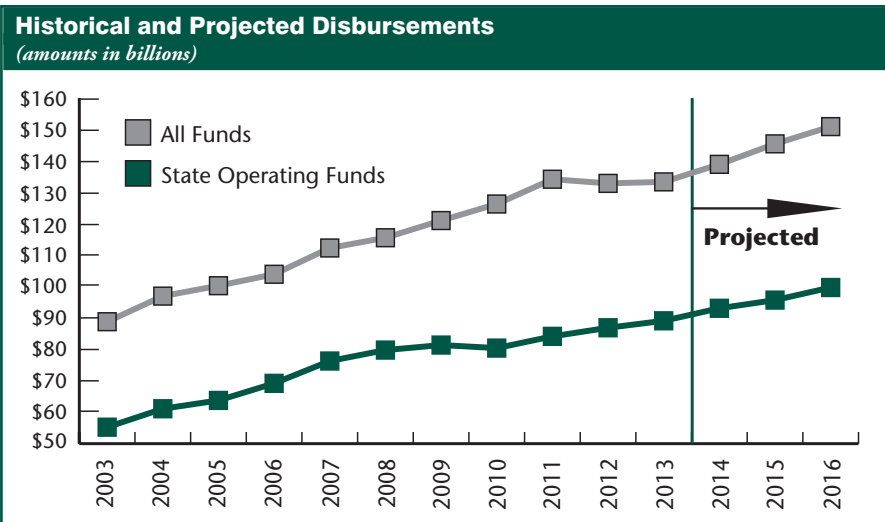


Implications for the Future

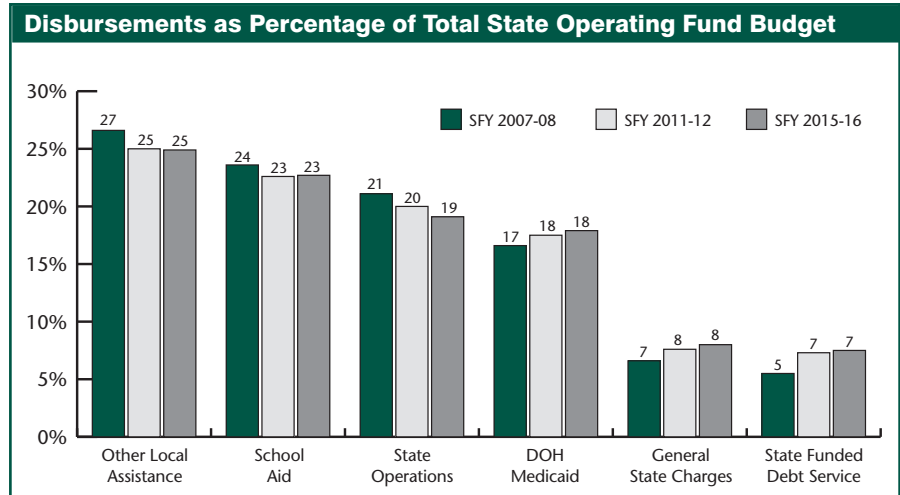
More than at any time in recent history, policy decisions from the last two years have established current and structural budgetary balance as the State's primary fiscal goal. Important changes are also underway in the fiscal environment the State shapes for local governments and school districts through its budget and other policies. The SFY 2012-13 Enacted Budget commits the State to taking over significant Medicaid costs from counties and New York City. A new pension tier providing comparatively smaller benefits to future employees is intended to produce long-term savings for both localities and the State as employee turnover occurs over the next three decades. The property tax cap enacted in 2011 has already begun to influence school and municipal budgets. While these are important changes, the full impacts will become clear only over time.

In each of the last five years, initial tax revenue projections used to build the Enacted Budget proved too ambitious. In three of the last five years, additional mid-year actions were necessary to finish the year in balance and SFY 2011-12 was no exception. The SFY 2012-13 Enacted Budget included actions, when coupled with actions taken in December 2011, that were intended to eliminate a projected current services deficit of \$3.5 billion in 2012-13 and reduce out-year projected gaps through SFY 2015-16. Remaining out-year gaps may require significant additional steps to reduce projected spending and/or increase State revenues. In addition, budgets are still dependent on non-recurring or temporary measures for balance. Current out-year gap projections are in part due to the loss of temporary resources.

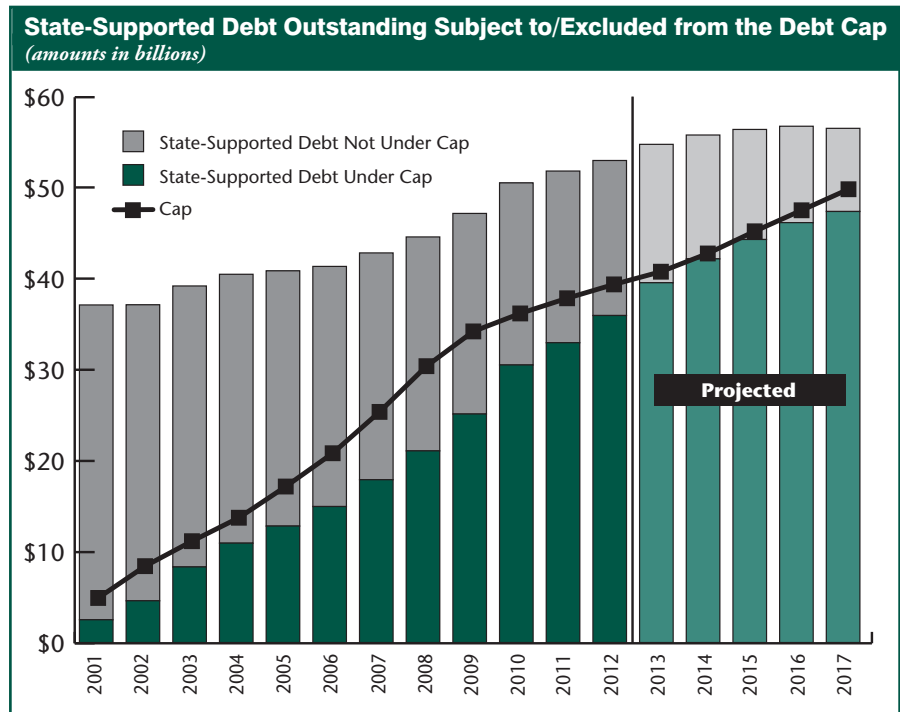
While the last two enacted budgets took important steps to address the State's structural budget imbalance, average annual spending growth in All Governmental Funds is still projected to exceed revenue growth through SFY 2015-16 (3.2 percent in spending growth compared to 2.7 percent in receipts growth).



Spending projections in the SFY 2012-13 Enacted Budget deviate from recent historic spending trends where school aid and Medicaid drove growth. Future growth in State-funded spending for both Medicaid and school aid is now statutorily limited. While growth in spending for Medicaid from all governmental funds is projected to exceed historic growth, it is primarily due to additional federal spending. However, while Medicaid spending from State Operating Funds is limited to the growth in the medical component of the Consumer Price Index, growth in other areas of the budget is expected to be lower. As a result, even though growth in Medicaid is limited, it is expected to make up a larger portion of State Operating Funds spending.



Debt capacity, as measured by the cap on State-Supported debt outstanding, is expected to decline to just \$752 million in SFY 2013-14 before increasing again in subsequent years. This decline is due to greater issuance of new debt in recent years but also to recent and current economic conditions that negatively affected personal income.



Comptroller DiNapoli’s Strategy for Fiscal Reform includes measures that would ensure fiscal stability and strengthen the State’s finances by reforming how budgets are created (process and documents), implemented and planned. The Comptroller’s statutory and constitutional reform package includes the following:

- Require three-year plans to close any projected budget deficits
- Increase reserves
- Restrict the use of non-recurring resources to non-recurring expenses
- Strengthen the capital planning process
- Enact comprehensive debt reform
- Enhance transparency in budget documents.

Appendix 1
State Funds Spending by Major Service Function
(amounts in millions)

State Funds Spending for the Fiscal Year Ended March 31:	2008	2009	2010	2011	2012
EDUCATION	\$32,079	\$33,606	\$32,304	\$35,087	\$33,963
Public Schools	20,868	22,523	20,022	23,466	21,440
School Tax Relief (STAR)	3,559	3,224	3,411	3,234	3,233
State University of New York	5,546	5,844	6,208	6,120	6,904
City University of New York	1,101	1,067	1,638	1,310	1,335
Tuition Assistance Program	860	812	847	815	926
Higher Education Services Corporation	90	87	132	95	91
Cultural Programs	55	49	46	47	34
STAR PROPERTY TAX REBATES	1,099	1,212	2	—	—
PUBLIC HEALTH	22,116	21,590	21,422	21,797	25,384
Health and Mental Health Services	8,861	9,027	9,011	8,498	8,800
Medical Assistance (Medicaid)	13,255	12,563	12,411	13,299	16,584
PUBLIC WELFARE	4,254	4,049	4,128	3,911	3,945
Public Welfare	3,819	3,596	3,694	3,499	3,561
Public Housing	220	232	235	205	180
Employment Services	215	221	199	207	204
PUBLIC SAFETY	4,075	4,011	4,330	3,925	3,902
Criminal Justice & Correctional Alternatives	1,226	1,240	1,323	1,185	1,007
Emergency Management & Security Services	163	118	119	112	181
Prisons and Reformatories	2,686	2,653	2,888	2,628	2,714
TRANSPORTATION	4,880	5,238	6,028	6,474	6,488
Traffic Safety	210	220	225	219	205
Transportation	4,670	5,018	5,803	6,255	6,283
ENVIRONMENT AND RECREATION	998	1,030	939	864	799
Environmental Protection	658	613	561	558	532
Parks, Recreation & Historic Preservation	340	417	378	306	267
SUPPORT AND REGULATE BUSINESS	900	1,155	1,001	1,240	1,394
Commerce, Industry & Agriculture	604	812	738	994	1,160
Regulate Business	296	343	263	246	234
SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS	949	1,240	1,274	1,058	976
REPAY BORROWED MONEY AND REDUCE DEBT	4,104	4,530	4,961	5,615	5,864
GENERAL GOVERNMENT	9,135	9,218	9,655	10,148	10,479
Executive Agencies	1,174	1,186	1,171	1,079	1,045
Office of the State Comptroller	176	186	177	174	168
Office of the Attorney General	176	199	182	168	167
Legislature	217	222	226	223	197
Court Administration	1,794	1,967	2,005	2,028	1,949
Pension Contributions & Other Employee Benefits	5,248	5,152	5,457	6,060	6,530
Other	350	306	437	416	423
TOTAL STATE FUNDS SPENDING	\$84,589	\$86,879	\$86,044	\$90,119	\$93,194

Appendix 2

Federal Funds Spending by Major Service Function

(amounts in millions)

Federal Funds Spending for the Fiscal Year Ended March 31:	2008	2009	2010	2011	2012
EDUCATION	\$3,539	\$3,733	\$4,619	\$6,566	\$5,188
Public Schools	3,330	3,515	4,227	6,062	4,879
State University of New York	188	206	311	403	302
City University of New York	—	—	14	33	—
Tuition Assistance Program	17	8	62	59	1
Higher Education Services Corporation	3	4	4	8	4
Cultural Programs	1	—	1	1	2
PUBLIC HEALTH	20,750	23,051	27,652	29,094	26,383
Health and Mental Health Services	1,187	1,292	1,319	1,599	1,582
Medical Assistance (Medicaid)	19,563	21,759	26,333	27,495	24,801
PUBLIC WELFARE	4,608	5,362	5,632	5,623	5,561
Public Welfare	4,177	4,909	5,045	5,057	5,039
Public Housing	15	15	13	16	31
Employment Services	416	438	574	550	491
PUBLIC SAFETY	550	400	579	518	593
Criminal Justice & Correctional Alternatives	182	204	374	255	406
Emergency Management & Security Services	335	152	184	233	183
Prisons and Reformatories	33	44	21	30	4
TRANSPORTATION	1,392	1,479	1,572	1,785	1,530
Traffic Safety	14	16	17	19	22
Transportation	1,378	1,463	1,555	1,766	1,508
ENVIRONMENT AND RECREATION	220	175	201	415	386
Environmental Protection	213	164	192	408	377
Parks, Recreation & Historic Preservation	7	11	9	7	9
SUPPORT AND REGULATE BUSINESS	12	13	11	13	17
Commerce, Industry & Agriculture	11	12	10	12	15
Regulate Business	1	1	1	1	2
SHARE GENERAL REVENUES WITH LOCAL GOVERNMENTS	121	116	229	274	317
GENERAL GOVERNMENT	277	364	338	418	335
Executive Agencies	34	110	71	129	40
Office of the Attorney General	22	26	27	23	25
Court Administration	5	6	6	6	7
Pension Contributions and Other Employee Benefits	216	222	234	260	263
TOTAL FEDERAL FUNDS SPENDING	<u>\$31,469</u>	<u>\$34,693</u>	<u>\$40,833</u>	<u>\$44,706</u>	<u>\$40,310</u>

Appendix 3 State Receipts by Major Source (amounts in millions)

State Receipts for the Fiscal Year Ended March 31:	2008	2009	2010	2011	2012
TOTAL TAXES	\$60,075	\$59,571	\$57,667	\$60,869	\$64,299
PERSONAL INCOME TAX	36,564	36,840	34,751	36,209	38,768
CONSUMER TAXES	13,197	13,237	12,852	14,205	14,571
Sales and Use	11,296	10,985	10,527	11,538	11,875
Cigarette/Tobacco Products	976	1,340	1,366	1,616	1,633
Motor Fuel	525	504	507	516	502
Beverage	205	206	226	230	238
Highway Use	148	141	137	129	132
Auto Rental	47	61	76	95	104
MCTD Taxicab Ride	—	—	13	81	87
BUSINESS TAXES	8,231	7,604	7,458	7,279	7,878
Corporation Franchise	3,997	3,220	2,511	2,846	3,176
Corporation and Utilities	802	863	953	814	797
Insurance	1,219	1,181	1,491	1,351	1,413
Bank	1,058	1,233	1,399	1,178	1,392
Petroleum Business	1,155	1,107	1,104	1,090	1,100
OTHER TAXES	2,083	1,890	2,606	3,176	3,082
Real Property Gains	—	—	(1)	—	—
Estate and Gift	1,037	1,165	866	1,219	1,078
Pari-Mutuel	24	23	19	17	17
Real Estate Transfer	1,021	701	493	580	610
Racing and Exhibition	1	1	1	1	1
MCTD Mobility	—	—	1,228	1,359	1,376
GAMING — LOTTERY INCOME, VLT & CASINO	2,904	2,800	2,951	3,210	2,975
FEDERAL RECEIPTS	34,909	38,833	45,524	49,304	44,610
OTHER RECEIPTS	14,988	15,097	17,433	16,880	17,451
Student Tuition and Fees (SUNY/CUNY)	2,123	2,279	2,501	2,585	2,706
Patient/Client Care	1,533	1,585	1,818	1,766	2,323
Income from Investments	535	225	106	28	28
Abandoned Property	686	692	569	640	756
Unclaimed Bottle Deposits	—	—	46	118	101
Refunds & Reimbursements	1,003	1,039	1,296	1,193	1,089
Public Benefit Corporations ⁽¹⁾	498	679	622	278	218
Regulatory Assessments	1,496	1,876	3,038	2,568	2,582
EPIC Fees and Rebates	264	203	202	203	141
Public Asset Sale-Non Profit Conversion	1,003	233	95	—	—
Transfers from Public Goods Pool	3,014	3,274	3,808	4,081	4,096
Miscellaneous Licenses, Fees and Other	2,833	3,012	3,332	3,420	3,411
BORROWED AND ADDED TO DEBT	2,816	3,391	3,621	3,583	3,762
Bonds and Notes Issued by the State	269	457	448	525	352
Public Authority Financings	2,547	2,934	3,173	3,058	3,410
TOTAL RECEIPTS	\$115,692	\$119,692	\$127,196	\$133,846	\$133,097

⁽¹⁾ Includes general receipts and Public Authority cost recoveries.

STATE OF NEW YORK

FINANCIAL CONDITION REPORT

For Fiscal Year Ended March 31, 2012



Thomas P. DiNapoli State Comptroller

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Data Sources

City of New York Department of Correction

City University of New York

Fitch Ratings

IHS Global Insight

Moody's Investors Service

NYC Office of Management and Budget

NYS Commission of Correction

NYS Department of Corrections and
Community Supervision

NYS Department of Health

NYS Department of Labor

NYS Department of Taxation and Finance

NYS Department of Transportation

NYS Division of the Budget

NYS Division of Criminal Justice Services

NYS Education Department

NYS Higher Education Services Corporation

NYS Office of the State Comptroller

NYS Office of Temporary and Disability Assistance

RealtyTrac

Securities Industry and Financial Markets Association

Standard and Poor's Rating Services

State University of New York

Statistical View of America — Congressional Quarterly

The Center for the Study of Education Policy,
Illinois State University

U.S. Commerce Department — Bureau of the Census and
Bureau of Economic Analysis

U.S. Department of Labor — Bureau of Labor Statistics



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