

2009

ANNUAL REPORT

ON LOCAL GOVERNMENTS

OFFICE OF THE
NEW YORK STATE
COMPTROLLER

Thomas P. DiNapoli
State Comptroller



NOVEMBER 2009

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OFFICE OF THE NEW YORK STATE COMPTROLLER

DIVISION OF LOCAL GOVERNMENT AND SCHOOL ACCOUNTABILITY

MISSION AND GOALS

The Division of Local Government and School Accountability's mission is to serve taxpayers' interests by improving the fiscal management of local governments and schools in New York State.

To achieve our mission we have developed the following goals:

- Enable and encourage local government and school officials to maintain or improve fiscal health by increasing efficiency and effectiveness, managing costs, improving service delivery, and accounting for and protecting assets.
- Promote government reform and foster good governance in communities statewide by providing local government and school officials with up-to-date information and expert technical assistance.

A MESSAGE FROM New York State Comptroller Thomas P. DiNapoli



The nation, the State and New York's local governments continue to struggle financially during the current economic downturn. Throughout my tenure as Comptroller, I have called for substantive fiscal reforms that will benefit the taxpayers of our State and all levels of government in New York. We need to reverse our tendency to buy time through short-term budgeting gimmicks, and instead act decisively to put our State's finances on a solid foundation for long-term growth.

Recently I announced that New York State may face a current year budget gap of as much as \$4.1 billion this year and \$38 billion through 2012-13 – a reflection of Albany's structurally imbalanced budgets that too often put off hard choices. The structural imbalance in the State budget puts our local government partners in a perilous and unpredictable situation. More than 65 percent of State General Fund spending represents grants to local governments. In 2007, State aid represented nearly a quarter of local government revenues – second only to real property taxes. The State must find ways to balance the budget without simply shifting the fiscal burden to local governments and to property owners, who are already among the most highly taxed in the country.

The good news is that it is not too late for the State to change course. Working together with our local governments, we can meet these immediate challenges and restore stability to our finances for the long term. True reform, however, will require persistence, open dialogue and several years of sustained effort. My Office will continue to advocate for changes at the State level which will help ensure long-range, responsible budgeting without shifting costs to local taxpayers. We will also continue to enhance accountability and promote new opportunities for savings through our audits and research reports.

Over the past several years, my Office has helped local governments and school districts identify nearly \$690 million in potential cost savings and revenue enhancement opportunities. That number could increase to \$950 million if the best practices identified through our audits are implemented by every local government and school district.

The Office of the State Comptroller is committed to giving local officials the tools they need to do the best job possible for their citizens through our audits, research reports and training efforts – including the new Local Government Leadership Institute we launched this year. Soon, we will release a number of useful guides to help local governments determine whether sharing services or consolidating functions could help them save money and increase efficiency, and to clarify the process for pursuing such arrangements. Finally, we will continue to make up-to-date information on State and local finances available to the public through our Open Book New York website.

This report summarizes the services and activities of the Division of Local Government and School Accountability. Our staff members in Albany and in our eight regional offices across the State are committed to promoting taxpayers' interests by helping improve the fiscal management of New York's local governments and schools. I hope you find this information useful.

Sincerely,

Thomas P. DiNapoli
State Comptroller



Executive Summary

The current recession is having a growing negative impact on New Yorkers and on the State and local governments that provide essential services to them. Many economists predict that this recession will cause budget shortfalls that are more severe and persistent than those experienced in other economic downturns. Although temporary relief has been provided through the infusion of federal stimulus funds, economically sensitive taxes continue to decline, and spending pressures persist. While many local governments are focused on taking measures to achieve budget balance for the next fiscal year, the need for long-term fiscal planning has never been greater: it is unlikely the State's economy will recover rapidly; federal stimulus funds run out in 2011; and significant cost drivers are on the horizon, including pensions, retiree health benefits, and infrastructure needs.

New York's local governments are not alone in this predicament. A recent survey by the National League of Cities revealed that city revenues failed to keep up with spending increases in 2008 and that nine out of 10 city officials responded that they are less able to meet their cities' financial needs this year than last. As a result, 62 percent of city finance officials reported that their cities have delayed or canceled capital projects.¹

The current economic environment has also had a dramatic impact on New York's residents. More than 847,000 New Yorkers are unemployed and more than 15,000 households are currently facing foreclosure. This in turn has had a direct and severe impact on local government finances. Sales tax collections and mortgage recording taxes have declined significantly. Declines in property values due to the housing crisis coupled with one of the highest property tax burdens in the nation make increasing property taxes extremely problematic for local government officials. As a result, future budgets are likely to focus on expenditure controls and the need to realign service levels with lower revenues. Addressing these serious problems will require sound multiyear planning, regional cooperation, and creative solutions that minimize the burden on taxpayers.

The Office of the State Comptroller is ready to provide local government officials with the tools they need to help navigate these uncertain economic waters. Our Office is expanding its efforts to assist municipalities and school districts with multiyear planning and budgeting tools, cost-saving audits and best practices; shared service toolkits and training; and research products that will promote efforts to streamline government, ease mandates, and find creative solutions to growing fiscal stress.

¹ Dutton, Audrey. *Cities See Less-Than-Rosy Financial Futures, NLC Says*. The Bond Buyer. September 1, 2009.



Assisting Our Local Government Partners

As the State and its local governments face unprecedented fiscal challenges as a result of the global economic recession, it is clear that government can no longer solve challenges with short-term approaches. Innovative thinking and new solutions to address these challenges are needed.

Over the past year, Comptroller DiNapoli has continued his efforts to help local governments and school districts identify cost savings and revenue enhancement opportunities that can also provide relief to overburdened property taxpayers. Over the past several years, audits and reports have identified nearly \$690 million in potential savings and additional revenues for taxpayers. If every local government and school district throughout the State implemented the best practices identified by these audits, it is estimated that they or their residents could realize benefits of up to \$950 million. A few of the strategies that could yield significant savings or additional revenue are highlighted below.

In addition, Comptroller DiNapoli released a research brief, *Cost-Savings and Cost-Containment Strategies for New York State's Local Governments*, that provides numerous strategies to generate savings in the areas of energy, healthcare and corrections that have been undertaken by local government officials. Other resources on cost-saving and cost-containment strategies are available to local government officials through OSC's Local Government Management Guides that include such topics as *Personal Service Cost Containment* and *Travel and Conference Expense Management*.

Comptroller DiNapoli recognizes the importance of achieving cost efficiencies through a greater sharing of services delivered by local governments and school districts. In an effort to disseminate best practices and to provide assistance to local leaders on identifying opportunities for sharing services, OSC is releasing a package of materials for local governments interested in sharing services, including a research report, *Shared Services Among New York's Local Governments: Best Practices and Tips for Success*, a Local Government Management Guide, *Shared Services in Local Governments*, and training that is available on request to local government officials.

In addition, OSC has recently released a series of how-to guides on multiyear financial planning and capital planning with templates and examples, to encourage local governments to adopt these essential practices. Now more than ever, proper planning is essential in weathering the fiscal storm and the end of the federal stimulus.



Potential Cost-Savings and Revenue-Enhancement Opportunities

Excess Health Insurance Premiums

The State and 800 of its local governments participate in the Empire Plan, the primary health insurance program in the New York State Health Insurance Program (NYSHIP). A recent OSC audit² found that as much as \$600 million in excess health insurance premiums had accumulated in the Health Insurance Fund that could be used to reduce premiums that employers have to pay. It is estimated that more than \$167 million is due to local government employers.

LED Street Lights

Many municipalities still use incandescent light bulbs in traffic signals. An OSC audit found substantial savings if local governments switched to LED bulbs. Statewide, it is estimated that if all municipalities converted their traffic signals to LED bulbs, they could save \$76.5 million in electricity and maintenance costs over 10 years.

Unaccounted Water Loss

Many municipalities provide water and/or sewer services to residents, businesses, and schools within their jurisdictions. If these municipalities do not have proper procedures in place for reconciling water produced and water consumed, they may be under billing and missing out on significant revenue—potentially as much as \$50 million statewide.

Computer Power Management

Computers are now widely used in all classes of local government. One relatively simple way to achieve energy savings is by developing and implementing power management policies. An OSC audit of computer power management in five school districts and two counties found that, even when counties and school districts had established energy conservation policies, these policies often did not go far enough. It is estimated that all school districts and local governments in the State could save \$20 million by implementing computer power management policies.

Acquisition of Street Lighting Equipment

The cost of street lighting services can be one of the more significant items in a municipal budget. Street lighting services are usually provided through a leasing arrangement in which the utility company retains ownership of the equipment and is responsible for its maintenance. As an alternative, some municipalities have purchased their street lighting systems from the local electric utility company. Where these buy-outs have occurred, municipalities have reported substantial cost reductions. An OSC audit found that if five audited municipalities bonded to buy their street lighting systems rather than leasing, they could save more than \$13 million over the term of the 20-year bonds. If all municipalities engaged in this practice, it is estimated that they could save a cumulative \$30 million.

² Office of the State Comptroller. *Department of Civil Service: Management of the Health Insurance Fund Balance*. Report 2009-S-48. September 2009.



Potential Relief for Taxpayers

Excess Reserves

Local governments and school districts are authorized to establish reserves. Reserve funds are created under various laws that determine how the reserves can be established, funded, expended, or discontinued. For example, school districts can establish an Employee Benefit Accrued Liability Reserve (EBALR) and use EBALR moneys to pay employees for accrued leave time due to them when they leave district employment. Numerous OSC audits have found that school district officials have reserved more money than necessary in their EBALR funds, money which could be used for other purposes or to provide property tax relief. It is estimated that school districts alone have excess reserves of as much as \$407 million that could be used to help offset future property tax increases.

Residential Refuse Services

Solid waste collection is a significant service that affects virtually every household. Generally, municipalities and their residents have various options for disposing of residential refuse and recyclables: municipalities may collect refuse with their own employees, or municipalities may contract with a private refuse hauler; residents may individually contract with a private refuse hauler for collection services; or residents may personally transport their refuse to the local transfer station or landfill. In localities where residents contract individually with private refuse haulers, numerous audits and reports indicate that local governments can realize substantial savings for their residents by contracting for refuse collection on their behalf. If all municipalities statewide contracted for refuse collection, the savings to residents could be as much as \$100 million.

Supporting Local Government Leaders

Although many local government leaders are undertaking efforts and implementing best practices to reduce costs or enhance revenues, there is little opportunity to share their success stories with other local leaders, particularly those leaders representing a different class of local government. Recognizing the need to provide a forum for local government officials to dialogue on key issues, Comptroller DiNapoli created the Local Government Leadership Institute in 2009 with the theme “Beyond the Fiscal Crisis: How to Build Partnerships and Leverage Opportunities.” In addition to promoting open dialogue, the Institute is designed to provide fiscal and management expertise and focus on important issues currently facing local government officials.

More than 200 local government leaders participated in two Institutes held in partnership with Hofstra University and Cornell University this past year. Through panel discussions that featured a mix of local government leaders, State officials, and representatives from higher education, participants had an opportunity to participate in some case studies, share real world experiences, and gain an understanding of the key leadership skills necessary for success.



The State of Local Governments: Weathering the Recession

The national recession that began in December 2007 has taken a serious toll on state and local government finances nationwide. Lasting at least 19 months, this recession now carries the distinction of the longest economic downturn since the Great Depression. While it is believed that New York State did not slip into recession until the second quarter of 2008, historical evidence suggests that New York's recessions tend to start later but last longer than those in the national economy.³

The impact on New York State and its local governments has been sizeable. By the end of 2009, the State and many of its local governments were faced with closing substantial mid-year or end-of-year budget deficits. Because local tax revenues are linked to economic performance, State and local government finances will likely continue to underperform in the coming years. While the federal stimulus funding provided through the American Recovery and Reinvestment Act (ARRA) has provided some temporary fiscal relief, this funding will all but disappear by the end of 2011. Looming on the horizon are other major expenses for local governments, such as rising pension and health insurance costs, as well as growing infrastructure needs.

With an already sizeable tax burden, New York State's localities will need assistance from other levels of government. First, the State needs to avoid shifting its fiscal problems down to the local level. Second, it is essential that the State and local governments reevaluate their partnership and begin to restructure the delivery of services in order to meet these growing fiscal challenges. Issues such as mandate relief, shared services, regional economic development, and infrastructure planning need active and sustained engagement. Finally, particularly with respect to infrastructure funding, the federal government needs to remain involved as an active partner. All levels of government will need to promote fiscal sustainability through comprehensive multiyear planning and prioritization, so that elected officials, taxpayers, and our communities can see the tough choices that lie ahead.

Impact of the Economy on New Yorkers

The current recession has had a far-reaching impact on many sectors of the economy. The collapse of the housing price bubble led to a crisis in the financial markets that was followed by a rapid deterioration of the labor market. As the number of New Yorkers facing foreclosure or unemployment increased, housing and retail sales declined, directly impacting local government revenues. As New York slipped into recession, the demand for government services such as social services or Medicaid increased, further straining local budgets.

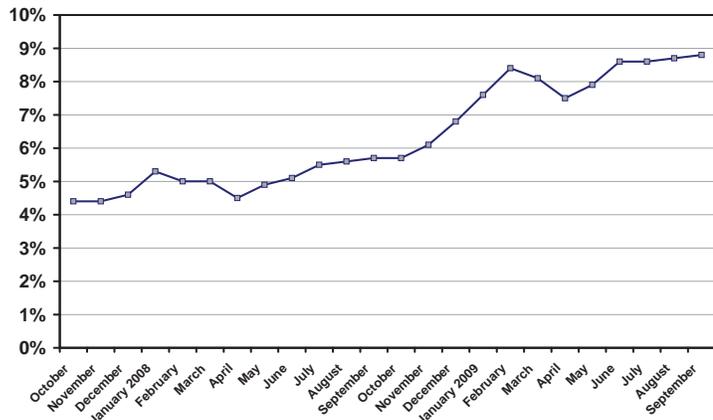
³ University at Buffalo. *Start of Recession in New York State Signaled by UB Researchers*. November 11, 2008.

Unemployment

In September 2009, 847,700 New Yorkers were unemployed. The unemployment rate reached 8.8 percent statewide—the highest September rate since 1977 and an increase of 3.1 percent from September 2008. The State’s economy has fewer jobs this year as well; as of September 2009, there were 278,000 fewer jobs than in 2008. The State is losing higher-paying, goods-producing jobs (-8.3 percent) at a more rapid rate than service jobs (-2.0 percent), impacting personal income and tax collections.

Unemployment Rates* in New York State

October 2007 - September 2009

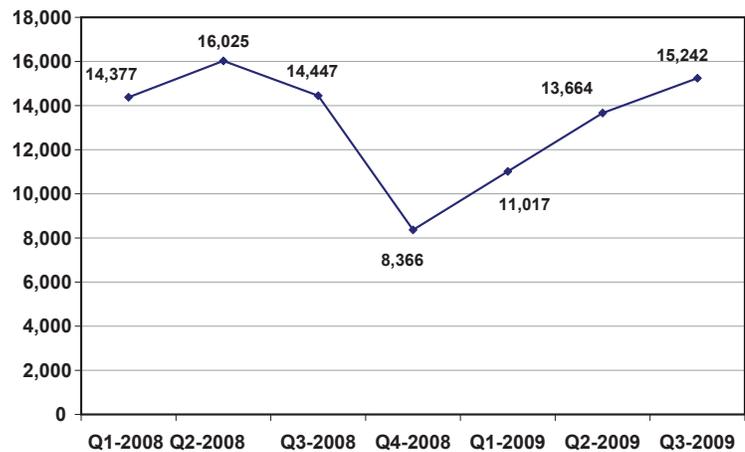


* Not seasonally adjusted
Source: Local Area Unemployment Statistics Program

Foreclosures

Statewide, the number of foreclosures has increased in recent months, indicating that the housing crisis has not yet run its course. Legislation passed during the summer of 2008 required a notification period prior to initiation of a foreclosure. Additionally, Fannie Mae and Freddie Mac initiated a moratorium on foreclosures during the 2008 holiday season. Both of these factors resulted in a decrease in foreclosure levels at the end of 2008. In 2009, foreclosures have begun to increase again, indicating that the problem may persist into next year.

Foreclosures in New York State



Source: RealtyTrac

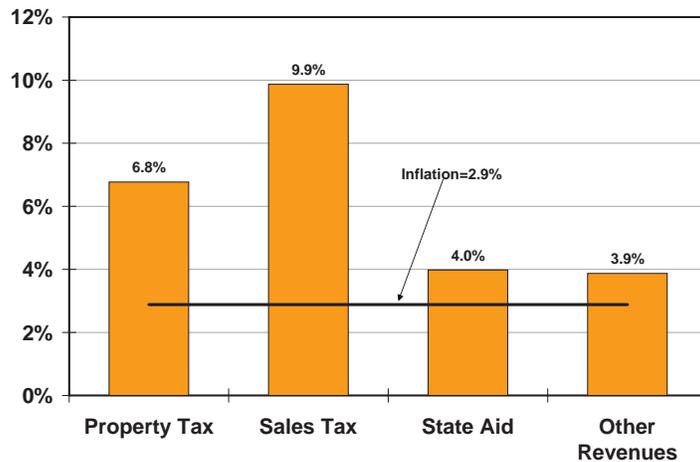
Property Values and Property Taxes

Foreclosures have a corrosive effect on property values as they tend to lower the value of surrounding homes. As this occurs, property owners may seek to lower the assessed value of their homes. Over time, reassessments and tax certiorari proceedings can result in tax shifts as local governments rebalance the total tax levy among property owners.

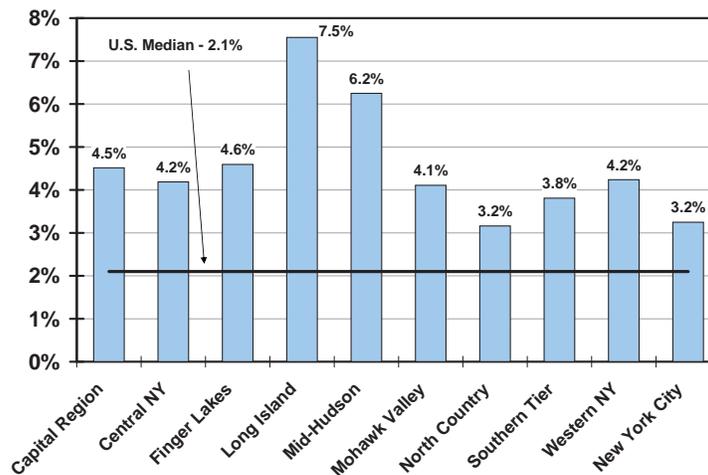
Property taxes in New York State continue to be among the highest in the nation by all methods of measurement. Taxpayers in the areas surrounding New York City, such as Long Island and Westchester County, have some of the highest tax bills in the nation. Taxpayers in Western New York have some of the highest tax rates as a percentage of the value of their property. Regardless of exactly where taxpayers are situated in the State however, New Yorkers pay a much larger percentage of their income on taxes than the national average, up to more than three times as much in some counties.⁴

Furthermore, property taxes have also increased more rapidly than inflation in recent years and more rapidly than all other major revenue sources on which local governments rely, with the exception of the sales tax. From 2002 to 2007, property taxes rose by 6.8 percent per year on average, while inflation increased at only 2.9 percent per year.

Average Annual Growth in Selected Revenue Sources vs. Inflation (CPI), 2002 - 2007 (excluding NYC)



Average Median Property Taxes Paid as a Percent of Median Income, 2005 - 2007, By Region



These high and rising taxes affect all New Yorkers, especially senior citizens on fixed incomes in high property value areas, working families whose housing costs represent a relatively large portion of their incomes, and renters in inner cities whose rents rise as tax increases are passed through by landlords.

⁴ www.TaxFoundation.org

Impact of the Economy on Local Finances

Local governments are primarily dependant on three revenue streams: real property taxes, State aid and sales tax. All three of these streams have been negatively impacted by the recession. Sales tax collections are dampened by declining consumption and incomes, and with the State facing its own fiscal crisis, aid flowing to local governments may be unpredictable in the years to come. The impact on property taxes often lags behind as property values are reassessed.

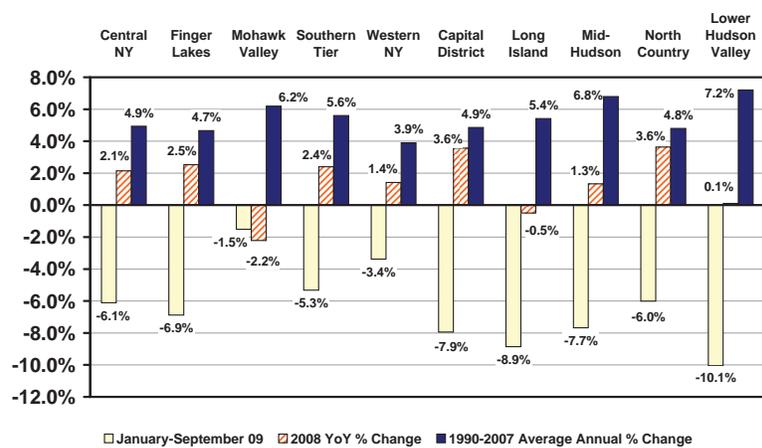
Sales Tax Collections

The latest data show that sales tax collections in 2009 are down 7.2 percent from the same period last year, and this trend holds for all regions of the State. This reduction poses a significant problem for counties and other municipalities that rely on sales tax revenue received through sharing arrangements with counties. For example, there are many towns in the State for which sales tax makes up nearly half of total revenue.

Mortgage Recording Taxes

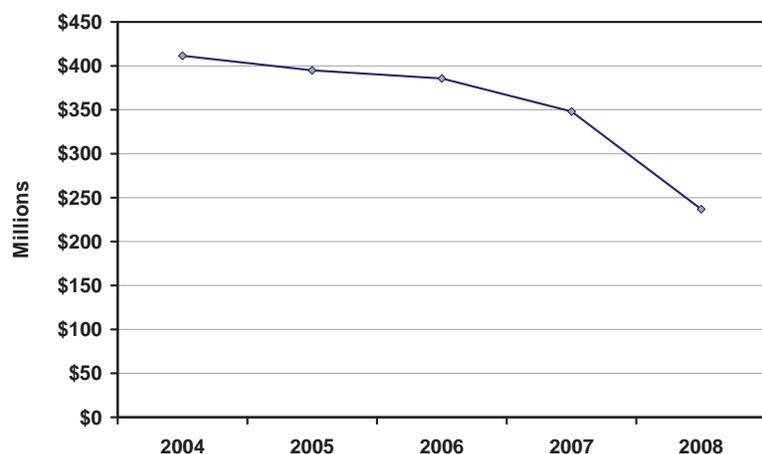
The mortgage recording tax is also economically sensitive and has been affected by the housing market crash and resulting decline in home sales. In 2008, the number of residential sales decreased by 16 percent. For the 888 towns (95 percent of all towns) that have filed financial reports for 2008, mortgage tax revenues declined by 31.9 percent between 2007 and 2008.

Sales Tax Collections by Region Change Year-Over-Year



Source: Department of Taxation and Finance, Office of Tax Policy Analysis, Sales Tax Cash Distribution Database; Additional calculations by Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes.

Town Mortgage Recording Tax Revenues, 2004-2008

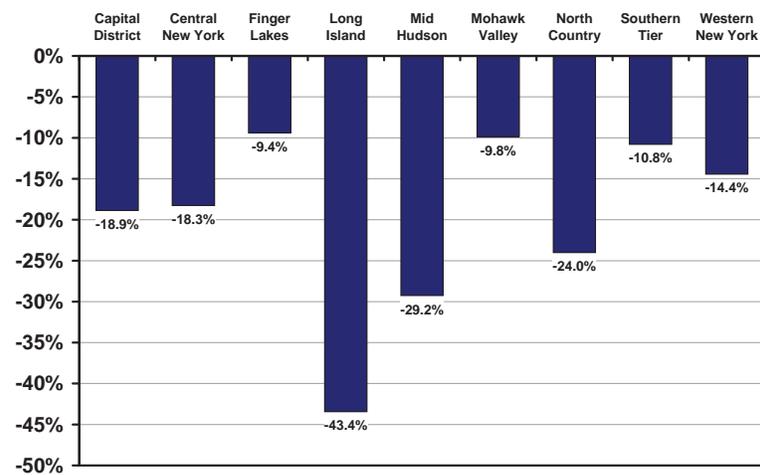


Regionally, towns downstate realized the greatest losses in mortgage tax revenues. Towns in Long Island and the Mid Hudson Valley lost 43.4 percent and 29.2 percent, respectively, of mortgage tax revenues between 2007 and 2008, a total of almost \$96 million between the two regions.

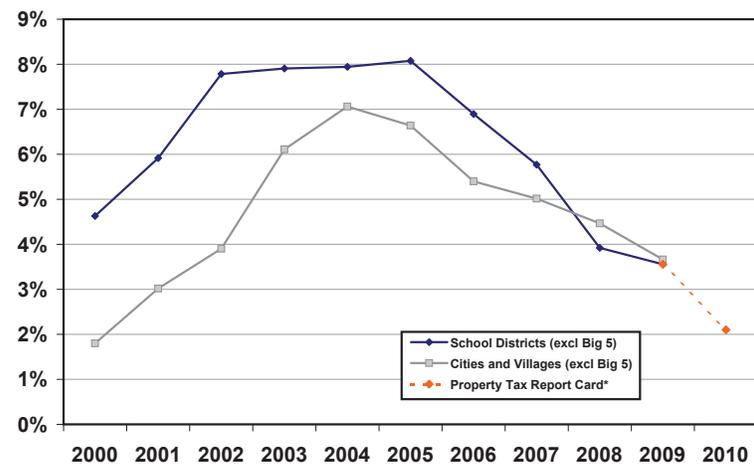
Property Taxes Many localities facing rising costs and declining tax revenues may have to turn to the property tax to help make up the difference. However, the housing market has affected the ability of local governments to raise revenue through this source as well. Although there is no comprehensive data yet on 2010 tax increases, school districts statewide passed 2009-10 school year budgets with much lower property tax increases than had been seen in prior years.

Most counties face the additional problem of guaranteeing uncollected levies in towns and school districts.⁵ As property owners struggle to cover the costs of ownership, some are unable to pay their tax bills. And, although it takes several years for a county to complete a tax foreclosure, there is some anecdotal evidence that counties are increasing tax foreclosure proceedings or considering tax lien sales.

Mortgage Tax Revenue Losses in Towns Between 2007 and 2008 by Region



Year-Over-Year Percent Change in Tax Levy, 1999-2009



* NYS Education Department

⁵ In Westchester County, towns and cities are responsible for paying their school districts and the County for uncollected tax levies.

Long Term Pressures

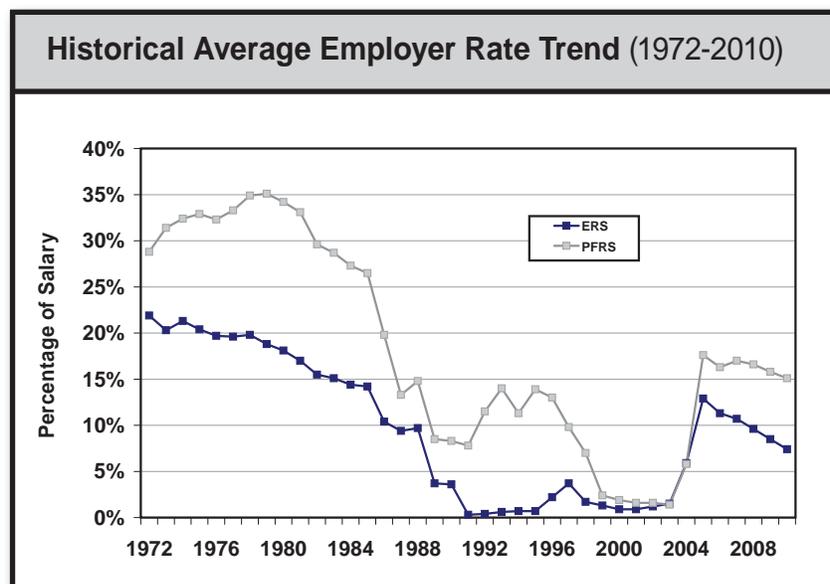
Many economists predict that the economy will begin to recover during the latter part of 2009, although consumer spending is expected to remain sluggish for some time after recovery begins.⁶ Even when the national, State, and local economies show signs of recovery, New York's local governments will continue to face fiscal challenges, in part because history has shown that New York's economic recovery generally lags recovery at the national level by a year or more and because the fiscal impact of the economy on revenues is somewhat delayed. It is projected that local governments will continue to experience revenue losses and reduced investment income at the same time that they must cope with increased costs which are largely influenced by economic conditions.

Pensions

Due to the global economic crisis, the New York State Common Retirement Fund realized significantly lower rates of return on its investments over the last year, resulting in a loss of 26.3 percent of total fund assets for the fiscal year that ended March 31, 2009. These lower returns will require higher employer pension contribution rates in future years beginning in 2011.

Pension contribution rates as a percent of payroll for 2011 will return to long-term expected rates, growing from 7.4 percent in 2010 to 11.9 percent for the Employees' Retirement System (ERS) and from 15.1 percent to 18.2 percent for the Police and Fire Retirement System (PFRS). Absent a significant resurgence in the global stock markets, higher rates are likely to persist for several years. To provide the State and local government employers an option to

manage these expected increases, the Comptroller has proposed legislation to allow governments to amortize the costs of these increases over a period of several years.



⁶ Global Insight. *HIS Global Insight Report: U.S. Economy*. August 19, 2009.

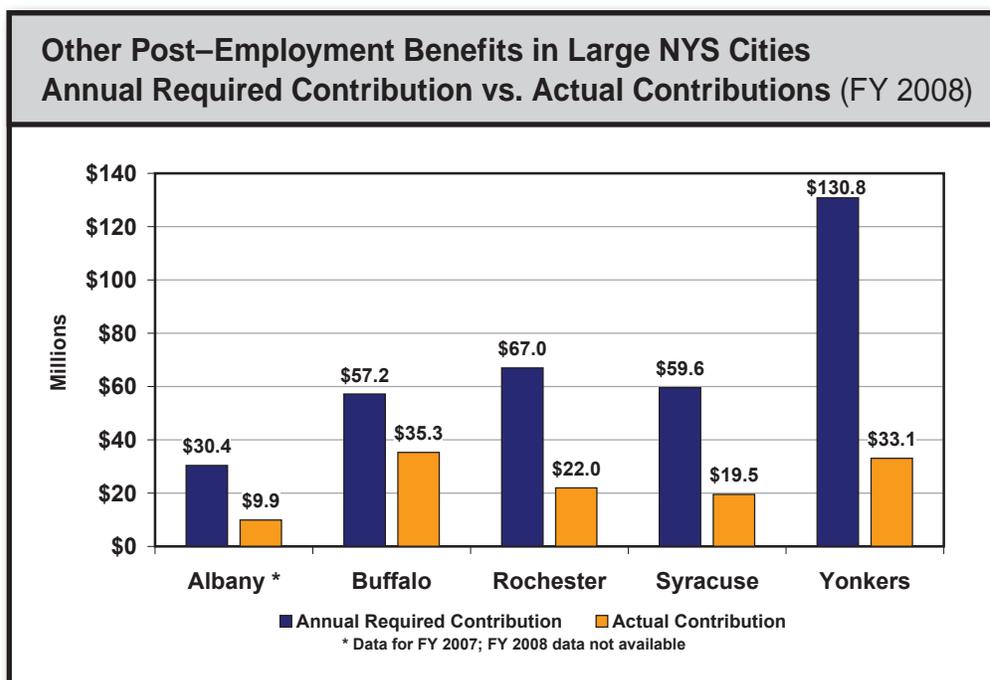
Other Post–Employment Benefits (OPEB)

Under recently implemented national accounting standards, many local governments are now required to report liabilities for other post-employment benefits, primarily health care benefits, similar to the way they report pension liabilities. These are not new liabilities, but many governments are finding out for the first time the magnitude of the health care benefit commitments and promises made to retirees over the last several decades.

As people are living longer and the baby boom generation retires, the number of retirees is significantly increasing. This growth in the number of retirees, coupled with the growth in health care costs (estimated to continue to increase at an average annual increase of 9 percent for the next several years), is resulting in costs for retiree health care benefits which are becoming increasingly burdensome for local governments. In some cases, the cost of providing retiree health benefits already surpasses pension costs. According to a recent NYCOM survey,⁷ health insurance now consumes an average of 15 percent of city general fund expenditures, with about one-third of that amount due to retiree health insurance costs. OPEB liabilities reported to date by counties and cities total nearly \$20 billion.

Most public employers currently report the cost of retiree health care and other non-pension benefits on a pay-as-you-go basis. As the graph below shows, the actual contributions paid annually by municipalities for these OPEB costs are typically much lower than the annual required contribution (ARC), a level of funding which is actuarially determined to fund OPEB costs over a period of 30 years.

To help local governments prepare for future OPEB costs, the Comptroller proposed State legislation which would create the legal authorization for local governments to set aside funds for OPEB liabilities.



⁷ www.nycom.org/documents/WLM09PressonLH.pdf

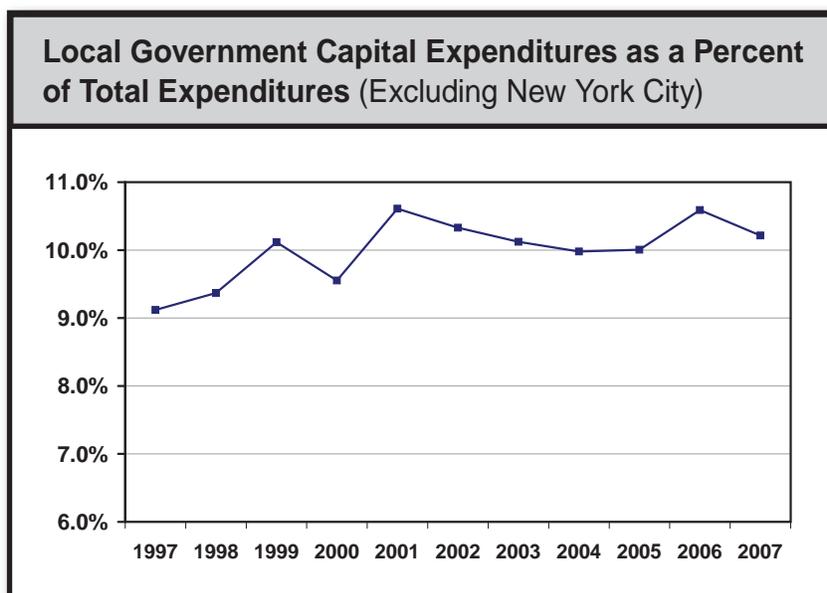
Infrastructure Needs

The American Society of Civil Engineers (ASCE) recently issued its report card on the nation's infrastructure. ASCE gives the nation's infrastructure an unimpressive grade of "D", and estimates that national infrastructure systems will need an investment of \$2.2 trillion over the next five years. Lack of infrastructure maintenance is a prevalent problem across the United States, and New York is no exception.

New York's local governments are responsible for maintaining and improving a substantial portion of their infrastructure. Unfortunately, New York's communities have been underfunding their capital needs over the last several decades in part due to a sharp slowdown in State and federal investment rates.

Since 2003, capital expenditures as a percent of total local government expenditures have remained stagnant at about 10 percent. As a result, recent studies have estimated investment needs of \$250.1 billion to maintain transportation (\$175.2 billion), municipal wastewater (\$36.2 billion), and clean water (\$38.7 billion) infrastructure across the State over the next 20 years. At current spending rates, it is projected that New York's local

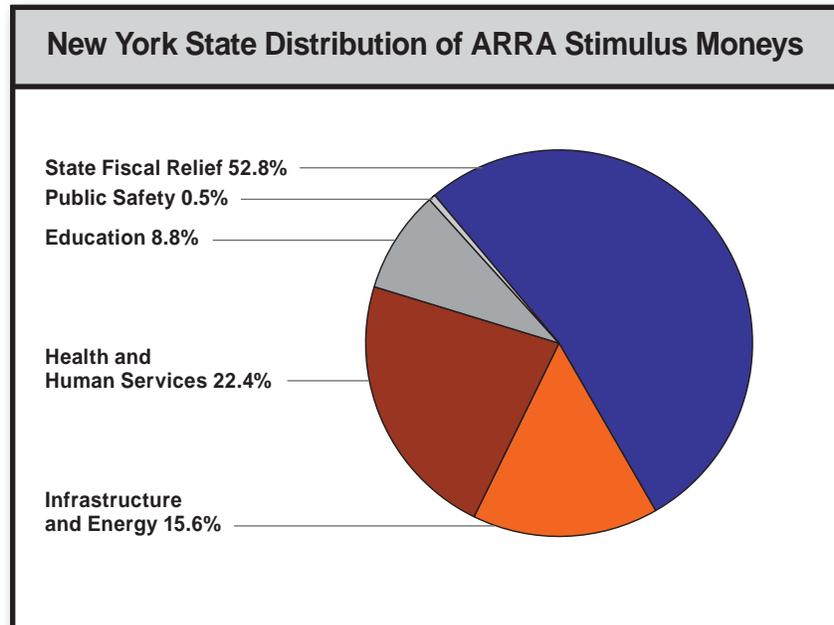
infrastructure needs may be underfunded by as much as \$80 billion. In order to reverse this trend, prudent long-term planning and prioritization of capital projects, coupled with a sustained and coordinated commitment by federal, State, and local governments to rebuilding and maintaining local infrastructure systems is essential.



Federal Stimulus

In an attempt to stimulate an economic recovery and provide some fiscal relief for states and local governments, the federal government enacted the \$787 billion American Recovery and Reinvestment Act (ARRA) of 2009. New York is expected to receive nearly \$27 billion over a two-year period, with most of the money targeted to provide fiscal relief in Medicaid and education.

American Recovery and Reinvestment Act (ARRA)	
(\$ Millions)	
These programs will receive the bulk of stimulus funding in New York between 2009 and 2011:	
Medicaid – FMAP⁸ Increase	\$ 11,100
State Fiscal Stabilization – Education	\$ 2,469
Education – Title I and IDEA⁹	\$ 1,962
Unemployment Insurance Extension and Administration	\$ 1,609
Food Stamp Benefit Increase	\$ 1,289
Transportation – Mass Transit	\$ 1,222
Transportation – Highways and Bridges	\$ 1,121



Program areas receiving most stimulus moneys under each heading:

State Fiscal Relief:
 Medicaid - FMAP
 Education Restoration

Education:
 Title I
 IDEA

Infrastructure and Energy:
 Transportation: Mass Transit
 Transportation: Highways and Bridges

Health and Human Services:
 Food Stamp Benefit Increases
 Unemployment Insurance Benefit Extension

An interactive map of ARRA certified projects and programs is available on the New York State Economic Recovery and Reinvestment Cabinet website:

www.recovery.ny.gov/maps/arracertifiedprojectsmmap.cfm

⁸ Federal Medical Assistance Percentages

⁹ Individuals with Disabilities Act



Some examples of projects either partially or fully funded with ARRA moneys include:

Transportation

- \$49.1 million of ARRA funding for a \$55.9 million project to completely renovate 3.5 miles of New York Route 112 in Brookhaven, Suffolk County, to improve safety for the approximately 20,000 motorists, pedestrians, and bicyclists who use the roadway daily. The project includes new plantings and storm-water runoff systems;
- \$14.9 million for an ARRA-funded project of for the City of Albany to reconstruct Delaware Avenue, one of the City's main thoroughfares. The project will include curb, drainage and utility work, as well as sidewalks, signal improvements and streetscaping. Project construction is scheduled to be completed in the fall of 2010.
- \$1.6 million of ARRA funding for a project to repave 1.6 miles of Pine Avenue (US Route 62) to Main Street (NY Route 104) in the City of Niagara Falls. The project will address deteriorating pavement conditions and is scheduled for completion in winter 2010.

Clean Water Infrastructure

- \$9.4 million of ARRA funding will support the design and refurbishment of the water treatment plant in the Town of Greenport (Columbia County). The current system was built in 1977 and is reaching the end of its useful life. The refurbished plant will provide better and more consistent treatment of wastewater, improving water quality into a tributary of the Hudson River.
- \$7.7 million of ARRA funding will support the design and construction of a wastewater collection and treatment system in the Hamlet of Essex, in the Town and County of Essex, a designated historic district. Failing septic systems in this Hamlet have impacted the water quality of Lake Champlain. This new collection and treatment system is expected to correct longstanding water quality concerns.

ARRA requires an unprecedented level of accountability for the use of federal resources. The federal government requires quarterly ARRA reports from fund recipients beginning on October 10, 2009. Quarterly reports will require financial data similar to existing federal reporting requirements, but will include other non-financial data, such as the number of jobs created or preserved, project completion status, total costs of the project (excluding ARRA funds), rationale for the project, and award or program sub-recipient (vendor/contractor) information. OSC is also collecting federal stimulus information from local governments and will be periodically reporting on New York's progress.



Beyond the Federal Stimulus

While the federal stimulus dollars are desperately needed, local government officials receiving stimulus funds must remember the flow of funds is temporary and should continue to plan accordingly. Creating multiyear plans can assist local government officials in determining the fiscal situation that they will be faced with when federal funding ends in 2011. This is especially true for local governments receiving moneys for programs or services that may continue after the stimulus funds are gone.

The uncertainty surrounding ARRA aid makes local budgeting more complicated. For example, counties administer many State social service entitlement programs, including Medicaid, and have used ARRA funds to maintain these programs, generate budget relief, or to support increased caseload. Since county budgets for 2010 will be adopted prior to enactment of the 2010-11 State budget, and most federal stimulus funding will be depleted by the end of 2011, this creates a significant increase in county budget risk.

Temporary Funding for Recurring Costs The Need for Multiyear Planning

Many of New York's cities will receive funds to hire new police officers through the Community Oriented Policing Services (COPS) Hiring Recovery Program (CHRP). CHRP grants fully fund the salary and benefits of those new hires for three years. After the program ends, cities are required to retain the officers, at their own expense, for at least one additional year. For some cities struggling to make ends meet, this increase in payroll will be difficult to sustain if alternative revenues are not identified ahead of time.

Given the uncertainty about future federal and State funding, local governments across New York are already pursuing cost-saving measures. In particular, school districts appear to be developing multiyear strategies to help prepare them for the impact of decreased ARRA funding in 2010-11. In situations like these, multiyear planning can be a vital tool for local governments. By allowing decision-makers to set long-term priorities and work toward goals, rather than making choices based only on the needs and politics of the moment, communities can avoid future stress. The State Comptroller has long advocated for multiyear financial planning, and OSC offers guidance on its website and will be publishing a "how-to" guide to assist localities with multiyear planning.¹⁰

¹⁰ www.osc.state.ny.us/localgov/training/modules/myfp/index.htm

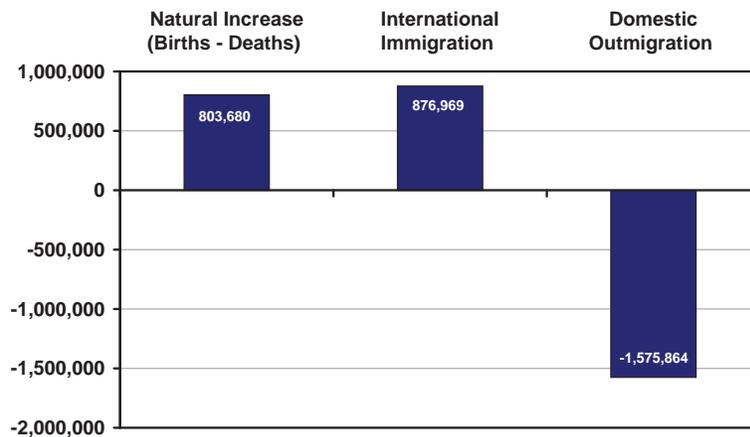
Demographics

From 2000 to 2008, New York State's population increased by only 2.6 percent, with New York ranking 40th in population growth. While there has been some natural population growth and international immigration (particularly in New York City), many residents are leaving the State, causing New York to lag the rest of the US. Since April 2000, New York State registered a net loss of nearly 1.6 million residents to other states (mainly in the South and West).

Furthermore, New York State has been experiencing a reinforcing pattern of outmigration for several decades.¹¹ This pattern is especially pronounced upstate.

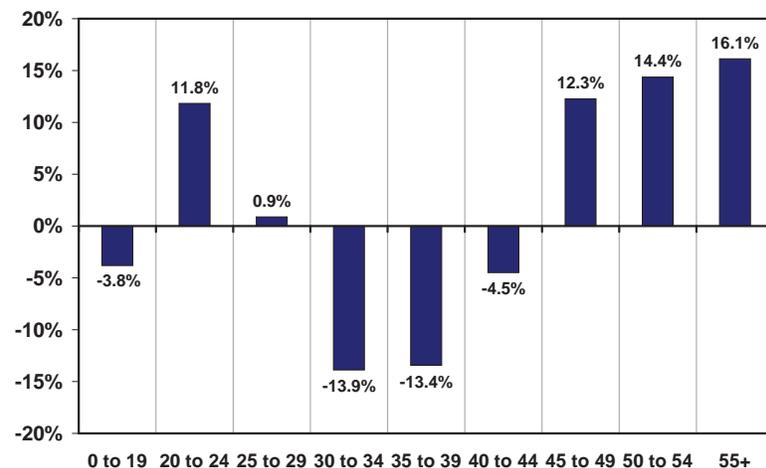
As a result of these migration patterns, the State's population is aging as it loses the prime working-age portion of its population. As a result, New York State continues to experience increased demand for health and senior services.

Components of Population Change in New York State (April 2000 to July 2008)



Source: U.S. Census Bureau, Population Estimates

NYS Population Change by Age Group (2000-2008)



Source: U.S. Census Bureau, Population Estimates

¹¹ Federal Reserve Bank of New York, Buffalo Branch. *The Regional Economy of Upstate New York: Population Out-migration from Upstate New York*. Winter, 2005.

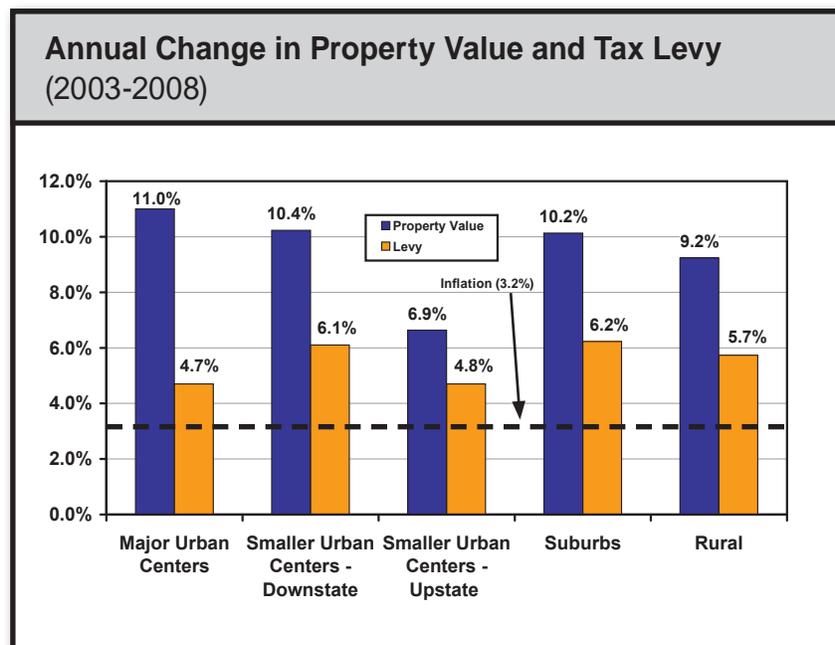
Reorganizing New York's Outdated Municipal Structures: A Similar Communities Analysis

The vast majority of cities, towns, and villages in New York State were established prior to 1920. Since then, most communities have undergone substantial change. Cities grew in the first part of the 20th century but began to decline after 1950, while at the same time, families (and eventually jobs) moved out of cities to surrounding suburbs. Recently, these inner ring suburbs have begun aging and declining in ways similar to many cities.

Current Designation		Municipal Clusters	
Cities (excl NYC)	61	Major Urban Centers	19
Towns	932	Smaller Urban Centers	347
Villages	556	Suburbs	246
Totals	1549	Rural	616
		Unassigned/Other	321
		Total	1549

Despite significant changes in the economy, demographic makeup and infrastructure of New York's local governments, there has been little change in municipal designation—outside of the occasional village dissolution or creation—making the terms city, town, and village inappropriate in many cases. In 2006, OSC released a research report¹² that detailed the outdated municipal classification in use today. That analysis proposed a new grouping based on a series of measures thought to typify cities, towns and villages. The resulting “municipal clusters” provides the basis for this analysis.

The 19 cities and towns classified as major urban centers levied over \$2 billion in property taxes in 2008. For each of the clusters, levy growth outpaced inflation over the five-year period. Levy growth exceeded 6 percent annually in suburbs and downstate urban communities, but these areas also experienced strong growth in property values during this period. Upstate urban areas had the weakest tax base growth and continued to increase levy at nearly 5 percent annually.



¹² www.osc.state.ny.us/localgov/pubs/research/munistructures.pdf

Revenue Structure by Municipal Cluster (2008)

		Major Urban Centers	Smaller Urban Centers			
			Downstate	Upstate	Suburbs	Rural
		n=18	n=105	n=232	n=243	n=605
Local Revenue	Real Property Taxes and Assessments	37.0%	52.9%	27.2%	46.7%	41.5%
	Other Real Property Tax Items	2.3%	1.7%	2.0%	1.3%	1.7%
	Sales and Use Tax	11.2%	6.5%	14.1%	14.3%	15.5%
	Other Non-Property Taxes	2.0%	0.8%	0.6%	1.4%	0.6%
	Charges For Services	16.2%	18.2%	28.6%	16.5%	13.3%
	Charges to Other Governments	2.2%	1.4%	2.7%	2.3%	4.0%
	Use and Sale of Property	3.3%	3.0%	2.2%	2.7%	2.9%
	Other Local Revenues	6.0%	5.4%	4.0%	5.0%	4.6%
	Total Local Revenues	80.2%	89.8%	81.4%	90.3%	84.2%
	State Aid	15.7%	6.2%	13.4%	8.0%	12.2%
	Federal Aid	4.1%	3.9%	5.2%	1.7%	3.6%
	Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%

Overall, revenue streams vary significantly across clusters. Smaller urban centers located downstate are the most reliant on property taxes for local revenue, as are suburban and rural communities. Major urban centers derive a smaller share (37 percent) of revenue from the property tax, while receiving the greatest share of revenue (16 percent) from State sources.

For smaller urban centers located upstate, only 27 percent of revenue comes from property taxes, while 29 percent of revenue is raised locally through charges for services—suggesting that any relief from property taxes enjoyed by residents of these communities is offset by service charges and fees, primarily for water, sewer, and other utilities.

Additionally, rural areas, upstate urban areas, and suburbs are the most reliant on sales taxes, suggesting that these areas may be harder hit by declining tax collections as the recession continues to dampen consumer spending.

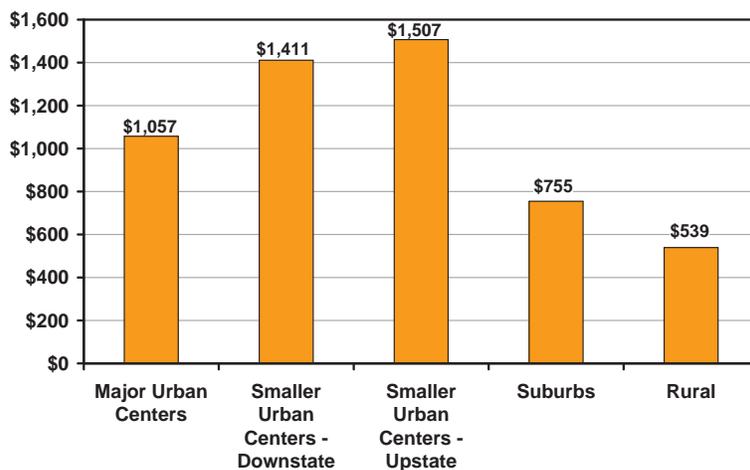
Total Spending

The cities, towns and villages included in this analysis spent a total of \$12.5 billion in 2008.¹³ Towns accounted for 50 percent of this spending, while cities and villages accounted for 31 percent and 19 percent, respectively. While there are 932 towns in New York, 10 large towns are responsible for 35 percent of this spending.

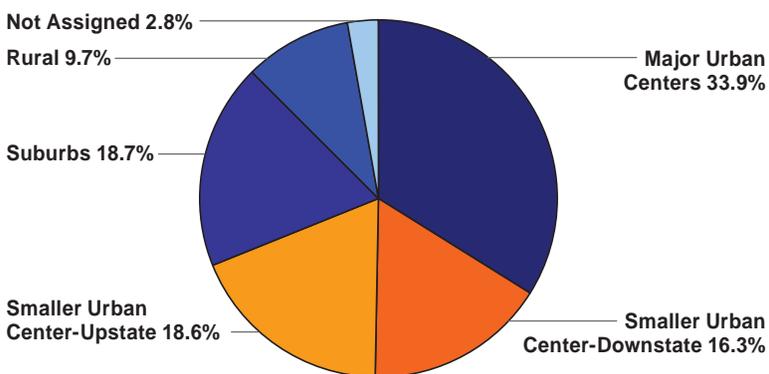
When examining spending by municipal cluster, it is clear that most local spending is done by urban communities. The 18 major urban centers accounted for a third of total spending (12 of these major urban centers are towns) and the 337 smaller urban centers accounted for another 35 percent of spending. Suburbs accounted for 19 percent of total spending, while the 605 rural communities made up only 10 percent of total spending. The 297 localities that were unassigned to a cluster (mostly due to small size) accounted for only 3 percent of total spending.

On a per capita basis, smaller urban communities had significantly higher spending rates, 38 percent higher than major urban centers. Suburban and rural communities spent much less on a per capita basis compared to urban centers; these localities appear to be less service intense.

Expenditure Per Capita by Municipal Cluster (2008)



Total Spending in 2008 by Municipal Cluster
(Total Expenditures = \$12.5 Billion)

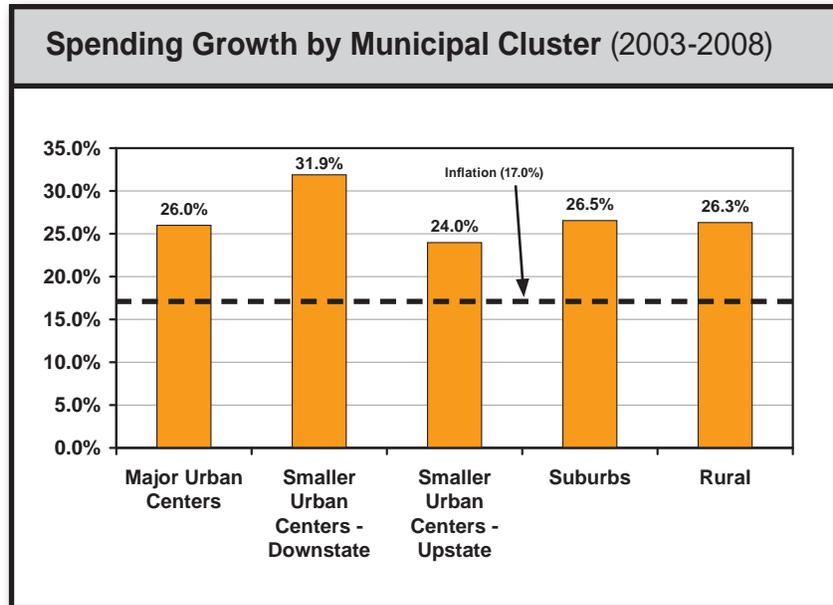


¹³ Because of missing data for 2008, the number of municipalities in each cluster differs slightly from the initial cluster assignment table. The revenue and expenditure analysis includes data for 18 of 19 major urban centers, 337 out of the 347 smaller urban centers, 243 out of the 246 suburbs, 605 out of the 616 rural localities, and 297 out of 321 localities that were not assigned to a cluster.

Spending has increased more rapidly in downstate urban areas. However, for each cluster grouping, spending increases have outpaced inflationary growth (17.0 percent) from 2003 to 2008.

In addition to focusing on total spending, it is also interesting to examine which functions are supported by local governments in different clusters. The three types of urban communities share a similar functional expenditure pattern—public safety, sanitation,

transportation, and culture and recreation constitute large portions of these budgets. Upstate urban centers spend a smaller share on culture and recreation and more on sanitation and utilities compared to their downstate urban counterparts.



Functional Expenditures by Municipal Cluster (2008)

	Major Urban Centers	Smaller Urban Centers		Suburbs	Rural
		Downstate	Upstate		
	n=18	n=105	n=232	n=243	n=605
General Government	16.9%	18.8%	12.3%	16.2%	18.0%
Education	0.0%	0.0%	0.0%	0.0%	0.0%
Public Safety	20.2%	24.0%	23.8%	18.1%	9.0%
Health	0.2%	0.1%	0.1%	0.1%	3.1%
Transportation	12.7%	10.1%	12.3%	20.0%	40.8%
Social Services	1.3%	2.3%	1.1%	0.6%	0.3%
Economic Development	2.4%	1.0%	4.1%	0.6%	0.7%
Culture and Recreation	7.9%	9.9%	4.3%	7.9%	4.0%
Community Services	1.8%	1.0%	1.3%	2.5%	0.9%
Utilities	3.4%	6.4%	12.1%	7.8%	6.8%
Sanitation	15.4%	8.3%	10.8%	11.8%	5.4%
Employee Benefits	17.8%	18.0%	17.8%	14.5%	11.0%



Rural localities (mostly towns in this cluster) spend nearly 41 percent of their budgets on transportation and less than 10 percent on public safety. Suburban local governments—mainly a mixture of towns and villages—expended 20 percent of their budgets on transportation and 18 percent on public safety on average.

Employee benefits growth has far outpaced inflation in each of the cluster groups and, as a result, the cost of employee benefits represented a significantly larger share of spending in 2008 compared to 2003. In urban communities, employee benefits constituted 14 percent of spending in 2002, whereas in 2008, this percentage increased by four points, with urban local governments using about 18 cents of every dollar spent to cover the cost of employee benefits, a rate of growth that may prove to be unsustainable.

Issues Facing Different Clusters

In general, urban localities face a different set of challenges when compared to suburban and rural communities. Local governments serving urban areas face a higher per capita spending burden than suburban and rural areas. For these urban localities, employee benefits costs are a major cost driver.

Major urban areas tend to be more reliant on State funding, leading to vulnerability when budgetary cuts occur at the State level. In smaller upstate urban areas, property values have grown more slowly and these local governments have relied more heavily on fees and service charges to balance their budgets, while facing vulnerability due to heavier reliance on sales tax revenues.

Rural and suburban areas tend to spend less on a per capita basis, but spending growth has outpaced inflation for these local governments. Both suburban and rural localities tend to rely more heavily on the sales tax, which, as the recession lingers, has become a source of budgetary difficulty.

This analysis helps highlight the common fiscal issues facing local governments in New York State, regardless of their type, and how their financial structures are being transformed in the 21st century even while their legal structures remain outdated. It suggests that regional economic forces, size, population density, and expectations of service levels by citizenry have more impact on local finances than whether that locality is called a city, town, or village. It also points out the need for local governments to begin to think differently about whom their peer governments are and what opportunities may exist for shared services and regional collaboration.



Enhancing Transparency Through Open Book New York

As part of Comptroller DiNapoli's effort to promote more openness in government and to give taxpayers better access to the financial workings of government, OSC created Open Book New York. Open Book is a website (www.openbooknewyork.com) that provides information on State agency expenditures, State contracts, federal stimulus spending, and local government revenues and expenditures through user-friendly searchable databases.

The local government component of Open Book provides State and local government officials, academics, students, and taxpayers access to revenue and expenditure data reported to OSC by all cities, towns, villages, school districts, and fire districts from 1997 through 2008. Open Book provides unprecedented access to detailed financial information on local government for taxpayers and other interested parties.

In 2009, OSC continued to make improvements to Open Book by expanding the ways in which the local government database may be searched. Previously, it was possible to generate a trend report that would allow users to select up to six years of data for one local government, or type of local government, at a time. Now users will also be able to generate a comparison report that will allow them to select one year of data for up to four local governments of any type.

Users of Open Book will still be able to access local government data in a variety of ways. Level One data has the broadest categories, with rolled-up numbers for general groupings of data. For example, Level One revenue categories include Real Property Taxes and Assessments, Sales and Use Tax, State Aid, Federal Aid, and Charges for Services. Each of these Level One categories is broken down into more specific Level Two subcategories. Users may “drill down” into each Level One category easily to find the more detailed Level Two numbers.

These on-going improvements in Open Book give users even more ways to access and analyze local government fiscal data. This offers greater transparency on “where the money comes from” and “where the money goes” and helps highlight the unique role played by and fiscal challenges faced by local governments in New York.



Legislation Affecting Local Governments

Although there were a number of bills that will affect the administration and management of local governments that were passed by the State Legislature and signed into law by the Governor during the last year, the one new statute with the largest potential impact is the New York Government Reorganization and Citizen Empowerment Act (Chapter 74 of the Laws of 2009). This law is intended to improve local government efficiency and provide property tax relief by establishing uniform procedures for consolidation and dissolution of villages, towns, fire districts, and other special districts. These new procedures do not apply to school districts, counties, or cities. However, the legislation would also empower counties to potentially consolidate or abolish units of local government within their borders, subject to voter approval. Under the new uniform procedures, consolidation of two or more local governments or the dissolution of an entity may be initiated by a petition signed by the qualified voters in the local government impacted or by a majority vote of the governing boards of the entity or entities to be dissolved or consolidated. If these procedures are initiated by voters, the petition must be signed by at least 10 percent or 5,000 (whichever is less) of the voters in each affected entity. If municipalities to be dissolved or consolidated contain 500 or fewer voters, at least 20 percent of the qualified voters are required to sign the petition.

Budget Bills Affecting Local Governments

Aid and Incentives for Municipalities (AIM)

One product of the national recession and the subsequent State fiscal crisis has been the lack of growth in revenue sharing payments to localities. The Deficit Reduction Plan of 2008-09 reduced aid payments to 33 cities receiving unrestricted aid in addition to AIM. For 2009-10, aid for cities, towns, and villages was held flat at 2008-09 levels. Cities previously responsible for producing and filing Fiscal Performance Plans with the Division of the Budget and the Office of the State Comptroller are no longer required to do so, as these accountability requirements were tied to increases in aid. Cities other than New York City and the City of Buffalo and the Villages of Johnson City and Endicott are still required to complete multiyear financial plans.

Local Government Efficiency Grants (LGEG)

Funding for LGEGs in 2009-10 is essentially the same as funding provided in 2008-09, after deficit reduction actions and accounting for administrative funding. Program enhancements in the grants remain in place, including the new High Priority Planning grants for municipal or service consolidations and 21st Century Demonstration grants for transformative projects.

Restore New York

Administered by Empire State Development, Restore New York is a grant program providing funds through the Restore New York Communities Initiative to revitalize urban areas and encourage investment. In early September 2009, the third round of funding was announced which will provide nearly \$154 million in grants to 79 projects. Awards were made to qualified applicants based on statutory criteria outlined in the 2006-07 State Budget and in a geographically proportionate manner. Rounds I and II provided a total of \$150 million for these kinds of projects.



Other Significant Legislation

Traffic Light Cameras

Legislation allowing “red light” traffic cameras for the Cities of Buffalo, Rochester, Yonkers, and the counties of Nassau and Suffolk was enacted.

Sales Tax

Fifty-five municipalities extended their ability to impose additional sales and compensating use taxes.

Metropolitan Transportation Authority (MTA) taxes

A bill addressing the MTA’s massive deficit was enacted. It will raise transit fares, institute a surcharge on taxi fares, and establish a payroll tax. Employers in the 12 counties served by the MTA will pay a tax of \$.34 for every \$100 of payroll. The tax is expected to raise \$1.53 billion a year.

Local Finance Law Extender

Provisions of the Local Finance Law related to debt issuance were extended until 2012.

School Retiree Health Insurance Extender

A law that protects health insurance coverage for school district retirees has been extended. Under the law, school districts may neither reduce the level of health insurance coverage nor their contribution toward its cost for retirees unless the reduction also applies to active employees.

Pension Amortization

Comptroller DiNapoli proposed legislation to assist local governments with employer pension contributions during the economic downturn. It would allow employers to opt into a mitigated rate system and amortize a portion of the pension contribution in excess of the mitigated rate. The bill was passed in the Assembly.

Spin Up Aid

The cities of Rochester and Syracuse each proposed legislation introduced that requested spin ups of \$10 million in State Aid. Both bills were passed in the Senate and Assembly but were vetoed by the Governor, who cited the State’s limited cash margin in the first quarter of the State fiscal year.



Division Activities

Policy Reports

Cracks in the Foundation: Local Government Infrastructure and Capital Planning Needs¹⁴

This report analyzes historical trends in local capital spending and the current condition of New York's local infrastructure. It points out that there are roughly \$250 billion in water, sewer, and transportation infrastructure needs to be funded at the local level over the next 20 years, and that, at current spending rates, local infrastructure needs may be underfunded by as much as \$80 billion. It suggests some important steps that the State and local governments need to take to improve capital planning within New York. Finally, it suggests some policy options that could help sustain investment in the State's infrastructure and encourage more coordinated, regional approaches to investment.

Cost-Saving and Cost-Containment Strategies for New York State's Local Governments¹⁵

This report provides a number of cost-saving or cost-containment ideas and explains efforts undertaken by various municipal officials, or identified through audits conducted by OSC, that are applicable to most local governments and that address costs that are under local control. These efforts may help mitigate property tax increases and contribute to future fiscal stability.

Annual Performance Report on New York State's Industrial Development Agencies¹⁶

This report reviews the annual financial reports from 115 Industrial Development Agencies (IDAs). Although the number of IDA projects and the project amounts increased between 2006 and 2007, the total number of jobs created declined by more than 2,000 jobs while the cost to create a job increased.

Meltdown: The Housing Crisis and its Impact on New York State's Local Governments¹⁷

This report examines the housing crisis in New York State and the implications for local government finances. Compared with other states, particularly those in the South and West, significantly fewer subprime loans were issued in New York, although there are areas within the State where subprime mortgages were utilized more frequently. However, the number of home foreclosures in New York is increasing, which could have a negative impact on the property tax base on which local governments rely to generate a significant portion of their revenue.

The Credit Crunch: Implications for Local Government Short-Term Debt¹⁸

This report examines the impact of the global financial market crisis on New York's local governments and their ability to finance short-term capital operations and cash flow needs.

¹⁴ www.osc.state.ny.us/localgov/pubs/research/capitalplanning.pdf

¹⁵ www.osc.state.ny.us/localgov/pubs/research/costsavingscontainment.pdf

¹⁶ www.osc.state.ny.us/localgov/pubs/research/idaperformreport.pdf

¹⁷ www.osc.state.ny.us/localgov/pubs/research/subprime08.pdf

¹⁸ www.osc.state.ny.us/localgov/pubs/research/creditcrunch.pdf



Local Government Snapshot: Sales Tax¹⁹

This snapshot revealed that, through July 2009, local government sales tax collections declined by 8.9 percent (including New York City) over the first seven months of 2009. Fifty-three of the 57 counties experienced declining collections with the largest declines occurring in the lower Hudson Valley and on Long Island.

Trouble Ahead: Managing Your Budget in Times of Fiscal Stress²⁰

This step-by-step guide for local government finance officials provides information on how to actively monitor budgets against actual revenue collections and expenditure outlays to minimize the risk of year-end deficit.

Audits and Oversight

OSC has the constitutional and statutory responsibility to oversee the fiscal affairs of more than 4,200 government entities in New York State. OSC's Division of Local Government and School Accountability works closely with local governments and performs periodic audits on municipalities and schools throughout the State.

Accountability Audits

The Division's accountability audits ensure that control systems are in place to safeguard the assets of local governments. A subset of accountability audits—fraud audits—reveals how the lack of adequate controls can lead to criminal abuse of local government assets. In 2008, the Division found nearly \$1.3 million in local government assets that were misappropriated through fraud.

- **Niagara Falls City School District** – The Board and District officials have not established written policies and procedures for the processing and disbursement of payroll and related benefits or for monitoring these payments to ensure compliance with applicable employment agreements. As a result, the District overpaid 272 salaried employees in excess of \$500,000 in the 2005-06 school year. Also, the Superintendent requested a lump-sum payment for unused vacation days each year, as provided in his employment contract, but he did not record the use of any vacation time until the 2005-06 school year. Due to his failure to accurately account for his leave time, the District inappropriately paid the Superintendent more than \$10,800 for 21 vacation days during the 2004-05 year.

¹⁹ www.osc.state.ny.us/localgov/pubs/research/snapshot/0809lgsnapshot.pdf

²⁰ www.osc.state.ny.us/localgov/pubs/lmg/managingbudget.pdf

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- **Liverpool Central School District** – Over a period of years, the District had a weak control environment which resulted in a questionable pattern of behavior on the part of District officials and lax controls over the use of taxpayer moneys. Division auditors identified a number of questionable transactions, including overpayments to the former Superintendent, the circumventing of controls by the former Superintendent in an effort to allow a Board member to receive free health insurance benefits, and the donation of District assets to outside organizations. The District’s lax controls over District assets resulted in more than \$250,000 in District moneys and equipment being used either inappropriately or irresponsibly.
 - **Floral Park-Bellerose Union Free School District** – Because the Board did not provide sufficient oversight to ensure that payments were made to the former Superintendent in accordance with his employment contracts and addenda, he received questionable or improper salary and related payments totaling approximately \$164,051 from July 1993 to August 2005. These payments included excess salary increases of \$40,887, annual overpayments totaling \$25,706 for unused vacation days, inaccurate conversion for unused sick days of \$18,555, and improper retirement payments of \$78,903.
 - **Town of Colonie** – Town officials did not dispose of material generated during public works projects and repairs, including excess soil and other debris, in the most economic manner. Rather, Town officials elected to dump these materials at the West Albany Rod & Gun Club site, incurring costs of about \$48,000—significantly more (\$21,000 to \$42,000) than the costs of alternate options—without having done any analyses to support the decision. While the hauling and dumping of this material may have furthered a Town purpose, the additional work the Town performed at the Club (including grading, parking lot enlargement, and resurfacing) valued at about \$20,000, primarily benefited the Club rather than the Town. The Town also incurred additional costs of \$38,000 for roadway material, either because of a lack of coordination between Department of Public Works divisions, or because the material had already been used at the Club site. Finally, the former Town Attorney and a former Town Board member were both involved in the contract with the Club and were members of the Club, but neither official publicly disclosed his interest in this contract as required by General Municipal Law.
 - **Western New York Maritime Charter School** – Division auditors found that the Board failed to establish adequate controls and to adequately monitor employee activities to ensure that School assets were properly safeguarded. The lack of adequate monitoring resulted in numerous improprieties including the employment of an individual with a criminal record, the misappropriation of School funds, and the awarding of contracts to employees where it is unclear whether the School received value for the money spent. However, when the Board and School officials were notified of the improprieties by their accounting firm, they took corrective action by terminating employees who violated School policies and referred the matter to law enforcement agencies. In addition, auditors found that former School officials and employees exploited weaknesses in the internal control system and manipulated the purchasing system. As a result, the School paid for goods or services totaling more than \$95,000 that were either not delivered to the School or were misappropriated after they were delivered.



Internal Control Audits

Government officials entrusted with public resources are responsible for complying with laws and regulations, meeting goals and objectives, and safeguarding assets. A good internal control system is an important element of a local government's financial and operating structure and is intended to assist local officials in meeting these responsibilities. In 2008, the Division identified a number of opportunities to improve internal control systems.

- **Employee Classification for Retirement Benefits** – The Baldwin, Bellmore-Merrick, Copiague, East Meadow, and Harborfields school districts did not have formal procedures to distinguish between employees and independent contractors. Division auditors found that all five school districts incorrectly classified an attorney who worked at the five districts as an employee and should not have reported him as an employee to the New York State and Local Retirement System (NYSLRS). Auditors identified his employment status as being an independent contractor based on conclusions that school district officials did not exercise control over the attorney's daily activities.

Division auditors identified similar concerns at the Hamilton-Fulton-Madison Board of Cooperative Educational Services (HFM BOCES) and Niagara Falls City School District. Five attorneys, all partners in a private law firm, who worked for HFM BOCES were improperly enrolled in NYSLRS during the 2006-07 fiscal year because they were contractors, rather than valid public employees. These attorneys, who were on the BOCES payroll as full-time employees, also worked substantially less than the 1,068 days that BOCES reported to NYSLRS: the five partners actually worked 196 days, for which they were paid a total of \$234,000. In addition, Division auditors found that an attorney who worked for the Niagara Falls City School District was improperly enrolled in NYSLRS during the 2006-07 fiscal year because she was a contractor rather than a valid public employee. The attorney, whom the District classified as an employee, was not an employee: she did not have a standard work day or hand in time sheets, and District management did not oversee the attorney's work. In fact, she worked full-time from her own office at her father's law firm.

- **Town of Colonie** – The lack of effective Board oversight over financial operations resulted in the combined general, highway, library, and refuse district fund balances declining by \$22.6 million from a surplus of \$12.5 million in 2002 to a deficit of \$10.1 million as of December 31, 2006. In addition, Town officials were unable to maintain adequate cash flow, which required the Town to issue short-term borrowings in amounts ranging from \$5.4 to \$11 million in 2004, 2005, and 2006, and to employ interfund transfers and advances. Additionally, the Town's landfill fund reported an \$8 million deficit. The major reasons for this fund's deficit are the recognition of \$9.1 million in future landfill closure and post-closure care costs and the transfer of approximately \$12.5 in cash from the landfill fund to the general fund during the past four years.

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- **Greece Central School District** – The Board’s failure to develop sound policies to manage District resources, its unwillingness to monitor District finances, and its deference to the individuals holding the Superintendent’s position resulted in a poor control environment in the District. Division auditors found that the District’s construction project in progress exceeded its authorized funding by approximately \$2.5 million for a \$119.5 million capital project. The additional expenses were paid from the general fund and included a pay increase of about \$1 million for the construction manager that was not approved by the Board. In addition, District officials did not claim all the Medicaid reimbursements to which the District was entitled. The District failed to bill at least \$2,200,000 in Medicaid-eligible services, which cost the District about \$560,000 in lost revenue. Also, 19 employees who left District employment received a total of \$175,000 for vacation leave time that they did not accrue, and five administrators and employees were paid a total of \$120,000 in compensation or benefits without Board authorization based on supplemental agreements to contracts.
 - **Valhalla Union Free School District** – Division auditors identified significant deficiencies in internal controls over the accounting for and disbursement of grant moneys, payments of employee compensation and fringe benefits, the Treasurer’s office, and computerized data. Of the approximately \$1.7 million expended for an educational grant, approximately \$456,000 was not expended in accordance with the grant agreement, proposals, or applicable laws. Furthermore, the Business Administrator chose to be reimbursed for a term life insurance policy that combined death benefit protection with the opportunity to direct the investment of net premium dollars into a broad portfolio of investment options. This selection provided him with benefits greater than provided for in his contract, resulting in \$38,500 in unnecessary costs to District taxpayers. Finally, District officials paid a retired transit police officer as a vendor, while also occasionally paying him as an employee through the normal payroll process. As a result, this employee may have received retirement benefits in excess of the amounts allowed by law and the District may be held liable for taxes, penalties, and interest.
 - **Jamestown City School District** – Division auditors found weaknesses in several of the District’s financial operations caused by a lack of management oversight and attention to these operations. For example, there was no significant oversight of the Treasurer regarding the recording and reporting of past due school taxes. Due to this lack of oversight, the District was not aware that a total of \$206,485 in property taxes was past due. The third-party administrator for workers compensation, who does not have statutory authority to sign District checks, is allowed to do so without oversight by District officials. Payments for contracted services were not supported by signed agreements, employee meals were not provided in compliance with District policy, and purchases of supplies and equipment were not made in accordance with District procedures.



Efficiency Audits

As local governments continue to face growing fiscal pressures, the ability to save taxpayer dollars through efficiency improvements is critical. In 2008, Division audits of individual units of government contained myriad recommendations for cost savings and/or revenue enhancements. If followed, these recommendations could provide cost savings or revenue enhancements of more than \$443 million for the local governments studied. Examples of audits of individual units of government include:

- **Employee Benefit Accrued Liability Reserve Funds** – In one statewide and three separate audits, auditors found that school district officials have reserved far more money than necessary in their employee benefit accrued liability reserve (EBALR) funds. Our statewide audit determined that 251 school districts across the State could have as much as \$407 million more in these reserve funds than they need to pay for compensated absences liabilities. These 251 school districts added more than \$112 million of surplus to their EBALR funds in the 2006-07 fiscal year alone. Excess EBALR funds represent money that could be redirected to other purposes to benefit taxpayers. The auditors also found other problems with how the districts managed their EBALR moneys, including not properly calculating their liability for compensated absences, not using the fund to actually pay for compensated absences, and not depositing the interest earned on the EBALR funds into the reserve, as required.

Similarly, in three separate audits of districts' reserve funds, the Division's auditors found that the districts reserved in total \$6.1 million more than was necessary in their EBALR funds. The Lockport City School District reserved \$3.6 million in its EBALR but does not use the reserve to pay for compensated absences when employees leave District employment. District officials in the Amherst Central School District stated that they originally created their EBALR as a method to reduce the District's unreserved, unappropriated fund balance to within the legal limit. It is apparent that this reserve was not intended to fund employee benefits because it was established in the amount of \$1.2 million or about three times the amount of the District's reported liability. The Port Byron Central School District established its EBALR originally to fund the future costs of retiree health insurance, which is not a permitted purpose of this reserve. None of the \$1.3 million in the reserve has been used since the fund was established, and the District paid compensated absence costs from operating funds as employees left District employment.

- **Computer Power Save** – Division auditors found that the Mount Vernon City, Newburgh Enlarged City, North Syracuse, Schenectady City, and the Williamsville school districts could save about \$212,300 annually by enabling power save settings and/or shutting down their computers during periods of inactivity. If similar conditions exist in the 736 schools districts statewide, which in 2004 had about 840,000 computers, these districts could collectively save more than \$11.3 million annually or reduce annual energy consumption by over 84 million kWh and reduce greenhouse gas emissions by over 69.7 million pounds, which is the equivalent of removing 5,790 cars from the road.

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- **School District Medicaid Reimbursement** – If the eight school districts the Division audited claimed all the \$3.1 million in Medicaid reimbursements to which they were entitled over a two-year period, the districts could have received at least \$770,000 in Medicaid reimbursement revenues, which represented their share (25 percent) of the eligible services that district officials could have claimed. If similar conditions exist in the 10 counties covering northeastern New York State, districts within that region could collectively be entitled to receive over \$4.3 million more in revenue over the two-year period. Because the State is due an equal share of Medicaid reimbursements, it also could potentially receive more than \$4.3 million.
 - **Erie County** – The County’s current administration has effectively used existing information and resources to help ensure that the County’s emergency communication system will provide an appropriate level of interoperability for end-users with the installation of a new countywide 400 MHz system. With its decision to scale back its partnership level to a Gateway rather than a full partnership with the Statewide Wireless Network (SWN), the County will be spending \$28 million less than it would have spent had it purchased radio equipment for all end-users throughout the County. The County will also save approximately \$1.3 million on this equipment purchase because the 400 MHz radio units needed for the countywide system are less expensive than the SWN-compatible 800 MHz units. Similarly, if all agencies currently operating on low-band were to purchase the same 400 MHz radios as the County, the estimated cost would be approximately \$3.6 million. Because the estimated cost for the same number of 800 MHz radios would be \$6.9 million, the savings for these agencies would be approximately \$3.3 million.
 - **Street Lighting Cost Containment** – The Town of Union purchased the Town’s street lighting system in 1998 and recognized significant cost savings to taxpayers. Based on the Division’s analysis using information from the Town of Union’s purchase, auditors found that if five other municipalities similarly acquired their street lighting systems and maintained them in-house, assuming they financed the purchase of the street lights with 20-year bonds, they could achieve potential aggregate cost savings of more than \$3.3 million during a five-year period.
 - **Statewide Efficiencies** – The Division issued nine audits covering multiple units of government during 2008. These performance audits involved working with several local governments or agencies in a particular region or across the State to look at issues or programs to determine if there are ways to improve efficiency and effectiveness. These audits allow us to highlight important operational issues and improvement opportunities of interest to a broad range of local governments. Topics included school districts’ compliance with physical education regulations, enforcement of unpaid electric charges, county boards of elections’ compliance with Election Law, procurement and use of green cleaning products, Medicaid non-emergency medical transportation, the use of State contracts by local governments, usage of solar panels in municipalities, internal controls over credit cards and travel and fuel expenditures, and estate management by public administrators. Division auditors also conducted a follow-up audit on the effectiveness of Empire Zones for an audit originally performed in March 2004.



Budget Reviews

OSC budget reviews help local governments monitor structural balances in their budgets by evaluating the consistency and appropriateness of estimated revenues, appropriations, and appropriated fund balances. In 2008, Division staff performed 30 budget reviews for local governments, 26 of which were mandated by special deficit financing legislation.

- **Real-Time Budget Reviews** – After finding that the Roosevelt Union Free School District could potentially end the 2006-07 fiscal year with a deficit of almost \$12.3 million, the Division began auditing the District on an unprecedented real-time basis to determine whether it was adequately monitoring its own spending and staying within its 2007-08 budget. Real-time fiscal monitoring was continued during the 2008-09 fiscal year. For the end of the 2007-08 fiscal year, the Division determined that the District had a potential operating surplus of more than \$21 million. The District ended the fiscal year with an approximate accumulated fund balance of more than \$13 million. In addition, the District did not receive a \$4 million cash advance on future State aid to which it was entitled because District officials failed to prepare and file a five-year financial plan with the Commissioner of Education for approval, as required by the 2002 legislation.

At the completion of the first quarter of the 2008-09 fiscal year, the District's spending was generally within the limits established by the Board in its enacted budget. However, the Division identified several areas of concern that should be addressed by District officials. For example, the District was not making adequate use of its encumbrance system to control expenditures. Many known expenditures had not been encumbered and some budgetary accounts had not been accurately established.

- **Deficit Financing Reviews** – The Division performed 26 budget reviews that were mandated under deficit financing legislation, which included the cities of Glen Cove, Olean, Rome, Troy, and Yonkers; the towns of Babylon, East Hampton, Sidney, and Stony Point; the villages of Endicott, and Hempstead; and the Amsterdam City, Beacon, Campbell-Savona, East Moriches, Fabius-Pompey, Liberty, Monroe-Woodbury, Patchogue-Medford, Roosevelt, Schenectady, South Country, and Troy school districts. The Division also performed budget reviews in three other local governments.
 - **City of Glen Cove** – Division auditors found that the significant revenue estimates in the tentative budget were not reasonable. Estimated revenues of \$2.65 million expected from sources such as the City's Community Development Agency/Industrial Development Agency (CDA/IDA), emergency medical services, and building permit fees might not be attainable in 2009. While expenditure projections in the tentative budget were reasonable, Division auditors were concerned that the City's proposed 2009 budget did not address the accumulated fund deficits of approximately \$1.2 million that were expected to exist as of December 31, 2008.

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- **City of Yonkers** – The Division’s auditors found that the City’s budget relied significantly on non-recurring revenues of approximately \$33.1 million to fund recurring operating expenses. The auditors cautioned City officials that they will have to find new revenue to replace this non-recurring revenue in next year’s budget. In addition, the City budgeted \$3 million for tax certioraris for the 2007-08 fiscal year but has paid only \$400,000, leaving a balance of approximately \$2.6 million. However, the City does not plan to use this remaining balance to pay outstanding tax certiorari settlements, but rather proposes to borrow \$14 million to pay for upcoming tax certiorari payments—for which funding is already available. Division auditors also were concerned by the City’s continuing reliance on debt, which has grown by 81 percent over the last 10 years. The City has also demonstrated an inability to restrain its overtime costs associated with police and fire department personnel. If the City’s police overtime and fire department expenditures continue at the rates incurred over the past two years, police expenditures will exceed the 2008-09 budget by approximately \$9 million and fire department expenditures will exceed the budget by \$1.2 million.
 - **South Country Central School District** – The Division’s auditors found that almost \$1.2 million in costs were not included in the District’s budget or were underestimated and that \$3.7 million in other costs were overestimated or over-budgeted. Debt principal repayments totaling \$500,000 were excluded from the budget, health and dental benefit costs may be underestimated by about \$390,000, and energy costs could be underestimated by approximately \$300,000. In addition, estimates for the District’s contributions to the Teachers Retirement System and the New York State and Local Retirement System were calculated using incorrect percentages, resulting in the District’s estimates being more than \$1 million greater than what it will be required to pay in the 2008-09 fiscal year. Furthermore, Division auditors cautioned that personal service costs were likely over-budgeted by almost \$2.7 million.
 - **Syracuse Joint School Construction Board** – The Division approved a revised financial plan submitted by the Syracuse Joint Schools Construction Board (JSCB) in June 2009. The JSCB was created by Chapter 58 of the Laws of 2006 and provides a mechanism for the city of Syracuse and its school district to finance renovations to school facilities and provide adequate infrastructure to support educational programs and student services. Although the revised financial plan reduces project costs for the first phase of the renovation program from \$180 million to \$131.8 million, OSC continues to have concerns regarding the long-term affordability of the remaining phases of the JSCB program.



Local Official Training

During 2008, Division staff conducted 170 training sessions at 73 statewide, regional, and online events. These events included conferences, online training schools, accounting schools, teleconferences, and regional workshops. Through these instructional outlets, the Division trained 14,071 local officials. These programs included three key initiatives spearheaded by the Comptroller:

- **School Accountability** – All school districts and BOCES board members are required to receive training on the basics of financial accountability. The Division has formed a partnership with the New York State School Boards Association and Hudson Valley Community College to offer a low-cost, online training program to meet this requirement. During 2008, 230 board members participated in the ongoing training. In addition, the Division has worked with the New York State Association of School Business Officials to present a number of regional workshops on topics such as “Improving School District Financial Operations and Practices” and “School District Claims Auditing: Tools and Tips.” These regional workshops were attended by 570 school district officials throughout the State.
- **Fire Districts** – During 2008, the Division continued its emphasis on financial accountability for fire districts. As part of this continued effort, the Division collaborated with the Association of Fire Districts of the State of New York to produce a teleconference entitled “Fire District Management: Internal Controls—Protecting Your Financial Operations.” This teleconference was viewed by 341 fire district officials. In addition, the Division provided a training session to 250 fire district officials at the Association’s annual conference on financial and reporting responsibilities.
- **Justice Courts** – The Division continued its emphasis on fiscal responsibility in justice courts by providing training workshops on reporting and accountability to 1,793 magistrates and court clerks. In collaboration with the Office of Court Administration (OCA), the Division produced a teleconference regarding the importance of having strong internal controls to protect financial operations. Additionally, through the use of an online training program designed to promote fiscal accountability, the Division along with OCA, trained 101 justices and court clerks during 2008.
- **Local Government Leadership Institute** – In 2009, in partnership with Hofstra University and Cornell’s Community and Rural Development Institute, the Division created the Local Government Leadership Institute. The first Institute was held at Hofstra University in June and was followed by the Institute at Cornell University in August. More than 200 local government leaders participated. The Institute is unique in that it is designed to provide fiscal and management guidance to local government officials across multiple classes of government. In addition, the Institute also provides an opportunity for dialogue on key issues such as municipal shared services and capital planning.



In addition to the training noted above, the Division also continues to provide Basic and Advanced Accounting Schools to local government officials who seek to enhance their knowledge of governmental accounting. OSC also provides speakers and technical assistance to regional associations and individual local governments through its eight regional offices. Through the use of new webcasting technology, the Division has been able to record training events and place them online to expand the training opportunities available to local officials throughout the State.

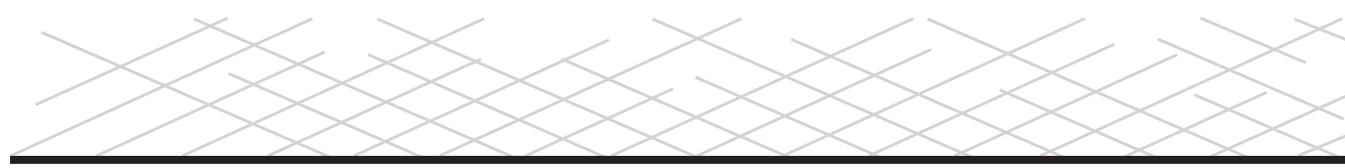
OSC also publishes a number of training guides to assist local officials with their duties. The following Local Government Management Guides were issued in 2009: *Seeking Competition in Procurement*, *Understanding the Budget Process*, *Multiyear Capital Planning*, *Improving the Effectiveness of Your Claims Auditing Process*, and *Financial Condition Analysis*.

In addition, a number of web-based online tutorials were created to provide local officials with convenient, low-cost training: *Cash Management: A Tutorial for Local Governments and School Districts*, *Capital Planning and Budgeting: A Tutorial for Local Government Officials* and *Multiyear Financial Planning: A Tutorial for Local Government Officials*.

OSC also implemented a Training Clearinghouse to provide one-stop shopping for local officials seeking training opportunities in their region. On the site, local government officials can search for training offered by OSC, other State agencies, local government associations, and academic institutions by region, by sponsor, or by the time of year.

Public Authorities Reporting Information System

OSC and the Authority Budget Office (ABO) have developed a comprehensive online reporting system for public authorities known as the Public Authorities Reporting Information System (PARIS). PARIS became operational in November 2007 and between filings for years 2007 and 2008, 249 local public authorities have used PARIS to meet their statutory reporting requirements, including 112 of 115 Industrial Development Agencies (IDAs). OSC and the ABO continue to review filings to improve the overall accuracy and completeness of the reports.



Length of Service Award Programs

A length of service award program (LOSAP) is a written plan that provides municipally-funded, pension-like benefits for eligible volunteer firefighters. The benefits can be one of two types, either a defined contribution plan or a defined benefit plan.

Chapter 620 of the Laws of 2006 requires the sponsor or designated program administrator of a LOSAP to obtain an annual audit by an independent certified public accountant. OSC worked with the New York State Society of Certified Public Accountants to develop a cost effective approach for fulfilling the new audit requirements and issued model notes to the annual financial statements that provide increased disclosure about the financial condition and operations of LOSAPs.

Data Management

OSC's Data Management Unit (DMU) collects and manages a database of contact information and financial data for over 4,000 counties, cities, towns, villages, school districts, fire districts, and other special purpose units of government. DMU collects this information from annual financial reports, real property tax and assessment reports, the U.S. Census Bureau, and other sources. Data is reviewed and adjusted for quality and consistency and staff also provide technical assistance and training to local officials regarding reporting requirements and data descriptions.

Improving Property Tax and Other Data Access

The State Comptroller is committed to providing relevant, current data on local governments for use by State and local officials, taxpayers, and interested groups. To further this effort, the Division released detailed revenue and expenditure data tables to support Comptroller DiNapoli's Open Book initiative, as well as overlapping real property tax tables that show effective tax rates and cumulative property tax levies for school districts and other local governments.



Indigent Legal Services

Legislation enacted in 2003 required increased rates to be paid to assigned counsel providing indigent legal defense services. This legislation also provided that revenues from various sources, including new and increased court and Department of Motor Vehicles-related fees, be deposited in the Indigent Legal Services Fund (ILSF), which would be used to offset the increased costs of the higher rates for assigned counsel, as well as support indigent legal defense services generally. OSC administers the ILSF and amounts available as of December 31st are distributed to the State, counties, and New York City on the following March 31st. State Finance Law requires each county to demonstrate compliance with certain maintenance of effort (MOE) requirements as a precondition for receiving this aid.

Based upon a review of the 2008 ILSF Annual Report submissions, OSC distributed \$76,478,074 from the ILSF on March 31, 2009. Five counties did not meet the statutory maintenance of effort (MOE) provisions; however, special legislation was passed (Chapter 9 of the Laws of 2009) that resulted in Nassau County qualifying for a full distribution and Delaware, Herkimer, Otsego, and Wayne counties receiving partial payments. OSC worked cooperatively with the Governor's Office and the Legislature to help ensure that all counties received an ILSF distribution.

Justice Court Fund

The Division is custodian of the Justice Court Fund (JCF), established to account for the revenues from fines and penalties collected by the State's more than 1,260 town and village justice courts; the Department of Motor Vehicles Administrative Adjudication Bureaus; and the Nassau County Traffic and Parking Violations Agency; as well as parking surcharges collected by the cities of New York, Buffalo, Rochester, Yonkers, Syracuse, and Albany. In particular, the Division collects the State portion of these fines and penalties and accounts for the local shares that are either retained by or refunded to the municipalities.

In the 2008-09 State fiscal year, the JCF distributed \$495 million in fines, fees, surcharges, and forfeitures derived from the adjudication of motor vehicle, criminal, civil, and other cases at the local government level. Local governments received 43 percent of this distribution, or \$214 million, and the State received 57 percent, or \$281 million. The increase to the State share can be attributed to the new and increased State Vehicle and Traffic Law (VTL) surcharges that were enacted in 2008. Additional State revenue is expected to be realized as a result of new Department of Environmental Conservation surcharges and increased VTL fees that became effective in 2009.

The JCF implemented several business improvements this year, including a standardized paper filing form that is scanned using optical character recognition technology and converted into electronic format. The use of this technology has improved processing and provided more accurate and timely distribution of fine and surcharge moneys.

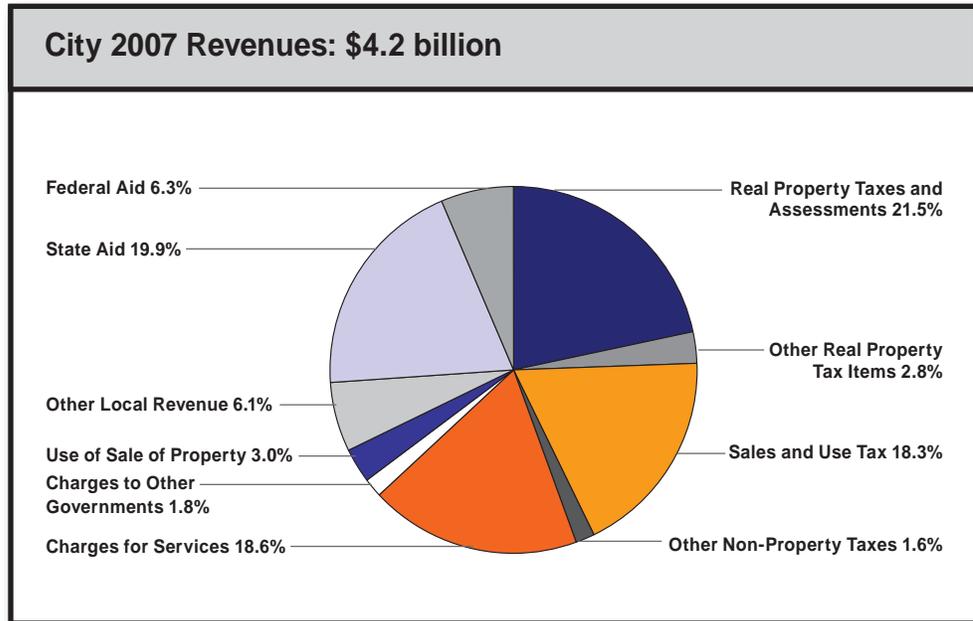
Summary of Local Government Entities

Local Government Entities		
General Purpose		
Counties	57	
Cities	62	
Towns	932	
Villages	556	1,607
Special Purpose		
School Districts	697	
Fire Districts	871	1,568
Total Local Government Entities		3,175
Special Purpose Entities		
Public Authorities		
Industrial Development Agencies	114	
Local Development Corporations	183	
Other Public Authorities	125	422
Other Special Purpose		1,017
Total Special Purpose Entities		1,439
Total Governmental Entities		4,614*

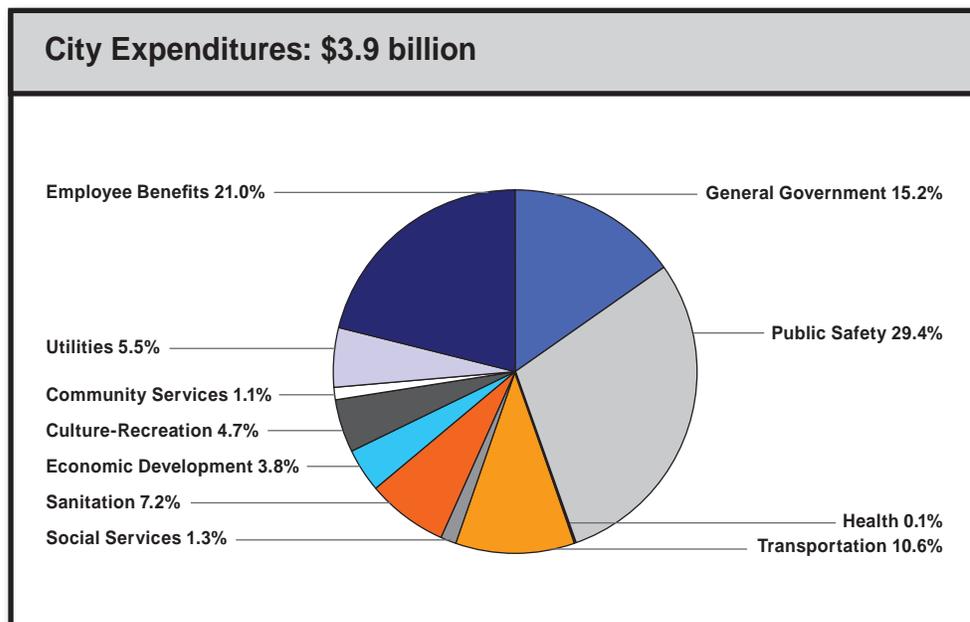
*as of 9/23/2009. Addition of Library districts and systems and Local Development Corporations are responsible for increase in total governmental entities compared to 2008 table.

APPENDIX A – FINANCES BY CLASS

Cities, excluding New York City, collected \$4.2 billion in revenues in 2007. Growth in revenue for cities between 1997 and 2007 was 4.4 percent on an average annual basis. Real property taxes and assessments comprised the largest portion of the revenues for cities in 2007 of \$897 million or 21.5 percent.

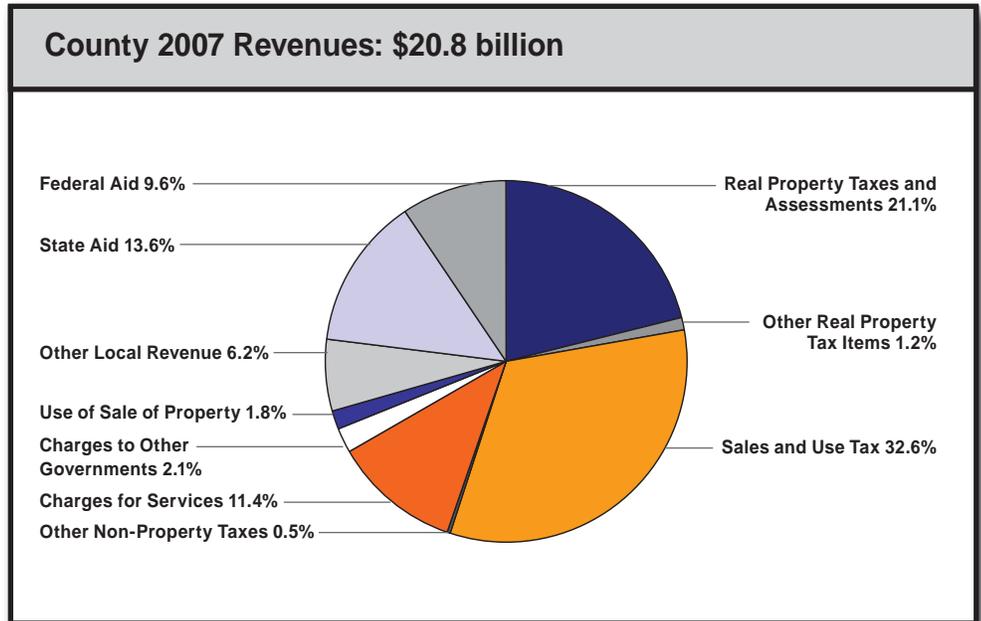


In 2007, total expenditures for cities reached almost \$3.9 billion. Over 65 percent of these expenditures were dedicated for public safety, general government, and employee benefits. In fact, between 1997 and 2007 employee benefits grew at an average annual rate of 8 percent.

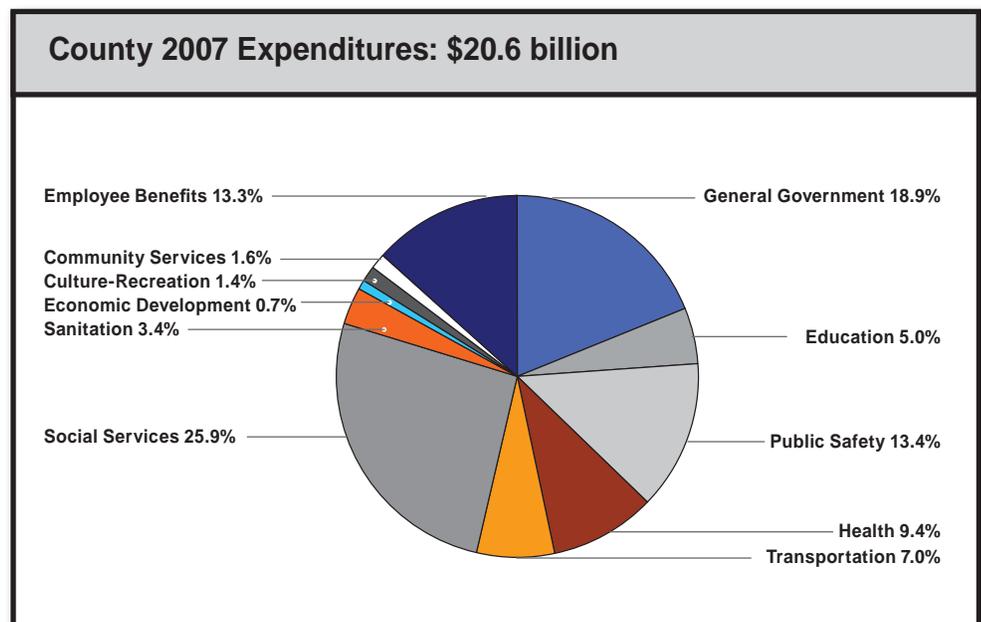


APPENDIX A – FINANCES BY CLASS

New York State's counties generated over \$20.8 billion of revenues in 2007. Almost 33 percent of these revenues were from sales and use tax collections. Between 1997 and 2007 total revenues for counties grew over 46 percent at an annual average rate of 3.9 percent.

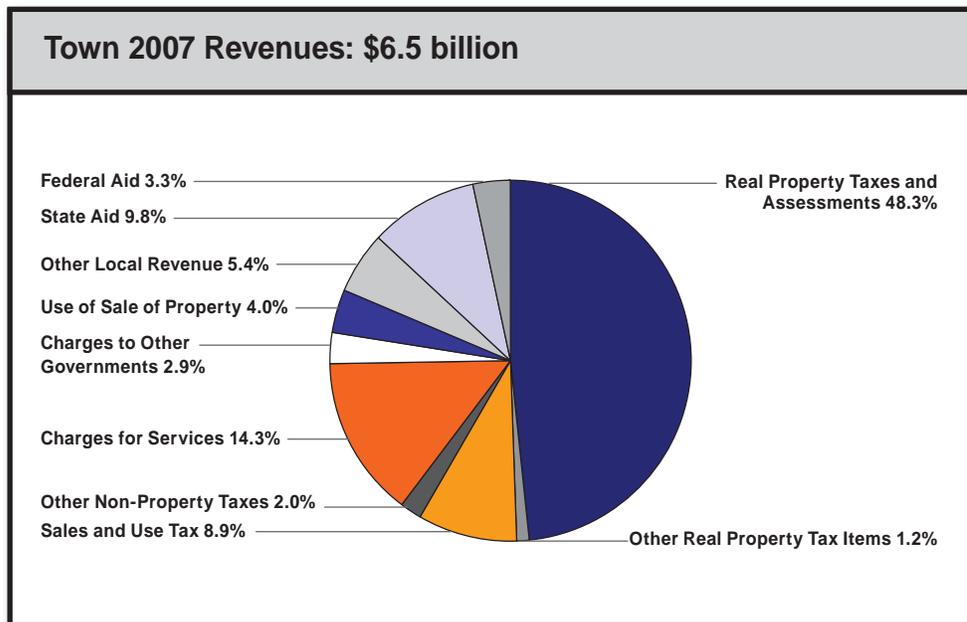


In 2007, total expenditures for counties equaled \$20.6 billion. Almost 26 percent of county expenditures in 2007 funded the provision of social services.

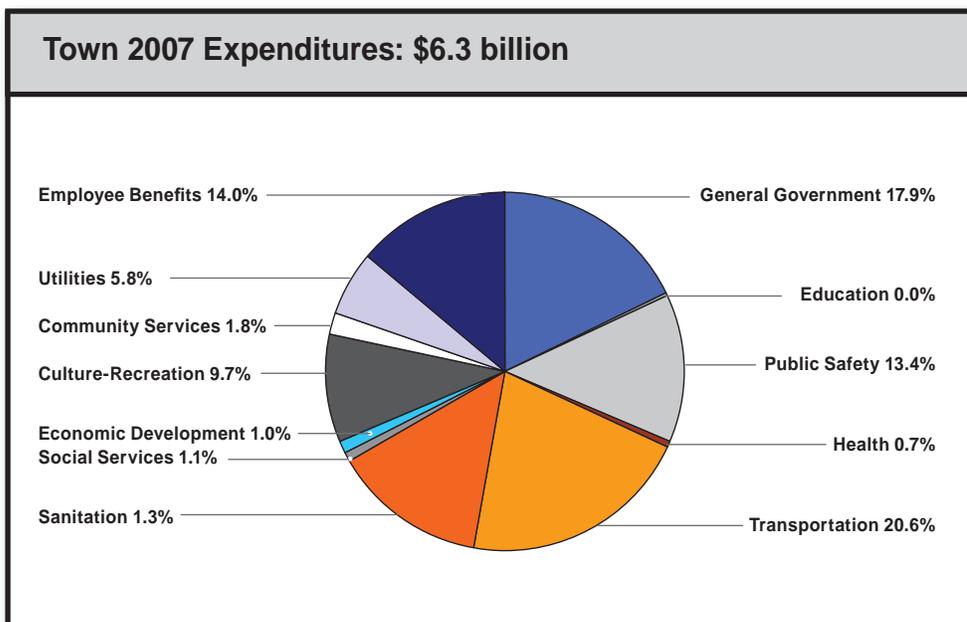


APPENDIX A – FINANCES BY CLASS

In 2007, revenues for towns totaled \$6.5 billion, with real property taxes and assessments comprising \$3.2 billion, or 48.3 percent of the total. Between 1997 and 2007, total revenues for towns increased by almost \$2.5 billion or by over 61 percent.

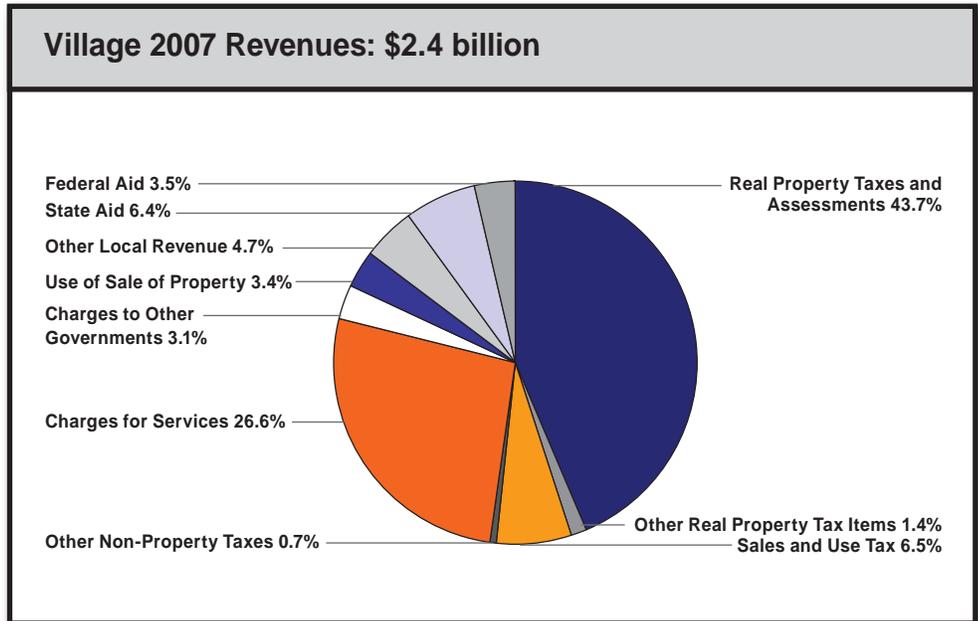


Total expenditures for towns totaled over \$6.3 billion in 2007 and increased 64 percent since 1997. Towns spent \$1.3 billion on transportation in 2007, over \$989 million which was invested in highways. Between 1997 and 2007 employee benefits increased the most—growing 129 percent, from \$389 million in 1997 to \$890 million in 2007.

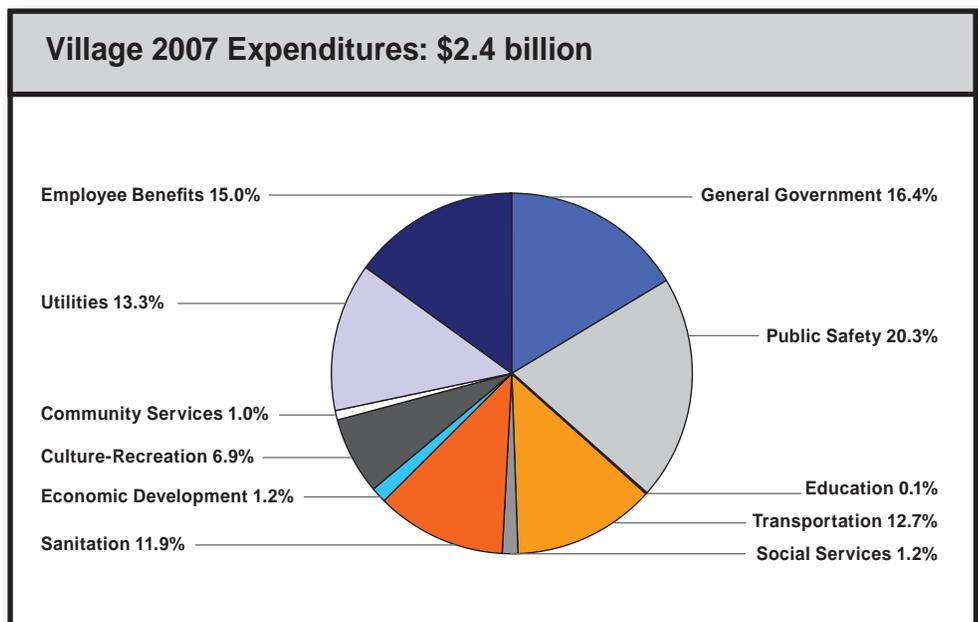


APPENDIX A – FINANCES BY CLASS

In 2007, revenues for New York's villages were \$2.4 billion. Almost 44 percent of these revenues were received from real property taxes and assessments.

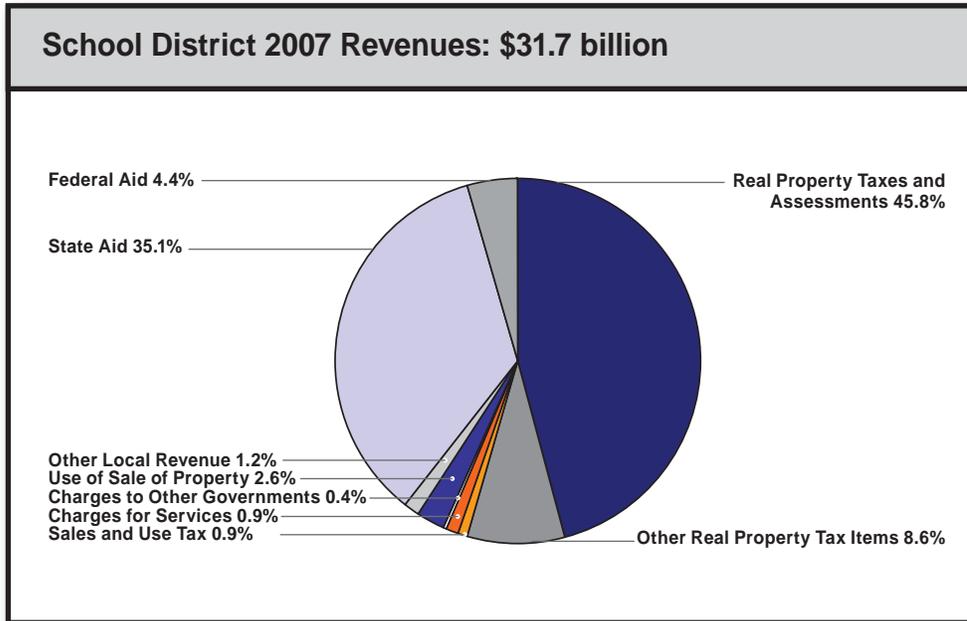


In 2007, expenditures for New York's villages totaled almost \$2.4 billion. Villages display a varied expenditure mix with general government, public safety, and employee benefits totaling 51.7 percent of total expenditures. Between 1997 and 2007, expenditure for villages grew at annual average rate of 5 percent.

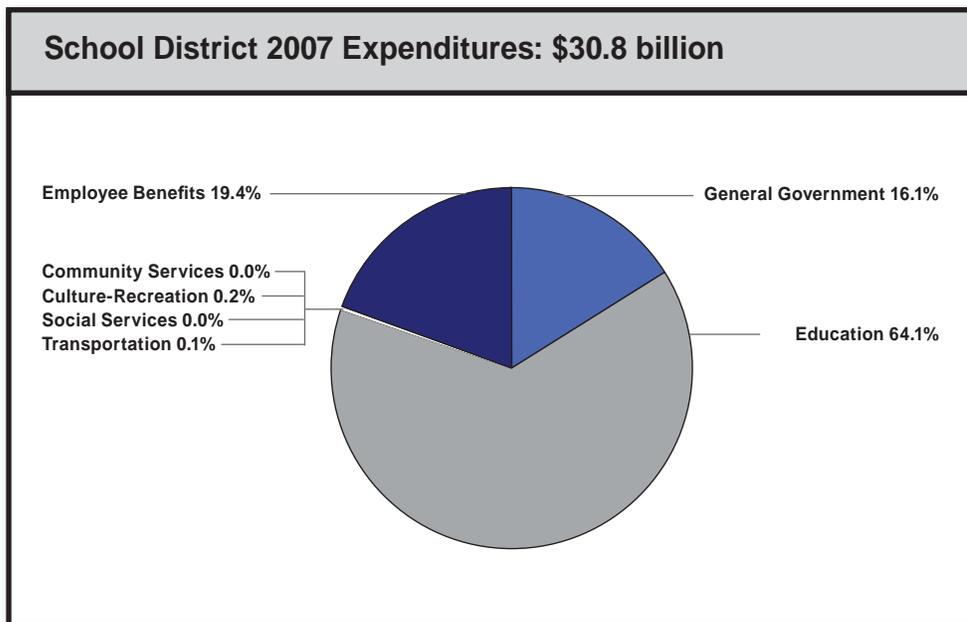


APPENDIX A – FINANCES BY CLASS

In 2007, school district revenues totaled slightly under \$31.7 billion. Almost 81 percent of school district revenues consisted of real property taxes and assessments and State aid. Between 1997 and 2007, school district revenues increased by over 75 percent or by 5.8 percent on an average annual basis.



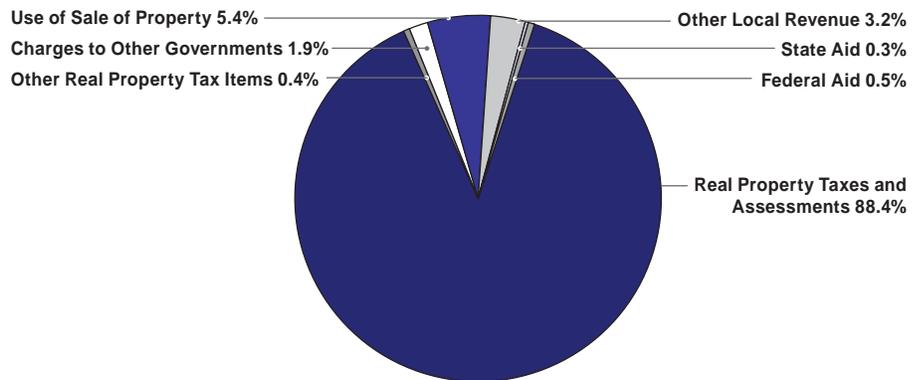
In 2007 school districts spent \$30.8 billion, an increase of almost \$12.6 billion, or 69.2 percent, since 1997. Employee benefits grew substantially during these 10 years from \$2.7 billion in 1997 to \$6.0 billion in 2007, an increase of more than 118 percent.



APPENDIX A – FINANCES BY CLASS

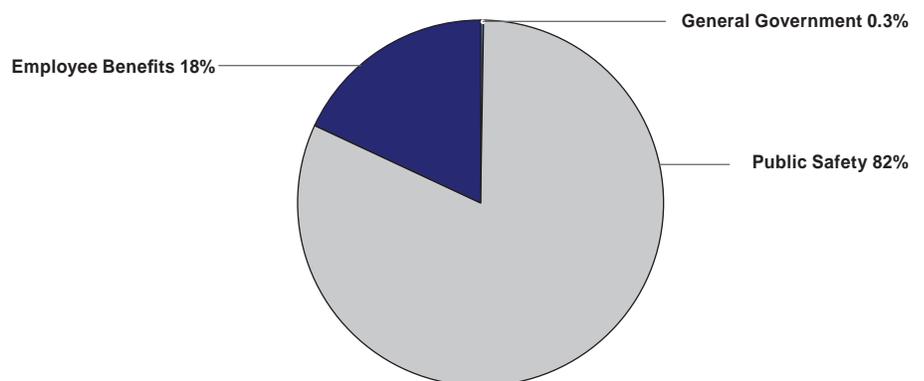
New York State's fire districts collected \$653 million in revenues during 2007. Over 88 percent of these revenues were received from real property taxes and assessments.

Fire District 2007 Revenues: \$649 million



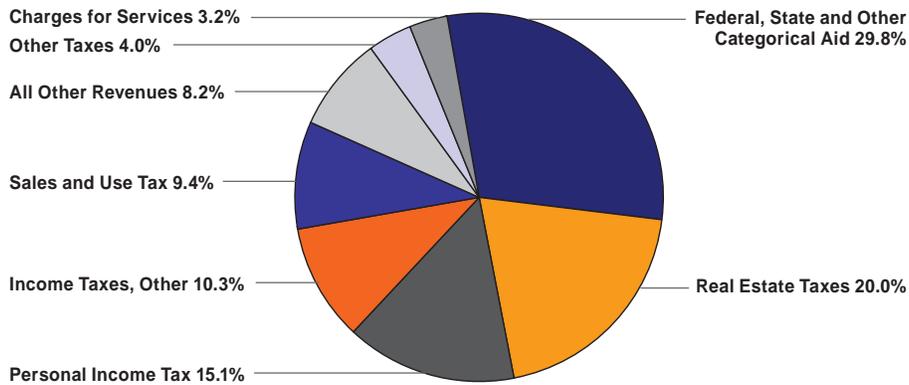
In 2007, fire districts spent \$612 million. Between 1997 and 2007, fire district expenditures increased by \$273 million or 80.8 percent.

Fire District 2007 Expenditures: \$607 million

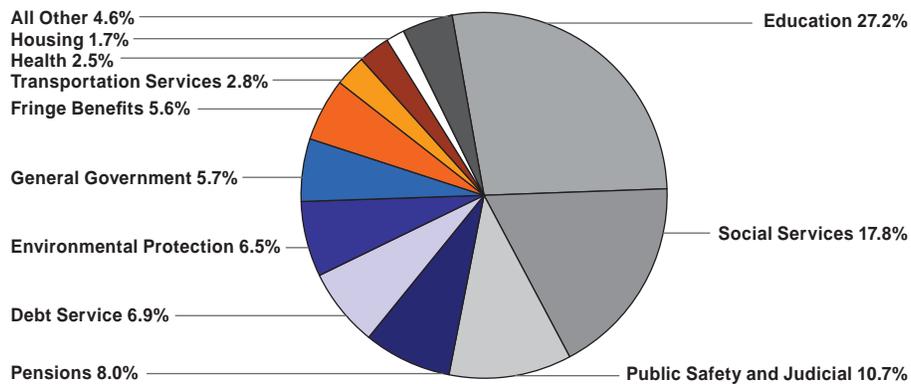


APPENDIX A – FINANCES BY CLASS

2008 Total Revenues New York City: \$65.9 billion



2008 Total Expenditures New York City: \$70.6 billion (by function)



The following tables include financial data for counties, cities, towns, villages, school districts, and fire districts. The source of this data is the Annual Financial Reports that each local government is required to file with OSC every year. A table for the City of New York is also included. Please note that State and local policy changes (e.g., changes to a local fiscal year, privatization of county healthcare facilities, tobacco securitization) and changes to financial reporting requirements (e.g. county sales tax) may affect trend lines. Additional detail is available on our website at: www.osc.state.ny.us/localgov/datanstat/index.htm. You can also contact the Division of Local Government and School Accountability at localgov@osc.state.ny.us.

CITY REVENUES – Fiscal Years Ended in 1997 - 2007

(\$ millions)	1997	2002	2003	2004	2005	2006	2007	Percent Change			
								Overall		Average Annual	
								2002-2007	1997-2007	2002-2007	1997-2007
Revenues:											
Real Property Taxes and Assessments	674.4	701.2	749.2	803.7	879.9	903.3	896.9	27.91%	32.99%	5.05%	2.89%
Other Real Property Tax Items	78.6	92.0	102.5	112.3	121.1	114.6	117.8	28.05%	50.00%	5.07%	4.14%
Sales and Use Tax	525.2	601.7	634.4	660.8	710.1	740.1	762.9	26.79%	45.25%	4.86%	3.80%
SALES TAX DISTRIBUTION	304.0	350.2	369.1	382.0	418.0	436.2	448.9	28.19%	47.65%	5.09%	3.97%
Other Non-Property taxes	45.7	33.9	35.5	36.5	42.1	60.0	68.4	102.06%	49.71%	15.11%	4.12%
Charges for Services	572.5	647.7	660.6	678.2	733.4	745.2	775.6	19.76%	35.49%	3.67%	3.08%
UTILITY FEES	246.5	270.5	278.0	285.7	297.2	307.1	318.9	17.88%	29.36%	3.34%	2.61%
Charges to Other Governments	54.8	62.3	53.3	56.2	67.0	66.3	73.8	18.36%	34.62%	3.43%	3.02%
Use and Sale of Property	82.5	76.8	142.6	66.1	87.7	116.8	126.8	65.10%	53.71%	10.55%	4.39%
Other Local Revenues	106.8	138.2	148.9	182.7	164.7	166.6	253.9	83.74%	137.79%	12.94%	9.05%
Total Local Revenues	\$2,140.4	\$2,353.8	\$2,527.0	\$2,596.5	\$2,806.0	\$2,912.9	\$3,076.2	30.69%	43.72%	5.50%	3.69%
State Aid	374.4	562.9	599.9	598.9	660.8	709.1	827.0	46.93%	120.91%	8.00%	8.25%
UNRESTRICTED STATE AID	244.7	300.3	300.1	314.2	344.2	366.9	421.3	40.27%	72.17%	7.00%	5.58%
Federal Aid	184.8	247.0	279.5	271.4	256.4	252.9	262.0	6.05%	41.71%	1.18%	3.55%
Total State and Federal Revenues	\$559.2	\$809.9	\$879.4	\$870.4	\$917.2	\$962.0	\$1,089.0	34.46%	94.73%	6.10%	6.89%
Total Revenues (Local, State and Federal Sources)	\$2,699.7	\$3,163.7	\$3,406.4	\$3,466.9	\$3,723.2	\$3,875.0	\$4,165.2	31.66%	54.28%	5.65%	4.43%

CITY EXPENDITURES – Fiscal Years Ended in 1997 - 2007

Percent Change

Overall

Average Annual

(\$ millions)	1997	2002	2003	2004	2005	2006	2007	Percent Change			
								Overall		Average Annual	
								2002-2007	1997-2007	2002-2007	1997-2007
Expenditures:											
Current Operations:											
Personal Services	1,121.8	1,360.9	1,388.6	1,410.9	1,436.8	1,487.5	1,551.1	13.97%	38.26%	2.65%	3.29%
Employee Benefits	376.3	472.8	530.1	649.0	752.2	782.4	812.3	71.81%	115.86%	11.43%	8.00%
Contractual	747.1	821.0	865.9	883.3	892.3	918.4	992.2	20.85%	32.80%	3.86%	2.88%
Total Current Operations	\$2,245.3	\$2,654.7	\$2,784.5	\$2,943.3	\$3,081.3	\$3,188.2	\$3,355.5	26.40%	49.45%	4.80%	4.10%
Equipment and Capital Outlay	311.3	461.2	476.0	447.8	450.8	553.4	516.0	11.89%	65.77%	2.27%	5.18%
Debt Service	267.2	300.5	358.0	287.5	318.0	327.0	342.1	13.84%	28.02%	2.63%	2.50%
Principal	152.2	182.1	248.1	189.1	200.8	197.9	206.9	13.63%	35.91%	2.59%	3.12%
Interest	115.0	118.4	109.9	98.4	117.2	129.1	135.2	14.15%	17.58%	2.68%	1.63%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$2,823.8	\$3,416.4	\$3,618.5	\$3,678.5	\$3,850.1	\$4,068.6	\$4,213.7	23.33%	49.22%	4.28%	4.08%
Expenditures by Function:											
General Government	401.8	485.3	497.6	517.5	522.6	515.8	588.9	21.35%	46.58%	3.95%	3.90%
Education	0.8	1.0	0.7	0.5	0.1	0.6	0.2	-82.42%	-78.48%	-29.36%	-14.24%
Public Safety	746.8	918.1	950.5	963.0	1,005.3	1,072.3	1,138.7	24.03%	52.48%	4.40%	4.31%
POLICE	399.1	504.6	524.9	535.6	561.8	588.7	615.5	21.98%	54.21%	4.05%	4.43%
FIRE PROTECTION	296.4	353.9	367.0	369.5	383.4	411.2	416.8	17.77%	40.61%	3.32%	3.47%
Health	3.4	3.4	6.1	4.4	3.5	3.1	4.1	20.02%	22.78%	3.72%	2.07%
Transportation	276.5	361.6	397.1	373.7	370.6	397.7	412.2	13.99%	49.08%	2.65%	4.07%
Social Services	45.3	45.8	48.3	52.1	51.7	49.5	49.4	8.00%	9.21%	1.55%	0.88%
Sanitation	225.5	237.2	235.0	243.3	249.1	256.0	278.6	17.44%	23.53%	3.27%	2.14%
Economic Development	137.4	169.1	178.0	180.9	159.4	159.4	147.7	-12.64%	7.48%	-2.67%	0.72%
Culture-Recreation	153.1	177.4	168.2	164.5	168.5	261.6	182.7	3.02%	19.36%	0.60%	1.79%
Community Services	34.1	48.5	58.1	47.4	51.4	45.4	44.4	-8.38%	30.08%	-1.74%	2.66%
Utilities	155.7	195.9	190.8	194.7	197.5	197.8	212.4	8.42%	36.42%	1.63%	3.15%
Employee Benefits	376.3	472.8	530.1	649.0	752.2	782.4	812.3	71.81%	115.86%	11.43%	8.00%
Total Expenditures by Function	\$2,556.6	\$3,115.9	\$3,260.6	\$3,391.0	\$3,532.1	\$3,741.6	\$3,871.6	24.25%	51.44%	4.44%	4.24%

SUMMARY OF CITY FINANCES – Fiscal Years Ended in 1997 - 2007								Percent Change			
								Overall		Average Annual	
(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Population - Census Estimates		2,249,790	2,242,859	2,234,099	2,221,376	2,210,680	2,203,423	-2.06%	0.00%	-0.42%	0.00%
Full Value	70,872.0	75,013.6	85,972.9	90,684.8	97,520.4	106,032.0	117,661.5	56.85%	66.02%	9.42%	5.20%
Debt Issued:											
Bonds	197.0	224.4	185.3	404.0	493.9	547.5	378.6	68.73%	92.19%	11.03%	6.75%
Other Debt	208.3	343.2	264.7	231.6	286.5	382.6	332.3	-3.19%	59.54%	-0.65%	4.78%
Outstanding Debt:											
Bonds (Gross)	1,776.0	2,029.8	1,966.1	2,106.9	2,297.8	2,461.9	2,621.0	29.12%	47.57%	5.25%	3.97%
Other Debt	429.7	460.4	504.7	482.7	479.4	547.7	549.2	19.28%	27.82%	3.59%	2.48%
Total Outstanding Debt	\$2,205.7	\$2,490.2	\$2,470.8	\$2,589.6	\$2,777.2	\$3,009.6	\$3,170.2	27.30%	43.73%	4.95%	3.69%
Revenues:											
Real Property Taxes and Assessments	674.4	701.2	749.2	803.7	879.9	903.3	896.9	27.91%	32.99%	5.05%	2.89%
Other Real Property Tax Items	78.6	92.0	102.5	112.3	121.1	114.6	117.8	28.05%	50.00%	5.07%	4.14%
Sales and Use Tax	525.2	601.7	634.4	660.8	710.1	740.1	762.9	26.79%	45.25%	4.86%	3.80%
Other Non-Property taxes	45.7	33.9	35.5	36.5	42.1	60.0	68.4	102.06%	49.71%	15.11%	4.12%
Charges for Services	572.5	647.7	660.6	678.2	733.4	745.2	775.6	19.76%	35.49%	3.67%	3.08%
Charges to Other Governments	54.8	62.3	53.3	56.2	67.0	66.3	73.8	18.36%	34.62%	3.43%	3.02%
Use and Sale of Property	82.5	76.8	142.6	66.1	87.7	116.8	126.8	65.10%	53.71%	10.55%	4.39%
Other Local Revenues	106.8	138.2	148.9	182.7	164.7	166.6	253.9	83.74%	137.79%	12.94%	9.05%
Total Local Revenues	\$2,140.4	\$2,353.8	\$2,527.0	\$2,596.5	\$2,806.0	\$2,912.9	\$3,076.2	30.69%	43.72%	5.50%	3.69%
State Aid	374.4	562.9	599.9	598.9	660.8	709.1	827.0	46.93%	120.91%	8.00%	8.25%
Federal Aid	184.8	247.0	279.5	271.4	256.4	252.9	262.0	6.05%	41.71%	1.18%	3.55%
Total State and Federal Revenues	\$559.2	\$809.9	\$879.4	\$870.4	\$917.2	\$962.0	\$1,089.0	34.46%	94.73%	6.10%	6.89%
Total Revenues (Local, State and Federal Sources)	\$2,699.7	\$3,163.7	\$3,406.4	\$3,466.9	\$3,723.2	\$3,875.0	\$4,165.2	31.66%	54.28%	5.65%	4.43%
Expenditures:											
Current Operations:											
Personal Services	1,121.8	1,360.9	1,388.6	1,410.9	1,436.8	1,487.5	1,551.1	13.97%	38.26%	2.65%	3.29%
Employee Benefits	376.3	472.8	530.1	649.0	752.2	782.4	812.3	71.81%	115.86%	11.43%	8.00%
Contractual	747.1	821.0	865.9	883.3	892.3	918.4	992.2	20.85%	32.80%	3.86%	2.88%
Total Current Operations	\$2,245.3	\$2,654.7	\$2,784.5	\$2,943.3	\$3,081.3	\$3,188.2	\$3,355.5	26.40%	49.45%	4.80%	4.10%
Equipment and Capital Outlay	311.3	461.2	476.0	447.8	450.8	553.4	516.0	11.89%	65.77%	2.27%	5.18%
Debt Service	267.2	300.5	358.0	287.5	318.0	327.0	342.1	13.84%	28.02%	2.63%	2.50%
Principal	152.2	182.1	248.1	189.1	200.8	197.9	206.9	13.63%	35.91%	2.59%	3.12%
Interest	115.0	118.4	109.9	98.4	117.2	129.1	135.2	14.15%	17.58%	2.68%	1.63%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$2,823.8	\$3,416.4	\$3,618.5	\$3,678.5	\$3,850.1	\$4,068.6	\$4,213.7	23.33%	49.22%	4.28%	4.08%

COUNTY REVENUES – Fiscal Years Ended in 1997 - 2007								Percent Change			
								Overall		Average Annual	
(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Revenues:											
Real Property Taxes and Assessments	3,150.0	3,340.5	3,719.2	4,000.9	4,179.1	4,314.0	4,398.2	31.67%	39.63%	5.66%	3.39%
Other Real Property Tax Items	182.4	214.7	234.9	228.8	238.7	263.4	250.3	16.59%	37.26%	3.12%	3.22%
Sales and Use Tax(1)	3,067.0	3,922.4	4,198.5	4,574.4	4,891.7	5,551.9	6,785.4	72.99%	121.24%	11.58%	8.26%
Other Non-Property taxes	45.2	60.3	61.6	64.4	76.1	85.1	93.9	55.59%	107.76%	9.24%	7.59%
Charges for Services	2,629.8	2,405.6	2,485.6	2,315.9	2,339.6	2,255.9	2,364.8	-1.69%	-10.07%	-0.34%	-1.06%
HEALTH FEES	1,903.7	1,316.9	1,323.1	1,052.4	1,039.0	1,074.5	1,041.8	-20.89%	-45.27%	-4.58%	-5.85%
Charges to Other Governments	307.4	316.3	313.8	344.0	368.1	404.0	436.7	38.05%	42.07%	6.66%	3.57%
Use and Sale of Property	299.9	248.8	278.2	222.9	508.7	355.8	377.2	51.59%	25.78%	8.68%	2.32%
Other Local Revenues	981.4	1,227.6	1,146.7	1,205.4	1,296.2	1,320.4	1,283.0	4.51%	30.73%	0.89%	2.72%
Total Local Revenues	\$10,662.9	\$11,736.3	\$12,438.4	\$12,956.5	\$13,898.2	\$14,550.6	\$15,989.6	36.24%	49.95%	6.38%	4.13%
State Aid	1,963.9	2,483.6	2,646.8	2,750.8	2,701.1	2,706.2	2,828.4	13.88%	44.02%	2.63%	3.72%
SOCIAL SERVICES	887.7	1,093.5	1,210.1	1,230.9	1,181.6	1,033.3	1,096.8	0.30%	23.56%	0.06%	2.14%
Federal Aid	1,613.6	2,048.8	2,005.1	2,017.1	1,897.6	2,071.0	1,988.5	-2.94%	23.24%	-0.60%	2.11%
SOCIAL SERVICES	1,208.3	1,401.7	1,387.4	1,401.0	1,351.3	1,424.0	1,332.2	-4.96%	10.26%	-1.01%	0.98%
Total State and Federal Revenues	\$3,577.5	\$4,532.4	\$4,651.9	\$4,767.9	\$4,598.7	\$4,777.2	\$4,816.9	6.28%	34.64%	1.23%	3.02%
Total Revenues (Local, State and Federal Sources)	\$14,240.4	\$16,268.6	\$17,090.3	\$17,724.4	\$18,496.9	\$19,327.8	\$20,806.5	27.89%	46.11%	5.04%	3.86%

(1) Starting in 2007, counties were required to report sales tax revenues on a gross collections basis, and to report a contractual expenditure for the amount of sales tax they distribute to other municipalities. Certain counties implemented this reporting requirement prior to 2007: Broome County implemented this change starting in 2005, and Monroe, Onondaga and Tioga started in 2006. Previously, counties only reported the amount of sales tax they retained, and did not report an expenditure if they distributed to municipalities. Due to this reporting change, trend data for county sales tax revenue and general government expenditures will show notable increases starting in 2007, and financial tables that combine data for multiple classes of government that include counties may double count sales tax revenues.

COUNTY EXPENDITURES – Fiscal Years Ended in 1997 - 2007

(\$ millions)								Percent Change			
								Overall		Average Annual	
	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Expenditures:											
Current Operations:											
Personal Services	3,856.5	4,423.1	4,399.1	4,528.5	4,614.9	4,806.4	5,012.3	13.32%	29.97%	2.53%	2.66%
Employee Benefits	1,296.2	1,574.4	1,936.7	2,218.4	2,367.8	2,521.9	2,720.8	72.81%	109.92%	11.56%	7.70%
Contractual	7,595.1	9,033.2	9,323.9	9,810.8	9,753.0	10,165.5	11,475.3	27.04%	51.09%	4.90%	4.21%
Total Current Operations	\$12,747.8	\$15,030.7	\$15,659.7	\$16,557.7	\$16,735.7	\$17,493.7	\$19,208.4	27.79%	50.68%	5.03%	4.19%
Equipment and Capital Outlay	860.8	1,140.2	1,098.1	1,152.9	1,193.1	1,353.8	1,419.0	24.45%	64.85%	4.47%	5.13%
Debt Service	953.8	943.4	992.8	956.3	1,178.8	1,053.3	1,071.1	13.54%	12.30%	2.57%	1.17%
Principal	583.9	595.5	607.0	603.6	792.5	642.4	641.9	7.78%	9.92%	1.51%	0.95%
Interest	369.9	347.8	385.8	352.7	386.3	411.0	429.2	23.40%	16.06%	4.30%	1.50%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$14,562.3	\$17,114.2	\$17,750.6	\$18,666.9	\$19,107.7	\$19,900.8	\$21,698.5	26.79%	49.00%	4.86%	4.07%
Expenditures by Function:											
General Government	1,611.1	1,860.1	1,866.1	2,220.2	2,279.7	2,682.2	3,887.3	108.98%	141.28%	15.88%	9.21%
County Distribution of Sales Tax (1)	—	—	—	—	35.5	452.0	1,587.7	—	—	—	—
Education	667.4	832.5	868.1	912.9	1,000.8	1,107.0	1,023.7	22.96%	53.39%	4.22%	4.37%
Public Safety	1,654.7	2,228.7	2,302.5	2,394.5	2,482.8	2,637.1	2,756.2	23.67%	66.57%	4.34%	5.23%
Health	2,095.6	1,818.3	1,869.2	1,678.9	1,764.1	1,750.5	1,928.0	6.03%	-8.00%	1.18%	-0.83%
Transportation	928.5	1,124.1	1,126.8	1,149.7	1,235.6	1,306.9	1,433.4	27.51%	54.37%	4.98%	4.44%
Social Services	4,214.9	5,229.4	5,329.2	5,653.2	5,233.2	5,239.9	5,315.6	1.65%	26.11%	0.33%	2.35%
MEDICAID	1,578.3	2,271.7	2,291.9	2,568.8	2,156.2	2,004.3	2,069.2	-8.91%	31.10%	-1.85%	2.75%
FINANCIAL ASSISTANCE	1,471.8	1,392.0	1,478.1	1,467.5	1,497.3	1,555.4	1,530.1	9.92%	3.96%	1.91%	0.39%
Sanitation	572.4	704.3	659.3	680.9	721.3	759.2	704.4	0.01%	23.06%	0.00%	2.10%
Economic Development	106.0	127.2	138.4	137.0	132.2	150.5	153.9	21.03%	45.21%	3.89%	3.80%
Culture-Recreation	235.8	314.2	309.7	295.3	304.8	288.1	289.1	-8.00%	22.58%	-1.65%	2.06%
Community Services	200.3	292.8	275.1	269.9	276.0	307.2	321.6	9.84%	60.52%	1.90%	4.85%
Utilities	25.7	64.8	76.7	99.7	130.8	97.0	93.5	44.28%	264.44%	7.61%	13.81%
Employee Benefits	1,296.2	1,574.4	1,936.7	2,218.4	2,367.8	2,521.9	2,720.8	72.81%	109.92%	11.56%	7.70%
Total Expenditures by Function	\$13,608.6	\$16,170.9	\$16,757.8	\$17,710.6	\$17,928.8	\$18,847.5	\$20,627.4	27.56%	51.58%	4.99%	4.25%

(1) Starting in 2007, counties were required to report sales tax revenues on a gross collections basis, and to report a contractual expenditure for the amount of sales tax they distribute to other municipalities. Certain counties implemented this reporting requirement prior to 2007: Broome County implemented this change starting in 2005, and Monroe, Onondaga and Tioga started in 2006. Previously, counties only reported the amount of sales tax they retained, and did not report an expenditure if they distributed to municipalities. Due to this reporting change, trend data for county sales tax revenue and general government expenditures will show notable increases starting in 2007, and financial tables that combine data for multiple classes of government that include counties may double count sales tax revenues.

SUMMARY OF COUNTY FINANCES – Fiscal Years Ended in 1997 - 2007

(\$ millions)								Percent Change			
								Overall		Average Annual	
	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Population - Census Estimates		11,038,538	11,063,309	11,073,987	11,048,706	11,031,421	11,023,202	-0.14%	0.00%	-0.03%	0.00%
Full Value	536,040.3	688,996.4	787,048.5	863,699.6	942,543.2	1,045,292.9	1,177,057.0	70.84%	119.58%	11.31%	8.18%
Debt Issued:											
Bonds	1,139.5	754.0	1,297.5	1,961.0	1,666.0	1,201.5	771.6	2.34%	-32.28%	0.46%	-3.82%
Other Debt	1,038.7	965.4	823.4	541.4	668.7	1,088.6	943.7	-2.25%	-9.15%	-0.45%	-0.95%
Outstanding Debt:											
Bonds (Gross)	6,329.6	5,817.3	6,668.4	7,042.2	7,777.6	8,215.3	8,458.0	45.39%	33.63%	7.77%	2.94%
Other Debt	1,304.7	1,126.4	1,273.6	1,081.4	1,182.1	1,227.9	1,102.0	-2.17%	-15.54%	-0.44%	-1.67%
Total Outstanding Debt	\$7,634.3	\$6,943.7	\$7,942.0	\$8,123.6	\$8,960.0	\$9,443.1	\$9,560.0	37.68%	25.22%	6.60%	2.27%
Revenues:											
Real Property Taxes and Assessments	3,150.0	3,340.5	3,719.2	4,000.9	4,179.1	4,314.0	4,398.2	31.67%	39.63%	5.66%	3.39%
Other Real Property Tax Items	182.4	214.7	234.9	228.8	238.7	263.4	250.3	16.59%	37.26%	3.12%	3.22%
Sales and Use Tax	3,067.0	3,922.4	4,198.5	4,574.4	4,891.7	5,551.9	6,785.4	72.99%	121.24%	11.58%	8.26%
Other Non-Property taxes	45.2	60.3	61.6	64.4	76.1	85.1	93.9	55.59%	107.76%	9.24%	7.59%
Charges for Services	2,629.8	2,405.6	2,485.6	2,315.9	2,339.6	2,255.9	2,364.8	-1.69%	-10.07%	-0.34%	-1.06%
Charges to Other Governments	307.4	316.3	313.8	344.0	368.1	404.0	436.7	38.05%	42.07%	6.66%	3.57%
Use and Sale of Property	299.9	248.8	278.2	222.9	508.7	355.8	377.2	51.59%	25.78%	8.68%	2.32%
Other Local Revenues	981.4	1,227.6	1,146.7	1,205.4	1,296.2	1,320.4	1,283.0	4.51%	30.73%	0.89%	2.72%
Total Local Revenues	\$10,662.9	\$11,736.3	\$12,438.4	\$12,956.5	\$13,898.2	\$14,550.6	\$15,989.6	36.24%	49.95%	6.38%	4.13%
State Aid	1,963.9	2,483.6	2,646.8	2,750.8	2,701.1	2,706.2	2,828.4	13.88%	44.02%	2.63%	3.72%
Federal Aid	1,613.6	2,048.8	2,005.1	2,017.1	1,897.6	2,071.0	1,988.5	-2.94%	23.24%	-0.60%	2.11%
Total State and Federal Revenues	\$3,577.5	\$4,532.4	\$4,651.9	\$4,767.9	\$4,598.7	\$4,777.2	\$4,816.9	6.28%	34.64%	1.23%	3.02%
Total Revenues (Local, State and Federal Sources)	\$14,240.4	\$16,268.6	\$17,090.3	\$17,724.4	\$18,496.9	\$19,327.8	\$20,806.5	27.89%	46.11%	5.04%	3.86%
Expenditures:											
Current Operations:											
Personal Services	3,856.5	4,423.1	4,399.1	4,528.5	4,614.9	4,806.4	5,012.3	13.32%	29.97%	2.53%	2.66%
Employee Benefits	1,296.2	1,574.4	1,936.7	2,218.4	2,367.8	2,521.9	2,720.8	72.81%	109.92%	11.56%	7.70%
Contractual	7,595.1	9,033.2	9,323.9	9,810.8	9,753.0	10,165.5	11,475.3	27.04%	51.09%	4.90%	4.21%
Total Current Operations	\$12,747.8	\$15,030.7	\$15,659.7	\$16,557.7	\$16,735.7	\$17,493.7	\$19,208.4	27.79%	50.68%	5.03%	4.19%
Equipment and Capital Outlay	860.8	1,140.2	1,098.1	1,152.9	1,193.1	1,353.8	1,419.0	24.45%	64.85%	4.47%	5.13%
Debt Service	953.8	943.4	992.8	956.3	1,178.8	1,053.3	1,071.1	13.54%	12.30%	2.57%	1.17%
Principal	583.9	595.5	607.0	603.6	792.5	642.4	641.9	7.78%	9.92%	1.51%	0.95%
Interest	369.9	347.8	385.8	352.7	386.3	411.0	429.2	23.40%	16.06%	4.30%	1.50%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$14,562.3	\$17,114.2	\$17,750.6	\$18,666.9	\$19,107.7	\$19,900.8	\$21,698.5	26.79%	49.00%	4.86%	4.07%

TOWN REVENUES – Fiscal Years Ended in 1997 - 2007								Percent Change			
								Overall		Average Annual	
(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Revenues:											
Real Property Taxes and Assessments	2,109.5	2,404.0	2,530.4	2,665.6	2,846.5	2,976.7	3,153.6	31.18%	49.49%	5.58%	4.10%
Other Real Property Tax Items	45.0	52.0	54.2	57.1	60.3	64.3	75.2	44.65%	67.12%	7.66%	5.27%
Sales and Use Tax	353.2	449.0	468.0	500.3	529.2	551.0	581.6	29.54%	64.68%	5.31%	5.11%
SALES TAX DISTRIBUTION	353.0	448.8	467.8	500.1	528.6	550.4	581.0	29.44%	64.57%	5.30%	5.11%
Other Non-Property taxes	28.8	86.7	88.3	106.6	119.1	121.4	128.5	48.14%	345.72%	8.18%	16.12%
Charges for Services	595.7	764.4	778.0	824.7	875.5	893.9	932.0	21.93%	56.45%	4.04%	4.58%
SANITATION FEES	226.7	283.0	286.7	303.7	322.7	333.5	335.8	18.64%	48.15%	3.48%	4.01%
Charges to Other Governments	104.5	129.1	156.4	172.5	168.4	167.8	192.4	49.06%	84.11%	8.31%	6.29%
Use and Sale of Property	182.0	105.5	102.4	110.1	161.7	230.2	258.8	145.28%	42.22%	19.66%	3.58%
Other Local Revenues	187.1	267.0	279.3	294.1	304.4	314.6	354.1	32.63%	89.27%	5.81%	6.59%
Total Local Revenues	\$3,605.8	\$4,257.6	\$4,457.0	\$4,731.1	\$5,065.0	\$5,319.9	\$5,676.1	33.32%	57.42%	5.92%	4.64%
State Aid	285.9	501.5	592.7	641.6	645.1	664.7	639.5	27.52%	123.67%	4.98%	8.38%
MORTGAGE TAX	116.3	284.8	374.7	435.8	419.2	411.0	372.4	30.76%	220.21%	5.51%	12.34%
Federal Aid	153.9	152.0	168.8	172.1	175.0	198.1	212.6	39.93%	38.18%	6.95%	3.29%
Total State and Federal Revenues	\$439.8	\$653.5	\$761.6	\$813.7	\$820.1	\$862.8	\$852.1	30.40%	93.76%	5.45%	6.84%
Total Revenues (Local, State and Federal Sources)	\$4,045.6	\$4,911.1	\$5,218.5	\$5,544.8	\$5,885.1	\$6,182.7	\$6,528.3	32.93%	61.37%	5.86%	4.90%

TOWN EXPENDITURES – Fiscal Years Ended in 1997 - 2007

(\$ millions)								Percent Change				
								Overall		Average Annual		
	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007	
Expenditures:												
Current Operations:												
Personal Services	1,301.7	1,594.6	1,680.4	1,748.3	1,834.8	1,883.9	1,991.4	24.88%	52.98%	4.54%	4.34%	
Employee Benefits	388.8	518.1	627.9	750.3	820.7	857.3	890.5	71.87%	129.04%	11.44%	8.64%	
Contractual	1,517.9	1,807.6	1,922.1	2,020.8	2,125.7	2,205.4	2,330.6	28.94%	53.54%	5.21%	4.38%	
Total Current Operations	\$3,208.4	\$3,920.3	\$4,230.4	\$4,519.5	\$4,781.2	\$4,946.6	\$5,212.5	32.96%	62.46%	5.86%	4.97%	
Equipment and Capital Outlay	662.7	797.3	928.7	970.0	1,028.5	1,056.4	1,138.5	42.79%	71.80%	7.38%	5.56%	
Debt Service	458.7	489.7	494.3	534.7	533.6	549.3	583.2	19.09%	27.15%	3.56%	2.43%	
Principal	298.8	338.7	346.6	388.9	381.1	386.1	405.9	19.84%	35.87%	3.69%	3.11%	
Interest	159.9	151.0	147.7	145.8	152.5	163.2	177.2	17.39%	10.84%	3.26%	1.03%	
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$4,329.7	\$5,207.3	\$5,653.4	\$6,024.2	\$6,343.3	\$6,552.3	\$6,934.1	33.16%	60.15%	5.90%	4.82%	
Expenditures by Function:												
General Government	620.3	824.7	930.6	952.0	1,014.4	1,038.4	1,137.6	37.94%	83.40%	6.64%	6.25%	
Education	0.1	0.5	0.5	1.5	2.0	1.2	2.2	362.35%	2360.94%	35.83%	37.76%	
Public Safety	497.5	633.7	658.4	707.8	747.8	825.0	849.9	34.11%	70.84%	6.05%	5.50%	
Health	39.5	47.8	49.4	53.6	50.8	43.6	47.3	-0.94%	19.91%	-0.19%	1.83%	
Transportation	883.1	996.9	1,079.6	1,121.5	1,190.0	1,214.6	1,307.9	31.20%	48.11%	5.58%	4.01%	
HIGHWAYS	641.3	721.3	804.1	834.6	886.4	901.3	990.2	37.28%	54.40%	6.54%	4.44%	
Sanitation	712.7	731.1	774.1	832.9	844.0	861.5	882.9	20.76%	23.88%	3.85%	2.16%	
REFUSE & GARBAGE	502.9	519.3	541.4	571.1	579.7	585.8	594.4	14.46%	18.17%	2.74%	1.68%	
Social Services	51.5	69.0	74.6	77.5	65.0	66.3	68.1	-1.36%	32.15%	-0.27%	2.83%	
Economic Development	55.8	57.5	47.3	49.6	49.6	60.6	60.5	5.16%	8.47%	1.01%	0.82%	
Culture-Recreation	312.6	440.7	474.5	505.2	542.1	554.5	617.5	40.11%	97.55%	6.98%	7.05%	
Community Services	62.1	82.7	95.9	97.6	113.5	109.3	117.0	41.49%	88.25%	7.19%	6.53%	
Utilities	247.2	314.9	346.2	339.8	370.0	370.7	369.7	17.39%	49.56%	3.26%	4.11%	
Employee Benefits	388.8	518.1	627.9	750.3	820.7	857.3	890.5	71.87%	129.04%	11.44%	8.64%	
Total Expenditures by Function	\$3,871.1	\$4,717.6	\$5,159.0	\$5,489.5	\$5,809.7	\$6,003.0	\$6,351.0	34.62%	64.06%	6.13%	5.08%	

SUMMARY OF TOWN FINANCES – Fiscal Years Ended in 1997 - 2007								Percent Change			
								Overall		Average Annual	
(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Population - Census Estimates		8,778,704	8,810,457	8,829,954	8,817,488	8,810,981	8,810,082	0.36%	0.00%	0.07%	0.00%
Full Value	466,823.3	615,132.2	703,607.9	775,483.5	847,490.4	942,192.1	1,064,051.6	72.98%	127.93%	11.58%	8.59%
Debt Issued:											
Bonds	310.6	386.8	560.8	785.2	586.0	508.1	674.7	74.43%	117.21%	11.77%	8.07%
Other Debt	246.6	292.6	415.2	346.2	326.0	323.6	379.0	29.52%	53.71%	5.31%	4.39%
Outstanding Debt:											
Bonds (Gross)	2,641.3	3,030.5	3,132.4	3,437.6	3,557.4	3,730.6	3,979.6	31.32%	50.67%	5.60%	4.18%
Other Debt	572.7	570.5	732.1	671.1	718.4	745.9	802.4	40.65%	40.11%	7.06%	3.43%
Total Outstanding Debt	\$3,214.0	\$3,600.9	\$3,864.4	\$4,108.6	\$4,275.8	\$4,476.5	\$4,782.1	32.80%	48.79%	5.84%	4.05%
Revenues:											
Real Property Taxes and Assessments	2,109.5	2,404.0	2,530.4	2,665.6	2,846.5	2,976.7	3,153.6	31.18%	49.49%	5.58%	4.10%
Other Real Property Tax Items	45.0	52.0	54.2	57.1	60.3	64.3	75.2	44.65%	67.12%	7.66%	5.27%
Sales and Use Tax	353.2	449.0	468.0	500.3	529.2	551.0	581.6	29.54%	64.68%	5.31%	5.11%
Other Non-Property taxes	28.8	86.7	88.3	106.6	119.1	121.4	128.5	48.14%	345.72%	8.18%	16.12%
Charges for Services	595.7	764.4	778.0	824.7	875.5	893.9	932.0	21.93%	56.45%	4.04%	4.58%
Charges to Other Governments	104.5	129.1	156.4	172.5	168.4	167.8	192.4	49.06%	84.11%	8.31%	6.29%
Use and Sale of Property	182.0	105.5	102.4	110.1	161.7	230.2	258.8	145.28%	42.22%	19.66%	3.58%
Other Local Revenues	187.1	267.0	279.3	294.1	304.4	314.6	354.1	32.63%	89.27%	5.81%	6.59%
Total Local Revenues	\$3,605.8	\$4,257.6	\$4,457.0	\$4,731.1	\$5,065.0	\$5,319.9	\$5,676.1	33.32%	57.42%	5.92%	4.64%
State Aid	285.9	501.5	592.7	641.6	645.1	664.7	639.5	27.52%	123.67%	4.98%	8.38%
Federal Aid	153.9	152.0	168.8	172.1	175.0	198.1	212.6	39.93%	38.18%	6.95%	3.29%
Total State and Federal Revenues	\$439.8	\$653.5	\$761.6	\$813.7	\$820.1	\$862.8	\$852.1	30.40%	93.76%	5.45%	6.84%
Total Revenues (Local, State and Federal Sources)	\$4,045.6	\$4,911.1	\$5,218.5	\$5,544.8	\$5,885.1	\$6,182.7	\$6,528.3	32.93%	61.37%	5.86%	4.90%
Expenditures:											
Current Operations:											
Personal Services	1,301.7	1,594.6	1,680.4	1,748.3	1,834.8	1,883.9	1,991.4	24.88%	52.98%	4.54%	4.34%
Employee Benefits	388.8	518.1	627.9	750.3	820.7	857.3	890.5	71.87%	129.04%	11.44%	8.64%
Contractual	1,517.9	1,807.6	1,922.1	2,020.8	2,125.7	2,205.4	2,330.6	28.94%	53.54%	5.21%	4.38%
Total Current Operations	\$3,208.4	\$3,920.3	\$4,230.4	\$4,519.5	\$4,781.2	\$4,946.6	\$5,212.5	32.96%	62.46%	5.86%	4.97%
Equipment and Capital Outlay	662.7	797.3	928.7	970.0	1,028.5	1,056.4	1,138.5	42.79%	71.80%	7.38%	5.56%
Debt Service	458.7	489.7	494.3	534.7	533.6	549.3	583.2	19.09%	27.15%	3.56%	2.43%
Principal	298.8	338.7	346.6	388.9	381.1	386.1	405.9	19.84%	35.87%	3.69%	3.11%
Interest	159.9	151.0	147.7	145.8	152.5	163.2	177.2	17.39%	10.84%	3.26%	1.03%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$4,329.7	\$5,207.3	\$5,653.4	\$6,024.2	\$6,343.3	\$6,552.3	\$6,934.1	33.16%	60.15%	5.90%	4.82%

VILLAGE REVENUES – Fiscal Years Ended in 1997 - 2007

(\$ millions)	1997	2002	2003	2004	2005	2006	2007	Percent Change			
								Overall		Average Annual	
								2002-2007	1997-2007	2002-2007	1997-2007
Revenues:											
Real Property Taxes and Assessments	678.4	781.0	817.1	883.0	945.5	997.7	1,053.7	34.91%	55.33%	6.17%	4.50%
Other Real Property Tax Items	18.4	20.2	25.3	24.8	28.6	29.3	33.2	64.21%	80.42%	10.43%	6.08%
Sales and Use Tax	103.2	123.2	124.9	134.8	144.1	154.0	157.1	27.51%	52.30%	4.98%	4.30%
SALES TAX DISTRIBUTION	82.8	101.9	102.7	110.2	119.0	126.8	128.7	26.33%	55.55%	4.78%	4.52%
Other Non-Property taxes	7.5	12.4	13.5	14.4	15.3	17.3	18.1	46.12%	140.92%	7.88%	9.19%
Charges for Services	400.9	492.9	523.0	551.1	583.9	632.8	642.7	30.40%	60.32%	5.45%	4.83%
UTILITY FEES	231.3	283.0	302.9	313.0	331.4	366.7	368.5	30.21%	59.33%	5.42%	4.77%
Charges to Other Governments	45.0	70.2	65.2	74.4	76.4	84.0	73.8	5.11%	64.00%	1.00%	5.07%
Use and Sale of Property	46.8	49.0	37.2	36.3	45.1	65.9	82.3	68.00%	76.05%	10.93%	5.82%
Other Local Revenues	52.9	85.2	88.0	91.6	95.5	94.8	112.5	32.05%	112.69%	5.72%	7.84%
Total Local Revenues	\$1,353.0	\$1,634.2	\$1,694.0	\$1,810.4	\$1,934.4	\$2,075.7	\$2,173.5	33.00%	60.64%	5.87%	4.85%
State Aid	62.7	117.4	110.5	138.8	146.8	141.3	154.3	31.41%	146.30%	5.61%	9.43%
MORTGAGE TAX	13.4	26.2	40.6	50.7	60.7	59.9	53.7	104.67%	301.97%	15.40%	14.93%
Federal Aid	59.7	74.2	73.9	79.8	69.7	82.6	85.6	15.38%	43.24%	2.90%	3.66%
Total State and Federal Revenues	\$122.4	\$191.6	\$184.4	\$218.6	\$216.5	\$223.8	\$239.9	25.20%	96.00%	4.60%	6.96%
Total Revenues (Local, State and Federal Sources)	\$1,475.4	\$1,825.8	\$1,878.4	\$2,029.0	\$2,150.8	\$2,299.5	\$2,413.4	32.18%	63.58%	5.74%	5.04%

VILLAGE EXPENDITURES – Fiscal Years Ended in 1997 - 2007								Percent Change			
								Overall		Average Annual	
(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Expenditures:											
Current Operations:											
Personal Services	504.1	632.4	657.2	682.3	706.3	728.1	758.4	19.92%	50.44%	3.70%	4.17%
Employee Benefits	166.8	198.4	218.4	271.3	325.6	340.7	358.4	80.64%	114.95%	12.55%	7.95%
Contractual	538.0	631.4	685.3	720.9	755.6	801.9	838.5	32.79%	55.86%	5.84%	4.54%
Total Current Operations	\$1,208.8	\$1,462.2	\$1,561.0	\$1,674.5	\$1,787.4	\$1,870.7	\$1,955.3	33.72%	61.75%	5.98%	4.93%
Equipment and Capital Outlay	210.7	381.4	331.6	359.4	376.6	424.9	434.5	13.91%	106.23%	2.64%	7.51%
Debt Service	130.5	168.3	168.6	174.5	181.5	193.5	205.6	22.13%	57.56%	4.08%	4.65%
Principal	83.5	112.4	114.7	121.4	124.8	132.4	139.2	23.85%	66.62%	4.37%	5.24%
Interest	47.0	56.0	53.8	53.1	56.8	61.1	66.4	18.66%	41.45%	3.48%	3.53%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$1,550.0	\$2,012.0	\$2,061.2	\$2,208.4	\$2,345.6	\$2,489.1	\$2,595.4	29.00%	67.45%	5.22%	5.29%
Expenditures by Function:											
General Government	237.4	306.5	311.5	338.5	347.7	371.1	391.2	27.61%	64.77%	5.00%	5.12%
Education	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-16.01%	31.59%	-3.43%	2.78%
Public Safety	311.7	399.8	419.0	432.1	449.8	464.1	486.2	21.62%	56.01%	3.99%	4.55%
POLICE	204.4	259.9	274.3	279.4	291.3	299.9	312.9	20.39%	53.06%	3.78%	4.35%
Health	1.1	1.2	1.3	1.2	1.2	1.5	1.3	8.12%	16.95%	1.57%	1.58%
Transportation	183.0	236.0	245.4	260.1	273.1	284.8	304.6	29.10%	66.49%	5.24%	5.23%
HIGHWAYS	142.3	185.3	198.4	210.0	220.2	231.8	247.0	33.29%	73.54%	5.91%	5.67%
Social Services	18.5	23.0	25.5	27.0	27.8	27.0	29.3	27.26%	58.55%	4.94%	4.72%
Sanitation	172.8	225.7	213.1	236.4	252.2	285.2	283.9	25.79%	64.26%	4.70%	5.09%
SEWER	84.8	127.7	113.2	134.2	146.6	178.0	168.2	31.63%	98.32%	5.65%	7.09%
Economic Development	31.0	34.7	35.0	30.1	27.6	25.7	29.5	-15.17%	-5.09%	-3.24%	-0.52%
Culture-Recreation	88.2	127.1	129.2	130.8	139.7	158.4	165.1	29.87%	87.27%	5.37%	6.47%
Community Services	11.8	18.8	17.0	18.9	25.8	19.6	23.0	22.36%	95.14%	4.12%	6.91%
Utilities	197.2	272.3	277.0	287.4	293.6	317.5	317.2	16.49%	60.82%	3.10%	4.87%
WATER	118.2	168.2	153.4	161.0	160.5	166.0	169.6	0.87%	43.52%	0.17%	3.68%
Employee Benefits	166.8	198.4	218.4	271.3	325.6	340.7	358.4	80.64%	114.95%	12.55%	7.95%
Total Expenditures by Function	\$1,419.5	\$1,843.6	\$1,892.6	\$2,033.9	\$2,164.1	\$2,295.7	\$2,389.8	29.62%	68.35%	5.33%	5.35%

SUMMARY OF VILLAGE FINANCES – Fiscal Years Ended in 1997 - 2007

Percent Change

Overall Average Annual

(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Population - Census Estimates		1,883,729	1,884,723	1,885,502	1,879,169	1,875,025	1,873,184	-0.56%	0.00%	-0.11%	0.00%
Full Value	106,230.3	137,670.1	151,295.4	171,407.8	190,870.8	206,391.7	229,456.9	66.67%	116.00%	10.76%	8.01%
Debt Issued:											
Bonds	91.7	184.3	169.3	255.0	239.8	202.8	216.3	17.37%	135.82%	3.25%	8.96%
Other Debt	126.8	163.7	190.3	146.8	135.5	152.8	190.6	16.44%	50.33%	3.09%	4.16%
Outstanding Debt:											
Bonds (Gross)	713.1	1,083.8	1,141.6	1,299.6	1,407.9	1,474.9	1,562.8	44.21%	119.16%	7.60%	8.16%
Other Debt	258.5	304.6	339.0	299.9	277.0	307.9	337.9	10.91%	30.73%	2.09%	2.72%
Total Outstanding Debt	\$971.6	\$1,388.4	\$1,480.7	\$1,599.5	\$1,685.0	\$1,782.8	\$1,900.7	36.90%	95.63%	6.48%	6.94%
Revenues:											
Real Property Taxes and Assessments	678.4	781.0	817.1	883.0	945.5	997.7	1,053.7	34.91%	55.33%	6.17%	4.50%
Other Real Property Tax Items	18.4	20.2	25.3	24.8	28.6	29.3	33.2	64.21%	80.42%	10.43%	6.08%
Sales and Use Tax	103.2	123.2	124.9	134.8	144.1	154.0	157.1	27.51%	52.30%	4.98%	4.30%
Other Non-Property taxes	7.5	12.4	13.5	14.4	15.3	17.3	18.1	46.12%	140.92%	7.88%	9.19%
Charges for Services	400.9	492.9	523.0	551.1	583.9	632.8	642.7	30.40%	60.32%	5.45%	4.83%
Charges to Other Governments	45.0	70.2	65.2	74.4	76.4	84.0	73.8	5.11%	64.00%	1.00%	5.07%
Use and Sale of Property	46.8	49.0	37.2	36.3	45.1	65.9	82.3	68.00%	76.05%	10.93%	5.82%
Other Local Revenues	52.9	85.2	88.0	91.6	95.5	94.8	112.5	32.05%	112.69%	5.72%	7.84%
Total Local Revenues	\$1,353.0	\$1,634.2	\$1,694.0	\$1,810.4	\$1,934.4	\$2,075.7	\$2,173.5	33.00%	60.64%	5.87%	4.85%
State Aid	62.7	117.4	110.5	138.8	146.8	141.3	154.3	31.41%	146.30%	5.61%	9.43%
Federal Aid	59.7	74.2	73.9	79.8	69.7	82.6	85.6	15.38%	43.24%	2.90%	3.66%
Total State and Federal Revenues	\$122.4	\$191.6	\$184.4	\$218.6	\$216.5	\$223.8	\$239.9	25.20%	96.00%	4.60%	6.96%
Total Revenues (Local, State and Federal Sources)	\$1,475.4	\$1,825.8	\$1,878.4	\$2,029.0	\$2,150.8	\$2,299.5	\$2,413.4	32.18%	63.58%	5.74%	5.04%
Expenditures:											
Current Operations:											
Personal Services	504.1	632.4	657.2	682.3	706.3	728.1	758.4	19.92%	50.44%	3.70%	4.17%
Employee Benefits	166.8	198.4	218.4	271.3	325.6	340.7	358.4	80.64%	114.95%	12.55%	7.95%
Contractual	538.0	631.4	685.3	720.9	755.6	801.9	838.5	32.79%	55.86%	5.84%	4.54%
Total Current Operations	\$1,208.8	\$1,462.2	\$1,561.0	\$1,674.5	\$1,787.4	\$1,870.7	\$1,955.3	33.72%	61.75%	5.98%	4.93%
Equipment and Capital Outlay	210.7	381.4	331.6	359.4	376.6	424.9	434.5	13.91%	106.23%	2.64%	7.51%
Debt Service	130.5	168.3	168.6	174.5	181.5	193.5	205.6	22.13%	57.56%	4.08%	4.65%
Principal	83.5	112.4	114.7	121.4	124.8	132.4	139.2	23.85%	66.62%	4.37%	5.24%
Interest	47.0	56.0	53.8	53.1	56.8	61.1	66.4	18.66%	41.45%	3.48%	3.53%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$1,550.0	\$2,012.0	\$2,061.2	\$2,208.4	\$2,345.6	\$2,489.1	\$2,595.4	29.00%	67.45%	5.22%	5.29%

SCHOOL DISTRICT REVENUES – Fiscal Years Ended in 1997 - 2007								Percent Change			
								Overall		Average Annual	
(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Revenues:											
Real Property Taxes and Assessments	9,444.9	10,093.8	10,893.5	11,737.8	12,731.1	13,669.8	14,507.1	43.72%	53.60%	7.52%	4.39%
Other Real Property Tax Items	116.1	2,045.4	2,223.2	2,366.7	2,511.0	2,608.2	2,731.2	33.53%	2253.27%	5.95%	37.14%
STAR PAYMENTS	0.0	1,874.9	2,004.6	2,142.4	2,275.1	2,358.0	2,460.7	31.24%	0.00%	5.59%	0.00%
Sales and Use Tax	218.1	252.8	250.8	254.8	259.8	270.6	278.3	10.12%	27.59%	1.95%	2.47%
Other Non-Property taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00%	0.00%	0.00%	0.00%
Charges for Services	192.6	245.6	251.8	256.5	264.8	280.2	294.2	19.76%	52.74%	3.67%	4.33%
Charges to Other Governments	76.5	95.6	99.1	103.4	107.4	114.6	112.7	17.86%	47.26%	3.34%	3.95%
Use and Sale of Property	476.9	494.2	454.1	429.1	538.2	685.8	813.8	64.66%	70.64%	10.49%	5.49%
Other Local Revenues	204.2	318.0	317.8	346.4	371.9	384.4	394.2	23.97%	93.07%	4.39%	6.80%
Total Local Revenues	\$10,729.3	\$13,545.5	\$14,490.2	\$15,494.8	\$16,784.2	\$18,013.6	\$19,131.5	41.24%	78.31%	7.15%	5.95%
State Aid	6,773.5	9,150.4	9,376.2	9,387.3	9,855.4	10,281.5	11,126.1	21.59%	64.26%	3.99%	5.09%
EDUCATION	6,772.6	9,148.7	9,375.1	9,384.9	9,852.8	10,278.9	11,119.2	21.54%	64.18%	3.98%	5.08%
Federal Aid	576.7	1,055.2	1,185.0	1,378.5	1,427.8	1,435.7	1,401.6	32.83%	143.03%	5.84%	9.29%
Total State and Federal Revenues	\$7,350.2	\$10,205.6	\$10,561.2	\$10,765.8	\$11,283.2	\$11,717.1	\$12,527.8	22.75%	70.44%	4.19%	5.48%
Total Revenues (Local, State and Federal Sources)	\$18,079.5	\$23,751.1	\$25,051.4	\$26,260.6	\$28,067.4	\$29,730.8	\$31,659.3	33.30%	75.11%	5.92%	5.76%

SCHOOL DISTRICT EXPENDITURES – Fiscal Years Ended in 1997 - 2007

(\$ millions)								Percent Change				
								Overall		Average Annual		
	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007	
Expenditures:												
Current Operations:												
Personal Services	10,279.5	13,186.5	13,641.4	14,103.2	14,615.4	15,140.8	15,791.8	19.76%	53.63%	3.67%	4.39%	
Employee Benefits	2,744.8	3,306.4	3,697.6	4,265.1	5,058.9	5,610.9	5,991.8	81.22%	118.29%	12.63%	8.12%	
Contractual	3,823.3	5,254.3	5,540.8	5,819.4	6,186.4	6,511.9	7,069.0	34.54%	84.89%	6.11%	6.34%	
Total Current Operations	\$16,847.6	\$21,747.2	\$22,879.8	\$24,187.7	\$25,860.6	\$27,263.5	\$28,852.6	32.67%	71.26%	5.82%	5.53%	
Equipment and Capital Outlay	1,339.2	2,917.5	3,056.9	2,625.0	2,224.7	2,039.0	1,982.2	-32.06%	48.01%	-7.44%	4.00%	
Debt Service	838.8	1,488.8	1,351.4	1,424.7	1,612.1	1,722.3	1,851.7	24.38%	120.77%	4.46%	8.24%	
Principal	518.6	927.3	819.8	844.2	954.8	1,018.1	1,092.4	17.81%	110.65%	3.33%	7.73%	
Interest	320.2	561.5	531.6	580.6	657.3	704.2	759.3	35.22%	137.15%	6.22%	9.02%	
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$19,025.6	\$26,153.5	\$27,288.1	\$28,237.4	\$29,697.4	\$31,024.8	\$32,686.5	24.98%	71.80%	4.56%	5.56%	
Expenditures by Function:												
General Government	3,026.4	4,781.1	5,116.9	4,856.2	4,652.6	4,685.0	4,975.0	4.06%	64.39%	0.80%	5.10%	
OPERATIONS	2,487.4	4,120.8	4,418.2	4,137.3	3,889.8	3,884.2	3,911.5	-5.08%	57.25%	-1.04%	4.63%	
Education	12,335.4	16,486.2	17,027.4	17,590.0	18,267.3	18,898.1	19,757.8	19.84%	60.17%	3.69%	4.82%	
INSTRUCTION	9,878.6	13,186.1	13,590.0	14,022.1	14,506.4	14,964.7	15,607.9	18.37%	58.00%	3.43%	4.68%	
Public Safety								0.00%	0.00%	0.00%	0.00%	
Health								0.00%	0.00%	0.00%	0.00%	
Transportation	34.6	35.7	38.9	43.1	43.1	45.3	45.1	26.11%	30.24%	4.75%	2.68%	
Social Services	6.8	7.8	7.7	7.4	7.1	7.1	5.9	-24.64%	-13.56%	-5.50%	-1.45%	
Sanitation								0.00%	0.00%	0.00%	0.00%	
Economic Development								0.00%	0.00%	0.00%	0.00%	
Culture-Recreation	27.2	32.4	33.6	37.4	41.6	43.7	47.1	45.32%	73.04%	7.76%	5.64%	
Community Services	11.6	15.1	14.6	13.4	14.9	12.3	12.1	-19.76%	4.75%	-4.31%	0.47%	
Utilities								0.00%	0.00%	0.00%	0.00%	
Employee Benefits	2,744.8	3,306.4	3,697.6	4,265.1	5,058.9	5,610.9	5,991.8	81.22%	118.29%	12.63%	8.12%	
Total Expenditures by Function	\$18,186.8	\$24,664.7	\$25,936.6	\$26,812.7	\$28,085.4	\$29,302.5	\$30,834.8	25.02%	69.54%	4.57%	5.42%	

SUMMARY OF SCHOOL DISTRICT FINANCES – Fiscal Years Ended in 1997 - 2007								Percent Change			
								Overall		Average Annual	
(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Full Value	553,700.4	700,850.4	791,939.6	880,013.5	958,282.8	1,062,107.4	1,196,335.9	70.70%	116.06%	11.29%	8.01%
Debt Issued:											
Bonds	1,216.8	3,197.8	4,243.0	2,561.0	2,860.2	2,045.6	2,023.3	-36.73%	66.28%	-8.75%	5.22%
Other Debt	2,032.5	3,543.3	3,962.7	3,071.7	2,904.2	2,741.7	2,505.1	-29.30%	23.26%	-6.70%	2.11%
Outstanding Debt:											
Bonds (Gross)	4,607.7	9,590.3	10,866.4	12,583.2	13,974.0	14,633.4	15,376.1	60.33%	233.70%	9.90%	12.81%
Other Debt	1,126.7	2,666.6	3,535.6	2,411.3	2,144.2	1,882.4	1,703.4	-36.12%	51.19%	-8.57%	4.22%
Total Outstanding Debt	\$5,734.4	\$12,256.9	\$14,402.1	\$14,994.5	\$16,118.2	\$16,515.8	\$17,079.5	39.35%	197.84%	6.86%	11.53%
Revenues:											
Real Property Taxes and Assessments	9,444.9	10,093.8	10,893.5	11,737.8	12,731.1	13,669.8	14,507.1	43.72%	53.60%	7.52%	4.39%
Other Real Property Tax Items	116.1	2,045.4	2,223.2	2,366.7	2,511.0	2,608.2	2,731.2	33.53%	2253.27%	5.95%	37.14%
Sales and Use Tax	218.1	252.8	250.8	254.8	259.8	270.6	278.3	10.12%	27.59%	1.95%	2.47%
Other Non-Property taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00%	0.00%	0.00%	0.00%
Charges for Services	192.6	245.6	251.8	256.5	264.8	280.2	294.2	19.76%	52.74%	3.67%	4.33%
Charges to Other Governments	76.5	95.6	99.1	103.4	107.4	114.6	112.7	17.86%	47.26%	3.34%	3.95%
Use and Sale of Property	476.9	494.2	454.1	429.1	538.2	685.8	813.8	64.66%	70.64%	10.49%	5.49%
Other Local Revenues	204.2	318.0	317.8	346.4	371.9	384.4	394.2	23.97%	93.07%	4.39%	6.80%
Total Local Revenues	\$10,729.3	\$13,545.5	\$14,490.2	\$15,494.8	\$16,784.2	\$18,013.6	\$19,131.5	41.24%	78.31%	7.15%	5.95%
State Aid	6,773.5	9,150.4	9,376.2	9,387.3	9,855.4	10,281.5	11,126.1	21.59%	64.26%	3.99%	5.09%
Federal Aid	576.7	1,055.2	1,185.0	1,378.5	1,427.8	1,435.7	1,401.6	32.83%	143.03%	5.84%	9.29%
Total State and Federal Revenues	\$7,350.2	\$10,205.6	\$10,561.2	\$10,765.8	\$11,283.2	\$11,717.1	\$12,527.8	22.75%	70.44%	4.19%	5.48%
Total Revenues (Local, State and Federal Sources)	\$18,079.5	\$23,751.1	\$25,051.4	\$26,260.6	\$28,067.4	\$29,730.8	\$31,659.3	33.30%	75.11%	5.92%	5.76%
Expenditures:											
Current Operations:											
Personal Services	10,279.5	13,186.5	13,641.4	14,103.2	14,615.4	15,140.8	15,791.8	19.76%	53.63%	3.67%	4.39%
Employee Benefits	2,744.8	3,306.4	3,697.6	4,265.1	5,058.9	5,610.9	5,991.8	81.22%	118.29%	12.63%	8.12%
Contractual	3,823.3	5,254.3	5,540.8	5,819.4	6,186.4	6,511.9	7,069.0	34.54%	84.89%	6.11%	6.34%
Total Current Operations	\$16,847.6	\$21,747.2	\$22,879.8	\$24,187.7	\$25,860.6	\$27,263.5	\$28,852.6	32.67%	71.26%	5.82%	5.53%
Equipment and Capital Outlay	1,339.2	2,917.5	3,056.9	2,625.0	2,224.7	2,039.0	1,982.2	-32.06%	48.01%	-7.44%	4.00%
Debt Service	838.8	1,488.8	1,351.4	1,424.7	1,612.1	1,722.3	1,851.7	24.38%	120.77%	4.46%	8.24%
Principal	518.6	927.3	819.8	844.2	954.8	1,018.1	1,092.4	17.81%	110.65%	3.33%	7.73%
Interest	320.2	561.5	531.6	580.6	657.3	704.2	759.3	35.22%	137.15%	6.22%	9.02%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$19,025.6	\$26,153.5	\$27,288.1	\$28,237.4	\$29,697.4	\$31,024.8	\$32,686.5	24.98%	71.80%	4.56%	5.56%

FIRE DISTRICT REVENUES – Fiscal Years Ended in 1997 - 2007

(\$ millions)	1997	2002	2003	2004	2005	2006	2007	Percent Change			
								Overall		Average Annual	
								2002-2007	1997-2007	2002-2007	1997-2007
Revenues:											
Real Property Taxes and Assessments	327.7	400.8	433.6	466.1	504.4	552.9	577.7	44.13%	76.32%	7.58%	5.84%
Other Real Property Tax Items	0.8	1.1	1.2	1.2	1.5	2.0	2.4	118.86%	211.90%	16.96%	12.05%
Charges to Other Governments	8.1	9.5	9.6	10.2	11.0	12.7	12.3	29.27%	51.84%	5.27%	4.26%
Use and Sale of Property	16.5	11.7	10.4	10.8	18.9	26.5	35.4	202.37%	114.61%	24.77%	7.94%
Other Local Revenues	7.6	13.5	16.6	13.0	15.7	22.1	20.6	52.78%	172.18%	8.85%	10.53%
Total Local Revenues	\$360.6	\$436.6	\$471.3	\$501.3	\$551.5	\$616.2	\$648.4	48.50%	79.82%	8.23%	6.04%
State Aid	0.0	0.4	0.8	0.9	1.2	1.3	1.7	289.06%	6554.63%	31.22%	52.16%
Federal Aid	0.0	0.2	1.6	4.2	3.5	3.2	3.2	1377.29%	10463.71%	71.35%	59.36%
Total State and Federal Revenues	\$0.1	\$0.7	\$2.4	\$5.2	\$4.8	\$4.4	\$4.9	644.45%	8653.95%	49.41%	56.39%
Total Revenues (Local, State and Federal Sources)	\$360.6	\$437.3	\$473.7	\$506.5	\$556.2	\$620.6	\$653.2	49.39%	81.14%	8.36%	6.12%

FIRE DISTRICT EXPENDITURES – Fiscal Years Ended in 1997 - 2007								Percent Change			
								Overall		Average Annual	
(\$ millions)	1997	2002	2003	2004	2005	2006	2007	2002-2007	1997-2007	2002-2007	1997-2007
Expenditures:											
Current Operations:											
Personal Services	53.6	76.7	84.0	89.2	95.3	102.6	108.7	41.62%	102.82%	7.21%	7.33%
Employee Benefits	56.0	62.2	70.3	77.4	90.6	101.7	110.1	77.06%	96.77%	12.10%	7.00%
Contractual	118.6	137.5	151.9	159.9	174.4	188.4	194.5	41.44%	64.07%	7.18%	5.08%
Total Current Operations	\$228.1	\$276.5	\$306.2	\$326.5	\$360.3	\$392.7	\$413.3	49.50%	81.20%	8.37%	6.12%
Equipment and Capital Outlay	110.5	132.6	161.3	176.0	175.7	173.8	198.9	50.00%	80.06%	8.45%	6.06%
Debt Service	38.5	37.6	42.2	41.0	45.3	47.1	47.9	27.34%	24.44%	4.95%	2.21%
Principal	30.5	28.0	32.4	30.6	34.5	35.0	35.6	27.40%	16.89%	4.96%	1.57%
Interest	8.0	9.6	9.7	10.4	10.8	12.1	12.3	27.14%	53.20%	4.92%	4.36%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$377.0	\$446.7	\$509.7	\$543.6	\$581.4	\$613.7	\$660.1	47.78%	75.07%	8.12%	5.76%
Expenditures by Function:											
General Government	0.6	0.9	1.5	0.6	1.1	1.4	1.8	86.48%	202.61%	13.27%	11.71%
Public Safety	282.0	345.9	395.8	424.6	444.3	463.5	500.3	44.64%	77.41%	7.66%	5.90%
Employee Benefits	56.0	62.2	70.3	77.4	90.6	101.7	110.1	77.06%	96.77%	12.10%	7.00%
Total Expenditures by Function	\$338.6	\$409.1	\$467.6	\$502.6	\$536.1	\$566.6	\$612.2	49.66%	80.83%	8.40%	6.10%

SUMMARY OF FIRE DISTRICT FINANCES – Fiscal Years Ended in 1997 - 2007

(\$ millions)	1997	2002	2003	2004	2005	2006	2007	Percent Change			
								Overall		Average Annual	
								2002-2007	1997-2007	2002-2007	1997-2007
Debt Issued:											
Bonds	19.2	28.5	27.5	36.7	33.4	29.2	57.1	100.33%	197.93%	14.91%	11.54%
Other Debt	8.6	16.6	21.2	22.8	17.9	34.2	37.9	128.94%	342.81%	18.02%	16.04%
Outstanding Debt:											
Bonds (Gross)	113.6	169.3	176.4	214.6	229.0	235.3	269.7	59.36%	137.35%	9.77%	9.03%
Other Debt	17.0	35.7	44.4	33.1	31.5	43.2	63.4	77.53%	272.33%	12.16%	14.05%
Total Outstanding Debt	\$130.7	\$205.0	\$220.9	\$247.7	\$260.5	\$278.5	\$333.1	62.52%	154.94%	10.20%	9.81%
Revenues:											
Real Property Taxes and Assessments	327.7	400.8	433.6	466.1	504.4	552.9	577.7	44.13%	76.32%	7.58%	5.84%
Other Real Property Tax Items	0.8	1.1	1.2	1.2	1.5	2.0	2.4	118.86%	211.90%	16.96%	12.05%
Charges to Other Governments	8.1	9.5	9.6	10.2	11.0	12.7	12.3	29.27%	51.84%	5.27%	4.26%
Use and Sale of Property	16.5	11.7	10.4	10.8	18.9	26.5	35.4	202.37%	114.61%	24.77%	7.94%
Other Local Revenues	7.6	13.5	16.6	13.0	15.7	22.1	20.6	52.78%	172.18%	8.85%	10.53%
Total Local Revenues	\$360.6	\$436.6	\$471.3	\$501.3	\$551.5	\$616.2	\$648.4	48.50%	79.82%	8.23%	6.04%
State Aid	0.0	0.4	0.8	0.9	1.2	1.3	1.7	289.06%	6554.63%	31.22%	52.16%
Federal Aid	0.0	0.2	1.6	4.2	3.5	3.2	3.2	1377.29%	10463.71%	71.35%	59.36%
Total State and Federal Revenues	\$0.1	\$0.7	\$2.4	\$5.2	\$4.8	\$4.4	\$4.9	644.45%	8653.95%	49.41%	56.39%
Total Revenues (Local, State and Federal Sources)	\$360.6	\$437.3	\$473.7	\$506.5	\$556.2	\$620.6	\$653.2	49.39%	81.14%	8.36%	6.12%
Expenditures:											
Current Operations:											
Personal Services	53.6	76.7	84.0	89.2	95.3	102.6	108.7	41.62%	102.82%	7.21%	7.33%
Employee Benefits	56.0	62.2	70.3	77.4	90.6	101.7	110.1	77.06%	96.77%	12.10%	7.00%
Contractual	118.6	137.5	151.9	159.9	174.4	188.4	194.5	41.44%	64.07%	7.18%	5.08%
Total Current Operations	\$228.1	\$276.5	\$306.2	\$326.5	\$360.3	\$392.7	\$413.3	49.50%	81.20%	8.37%	6.12%
Equipment and Capital Outlay	110.5	132.6	161.3	176.0	175.7	173.8	198.9	50.00%	80.06%	8.45%	6.06%
Debt Service	38.5	37.6	42.2	41.0	45.3	47.1	47.9	27.34%	24.44%	4.95%	2.21%
Principal	30.5	28.0	32.4	30.6	34.5	35.0	35.6	27.40%	16.89%	4.96%	1.57%
Interest	8.0	9.6	9.7	10.4	10.8	12.1	12.3	27.14%	53.20%	4.92%	4.36%
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$377.0	\$446.7	\$509.7	\$543.6	\$581.4	\$613.7	\$660.1	47.78%	75.07%	8.12%	5.76%

SUMMARY OF FINANCES FOR MAJOR CLASSES OF LOCAL GOVERNMENT – Fiscal Year Ended in 2007

(Counties, Cities, Towns, Villages, Fire Districts, Schools (Excluding NYC))

(\$ millions)	County	City	Town	Village	School	Fire District	Total
Population - Census Estimates	11,023,202	2,203,423	8,810,082	1,873,184			11,023,202
Full Value	1,177,057.0	117,661.5	1,064,051.6	229,456.9	1,196,335.9	0.0	3,784,562.8
Debt Issued:							
Bonds	771.6	378.6	674.7	216.3	2,023.3	57.1	4,121.7
Other Debt	943.7	332.3	379.0	190.6	2,505.1	37.9	4,388.6
Outstanding Debt:							
Bonds (Gross)	8,458.0	2,621.0	3,979.6	1,562.8	15,376.1	269.7	32,267.3
Other Debt	1,102.0	549.2	802.4	337.9	1,703.4	63.4	4,558.3
Total Outstanding Debt	\$9,559.9	\$3,170.2	\$4,782.1	\$1,900.7	\$17,079.5	\$333.1	36,825.5
Revenues:							
Real Property Taxes and Assessments	4,398.2	896.9	3,153.6	1,053.7	14,507.1	577.7	24,587.2
Other Real Property Tax Items	250.3	117.8	75.2	33.2	2,731.2	2.4	3,210.2
Sales and Use Tax(1)	6,785.4	762.9	581.6	157.1	278.3	0.0	8,565.4
Other Non-Property taxes	93.9	68.4	128.5	18.1	0.0	0.0	308.9
Charges for Services	2,364.8	775.6	932.0	642.7	294.2	0.0	5,009.3
Charges to Other Governments	436.7	73.8	192.4	73.8	112.7	12.3	901.8
Use and Sale of Property	377.2	126.8	258.8	82.3	813.8	35.4	1,694.3
Other Local Revenues	1,283.0	253.9	354.1	112.5	394.2	20.6	2,418.3
Total Local Revenues	\$15,989.6	\$3,076.2	\$5,676.1	\$2,173.5	\$19,131.5	\$648.4	46,695.3
State Aid	2,828.4	827.0	639.5	154.3	11,126.1	1.7	15,577.1
Federal Aid	1,988.5	262.0	212.6	85.6	1,401.6	3.2	3,953.5
Total State and Federal Revenues	\$4,816.9	\$1,089.0	\$852.1	\$239.9	\$12,527.8	\$4.9	19,530.6
Total Revenues (Local, State and Federal Sources)	\$20,806.5	\$4,165.2	\$6,528.3	\$2,413.4	\$31,659.3	\$653.2	66,225.9
Expenditures:							
Current Operations:							
Personal Services	5,012.3	1,551.1	1,991.4	758.4	15,791.8	108.7	25,213.6
Employee Benefits	2,720.8	812.3	890.5	358.4	5,991.8	110.1	10,883.9
Contractual	11,475.3	992.2	2,330.6	838.5	7,069.0	194.5	22,900.1
Total Current Operations	\$19,208.4	\$3,355.5	\$5,212.5	\$1,955.3	\$28,852.6	\$413.3	58,997.5
Equipment and Capital Outlay	1,419.0	516.0	1,138.5	434.5	1,982.2	198.9	5,689.1
Debt Service	1,071.1	342.1	583.2	205.6	1,851.7	47.9	4,101.6
Principal	641.9	206.9	405.9	139.2	1,092.4	35.6	2,521.9
Interest	429.2	135.2	177.2	66.4	759.3	12.3	1,579.7
Total Expenditures (Current Operations + Equipment and Capital Outlay + Debt Service)	\$21,698.5	\$4,213.7	\$6,934.1	\$2,595.4	\$32,686.5	\$660.1	68,788.2

(1) See County Revenues chart, page 52

THE CITY OF NEW YORK – Total Governmental Funds

(\$ millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Expenditures										
Current Operations										
Personal Services	\$13,672.2	\$14,790.0	\$16,126.9	\$17,055.0	\$17,196.2	\$17,105.4	\$18,440.6	\$18,726.3	\$19,705.9	\$20,721.1
Fringe Benefits	\$4,863.0	\$4,393.9	\$5,055.7	\$5,700.5	\$6,411.8	\$7,304.9	\$8,444.5	\$10,410.0	\$12,056.0	\$12,381.5
Other Than Personal Services	\$17,037.0	\$18,073.9	\$18,196.1	\$18,652.7	\$20,048.3	\$21,344.3	\$24,724.2	\$23,650.6	\$25,020.7	\$27,016.7
Total Current Operations	\$35,572.2	\$37,257.8	\$39,378.6	\$41,408.2	\$43,656.3	\$45,754.7	\$51,609.3	\$52,786.9	\$56,782.5	\$60,119.3
Capital Outlays	\$1,688.7	\$1,702.8	\$3,366.8	\$4,561.1	\$3,567.6	\$2,901.4	\$3,110.8	\$3,522.5	\$4,168.2	\$5,542.9
Total Debt Service										
Interest	\$1,759.8	\$1,874.8	\$2,027.4	\$1,959.4	\$2,004.5	\$2,108.9	\$2,083.5	\$2,378.8	\$2,426.6	\$2,582.3
Redemptions	\$1,274.2	\$1,498.5	\$1,709.4	\$1,797.3	\$1,901.9	\$2,047.6	\$2,016.3	\$2,551.1	\$3,214.0	\$2,308.2
Total Expenditures (Governmental Funds)	\$40,294.9	\$42,334.0	\$46,482.2	\$49,726.0	\$51,130.3	\$52,812.5	\$58,819.8	\$61,239.3	\$66,591.3	\$70,552.7
Expenditures by Function										
General government	\$925.9	\$1,443.0	\$1,675.0	\$2,399.9	\$1,881.2	\$1,974.4	\$3,105.2	\$2,198.4	\$2,683.3	\$3,992.7
Public safety and judicial	\$5,317.5	\$6,171.5	\$6,111.2	\$7,290.8	\$6,493.9	\$6,366.7	\$7,502.8	\$6,906.0	\$7,048.4	\$7,541.2
Education (1)	\$9,478.4	\$11,789.6	\$13,248.4	\$13,480.9	\$14,024.7	\$14,248.5	\$14,747.2	\$16,576.1	\$17,881.2	\$19,193.8
City University (1)	\$376.9	\$398.2	\$402.0	\$428.5	\$456.4	\$508.9	\$581.7	\$564.1	\$595.6	\$658.1
Social services	\$7,891.6	\$8,468.2	\$8,879.0	\$9,203.9	\$9,401.9	\$9,762.1	\$10,386.3	\$10,187.0	\$11,150.7	\$12,575.8
Environmental protection	\$1,241.2	\$2,313.2	\$2,536.5	\$2,824.5	\$3,053.7	\$3,442.4	\$3,544.8	\$3,771.7	\$4,023.3	\$4,583.6
Transportation services	\$683.0	\$1,669.9	\$1,605.4	\$1,593.5	\$2,201.4	\$1,801.7	\$1,902.7	\$1,737.1	\$1,848.6	\$2,001.0
Parks, recreation and cultural activities	\$264.8	\$550.6	\$573.1	\$674.6	\$654.0	\$645.1	\$660.3	\$759.7	\$904.7	\$1,014.0
Housing	\$429.9	\$722.8	\$891.5	\$820.7	\$738.4	\$808.3	\$854.9	\$1,180.9	\$1,077.2	\$1,182.2
Health (including payments to Health and Hospitals Corporation)	\$1,651.0	\$1,852.9	\$2,019.5	\$2,242.7	\$2,356.5	\$2,506.6	\$2,808.8	\$3,027.5	\$2,518.7	\$1,793.5
Libraries	\$212.2	\$253.5	\$399.6	\$158.5	\$386.9	\$285.3	\$424.0	\$313.5	\$367.9	\$291.7
Pensions	\$1,342.4	\$615.1	\$1,127.1	\$1,391.9	\$1,630.6	\$2,308.4	\$3,233.8	\$3,879.0	\$4,726.2	\$5,616.3
Judgments and claims	\$424.3	\$490.7	\$594.8	\$521.8	\$626.9	\$591.0	\$590.3	\$516.8	\$564.0	\$625.4
Fringe benefits and other benefit claims	\$1,825.0	\$2,065.2	\$2,200.1	\$2,426.1	\$2,606.9	\$2,755.0	\$2,947.7	\$4,154.0	\$4,846.2	\$3,956.9
Administrative and other	\$161.1	-\$19.3	\$337.5	\$400.0	\$517.0	\$514.0	\$1,225.0	\$308.9	\$405.0	\$477.7
Capital Projects	\$4,840.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Debt Service	\$3,034.0	\$3,373.3	\$3,736.8	\$3,756.7	\$3,906.4	\$4,156.5	\$4,099.8	\$4,929.9	\$5,640.6	\$4,890.5
Lease Payments	\$88.1	\$158.9	\$98.5	\$107.3	\$189.0	\$134.6	\$204.7	\$228.8	\$309.6	\$158.5
Refunding Escrow	\$107.0	\$16.8	\$46.2	\$3.8	\$4.4	\$3.1	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$40,294.9	\$42,334.0	\$46,482.2	\$49,726.0	\$51,130.3	\$52,812.5	\$58,819.8	\$61,239.3	\$66,591.3	\$70,552.7

THE CITY OF NEW YORK – Total Governmental Funds

(\$ millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Real estate taxes	\$7,630.7	\$7,850.0	\$8,245.6	\$8,760.9	\$10,062.9	\$11,582.3	\$11,615.9	\$12,636.4	\$13,122.8	\$13,203.9
Sales and use taxes	\$3,826.0	\$4,159.9	\$4,195.6	\$3,957.4	\$4,321.5	\$5,081.3	\$5,822.8	\$5,986.7	\$6,412.0	\$6,228.4
Personal income tax	\$5,527.8	\$5,611.7	\$6,164.5	\$5,005.6	\$5,029.7	\$6,068.5	\$7,200.1	\$8,025.8	\$8,647.8	\$9,928.0
Income taxes, other	\$3,218.2	\$3,589.0	\$3,685.2	\$3,192.1	\$3,137.9	\$3,690.8	\$4,640.5	\$5,531.6	\$7,451.3	\$6,784.8
Other taxes	\$1,225.0	\$1,295.5	\$1,327.1	\$1,252.5	\$1,345.1	\$1,798.3	\$2,130.1	\$2,380.7	\$2,892.6	\$2,619.3
Federal, State and other categorical aid	\$11,580.8	\$12,217.9	\$13,119.0	\$15,035.1	\$15,203.7	\$15,227.8	\$16,936.0	\$16,044.6	\$17,697.8	\$19,615.9
Unrestricted Federal and State aid	\$652.3	\$631.2	\$634.4	\$665.8	\$1,442.8	\$963.4	\$603.5	\$494.2	\$35.1	\$242.1
Charges for services	\$1,353.2	\$1,400.5	\$1,460.9	\$1,458.4	\$1,481.4	\$1,602.9	\$2,479.4	\$1,837.0	\$1,920.8	\$2,125.9
Tobacco settlement	\$0.0	\$274.9	\$204.3	\$256.6	\$252.8	\$213.7	\$216.9	\$199.1	\$208.4	\$210.9
Investment income	\$718.2	\$294.6	\$347.2	\$150.1	\$89.1	\$46.5	\$219.9	\$454.7	\$665.1	\$634.5
Interest on mortgages, net	\$0.0	\$7.5	\$6.3	\$5.0	\$4.0	\$5.5	\$3.7	\$4.8	\$4.1	\$3.2
Unrealized loss on investment	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$9.0	-\$1.2	\$0.0	\$0.0	\$0.0
Other interest income	\$0.0	\$5.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other revenues	\$2,436.0	\$2,065.3	\$2,837.1	\$2,804.4	\$2,721.7	\$3,265.5	\$3,457.3	\$3,321.2	\$3,867.1	\$4,331.2
Total revenues	\$38,168.1	\$39,403.8	\$42,227.2	\$42,544.0	\$45,092.7	\$49,537.6	\$55,324.9	\$56,916.7	\$62,924.7	\$65,928.1
Deficiency of revenues over expenditures	-\$2,126.8	-\$2,930.2	-\$4,255.0	-\$7,182.0	-\$6,037.6	-\$3,275.0	-\$3,495.0	-\$4,322.6	-\$3,666.6	-\$4,624.6
Total other financing sources	\$3,756.4	\$3,453.9	\$2,899.9	\$4,362.0	\$6,604.1	\$4,824.8	\$6,337.4	\$3,586.4	\$6,547.7	\$4,176.0
Net Change in fund balances (deficit)	\$1,629.6	\$523.7	-\$1,355.1	-\$2,820.0	\$566.5	\$1,549.8	\$2,842.5	-\$736.2	\$2,881.1	-\$448.6
Outstanding Debt and Economic/Demographic										
Population - Census Estimates	7,947,660	8,008,278	8,062,935	8,092,639	8,125,497	8,170,351	8,213,839	8,250,567	8,310,212	8,363,710
Estimated Actual Value of Taxable Property (in millions)	\$311.4	\$326.9	\$354.3	\$392.3	\$429.8	\$466.7	\$540.4	\$614.0	\$674.1	\$795.9
Debt Additions:										
Total before premiums/discounts (net)	\$5,631.1	\$3,790.6	\$3,915.4	\$5,141.3	\$11,200.5	\$8,549.8	\$10,893.6	\$6,777.8	\$7,788.5	\$8,082.3
Revenue anticipation notes	\$500.0	\$750.0	\$750.0	\$0.0	\$1,500.0	\$1,250.0	\$0.0	\$0.0	\$0.0	\$0.0
Tax anticipation notes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$250.0	\$0.0	\$0.0	\$0.0	\$0.0
Bond anticipation notes	\$0.0	\$1,115.0	\$515.0	\$2,800.0	\$1,110.0	\$0.0	\$0.0	\$0.0	\$600.0	\$0.0
Total notes payable	\$500.0	\$1,865.0	\$1,265.0	\$2,800.0	\$2,610.0	\$1,500.0	\$0.0	\$0.0	\$600.0	\$0.0
Outstanding Debt										
Total before premiums/discounts (net)	\$35,870.9	\$38,031.3	\$38,597.1	\$40,818.8	\$45,165.9	\$47,919.6	\$51,377.3	\$52,455.9	\$55,460.5	\$57,162.1
Bond anticipation notes	\$0.0	\$515.0	\$0.0	\$2,200.0	\$1,110.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total bonds and notes payable	\$35,870.9	\$38,546.3	\$38,597.1	\$43,018.8	\$46,275.9	\$47,919.6	\$51,377.3	\$52,455.9	\$55,460.5	\$57,162.1

DIVISION SERVICES/RESOURCES

DIVISION OF LOCAL GOVERNMENT AND SCHOOL ACCOUNTABILITY RESOURCES AND PUBLICATIONS

Website: www.osc.state.ny.us/localgov • Email: localgov@osc.state.ny.us

In addition to audits, the Division of Local Government and School Accountability provides an extensive range of services to help local governments operate more efficiently and effectively. These services include accounting, management and self-help manuals; technical assistance publications and bulletins; a variety of training opportunities and special consultative services. Moreover, the Division actively promotes government reform by providing State leaders, local government officials and the public with audits, research reports and information about critical local government policy issues.

Most of the Division's publications, including all those listed below, can be accessed online at **www.osc.state.ny.us/localgov/index.htm**. Printed copies of these publications can be obtained by calling (518) 474-6975 or emailing us at localgov@osc.state.ny.us.

Audits of Local Governments – The Division completes audits of individual local governments as well as groups of local governments. Performance audits provide an independent assessment of the performance of one or more local governments. Economy and efficiency audits are used to determine whether a locality is operating efficiently, the causes of any inefficiencies or uneconomical practices and whether the entity has complied with pertinent laws and regulations. Program audits are used to evaluate whether desired results or benefits are being achieved and whether the locality has complied with significant laws and regulations applicable to the program. The Division's website includes audits released from 2003 to the present.

Cost-Saving Ideas – Various Division publications provide advice and assistance on cost-saving ideas local governments can use as they examine their operations. In particular, there is information on cooperation and consolidation, the Local Government Financial Toolbox (a series of fiscal “how-to” guides for local governments) and a model custodial agreement for use with collateral pools.

Data and Statistics – Data and statistics regarding the State's local governments, including those used in many of the Division's publications, is available in multiple formats on the Division's website and by request. This includes information related to individual classes of local government such as villages, special district thresholds, the Aid and Incentives to Municipalities (AIM) program, revenues collected by justice courts and overlapping real property tax rates and levies. Financial data for counties, cities, towns, villages, school districts, fire districts, special purpose units, joint activities and industrial development agencies is also available.

DIVISION SERVICES/RESOURCES

Financial Reporting – Information and forms can be downloaded from the Division’s website in a variety of formats.

- **Local Government Electronic Filing** – The Division provides local governments with a free, easy-to-use software program they can utilize to prepare and file their annual financial reports.
- **Justice Court Report Filing** – Information related to the case disposition and receipt data that all town and village justice courts are required to submit to OSC each month is available.
- **Indigent Legal Services Fund** – Information concerning the annual reporting of expenditures on indigent legal services by counties and New York City and estimates of future distributions to these entities from the Indigent Legal Services Fund can be obtained.
- **Constitutional Debt Limits** – Information is available about the debt limits imposed by the State Constitution, which constrain the amount of debt that certain municipalities can incur, and the method for applying for exclusions from these limits for certain types of self-liquidating debt.
- **Constitutional Tax Limits** – Information is available about the provisions of the State Constitution that constrain the amount of taxes that a local government can levy and the tax limit form that local governments must file with OSC.
- **Average Estimated Costs for County and Town Special Improvement Districts** – Information can be found on the cost thresholds to be used in determining whether the approval of the State Comptroller is necessary for certain special district actions.
- **Multiyear Financial Plans** – A guide, template, and sample plans that local governments can use when developing their multiyear financial plans are available.

Publications – The Division’s website contains a wealth of documents of value to municipal officials and others interested in local government issues and finance.

DIVISION SERVICES/RESOURCES

- **Research Reports** – The Division has authored several reports that address major policy issues facing local governments and State policy-makers. Recent subjects addressed include State revenue sharing formulas, Industrial Development Agencies, energy efficiency and sales tax collections.
- **Accounting and Financial Information** – Numerous financial accounting, reporting and technical assistance documents are available for use by local governments.
- **Audit Reports** – The website includes a searchable database of audits of local government entities released by the Division from 2003 to the present.
- **Local Government Connection Newsletter** – The State Comptroller’s quarterly newsletter for municipalities, school districts and other local government-related entities is available on the website.
- **Local Government Management Guide** – A series of modules that includes technical information as well as suggested management practices for municipalities is available. Some of the topics covered in the guide are capital assets, fiscal oversight responsibilities, intermunicipal cooperation, internal controls, multiyear capital plans, multiyear financial planning, reserves and strategic planning.
- **School Accountability Reform** – Information can be found on the State Comptroller’s audit and oversight program to review school district finances and operations and available school board training designed to increase accountability in school districts and strengthen oversight of school finances.

Fire District Reform – Legislation enacted in 2007 institutes a number of significant changes designed to strengthen fire district and fire company accountability and oversight. The enacted legislation, a Frequently Asked Questions (FAQ) document, an accounting bulletin outlining new auditing requirements and a document outlining the internal audit process for fire districts are available.

Training – The Division offers municipal officials a comprehensive array of seminars, including teleconferences, designed to assist them in providing government services as efficiently and effectively as possible. This includes subjects such as accounting principles and procedures, governmental accounting and fiscal oversight training for school board members. A schedule of future classes and information about specific training sessions are also available on the website.

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