

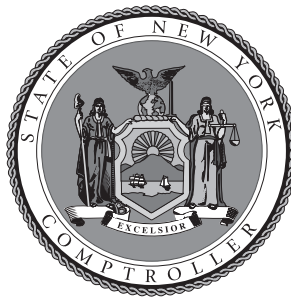
STATE OF NEW YORK



**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



For Fiscal Year Ended
March 31, 1999



*Prepared by the Office of the
State Comptroller*



H. Carl McCall • State Comptroller

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Introductory Section



H. CARL McCALL
State Comptroller



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

H. CARL MCCALL
STATE COMPTROLLER

August 7, 1999

**To the Citizens, Governor and Members of the
Legislature of the State of New York:**



I am pleased to present New York State's Comprehensive Annual Financial Report for the year ending March 31, 1999.

This report is issued at a critical time in our history—a time of great excitement and tremendous possibility, but also a time when missteps could seriously threaten New York State's future.

As we enjoy the longest and strongest period of economic growth in recent memory, we have a golden opportunity before us: to translate our current prosperity into future security. More than this, it is a responsibility we have to future generations of New Yorkers to ensure that we make the most of this good fortune.

The business world understands two principles that are fundamental to survival. First, during times of prosperity, you must plan ahead and make investments that will help you weather the next downturn. And second, that you must meet deadlines to give your business credibility and to focus on the greater challenge of excelling rather than just moving along.

Unfortunately, our leaders have not applied these basic principles of business to running New York's business.

We've seen the unprecedented growth on Wall Street resulting in greater revenues, billion-dollar budget surpluses for each of the last three years, almost \$10 billion in tax cuts, and the huge growth in the state pension fund—from \$56 billion to \$110 billion over the past 6 years.

New York's financial condition, by many indicators, is very strong. Clearly, many New Yorkers are doing better, and there is reason to believe that many people will continue to do well.

But this is only part of the story, the short-term part of the story. For the future, there remains a profound threat to New York's fiscal condition—our leaders' inability to pass a budget on time.

This year, New York was late in meeting the deadline for enacting a budget for the fifteenth consecutive year. Despite the countless disruptions this has caused taxpayers, there has been no revolt. Many New Yorkers have thrown up their hands in frustration, but the status quo continues with no end in sight.

The fact that our leaders are unable to construct a budget is a fundamental weakness for the State's financial condition. Because of the late budget, many billions of dollars have been spent over the years with no plan of how that spending fits into the overall picture.

The chronic inability to meet the budget deadline prevents us from planning for the future and from being able to do all we can to provide solid finances for future generations. And this lack of planning helps give New York the distinction of still having one of the highest debt burdens and lowest credit ratings in the country, and significant out-year gaps.

New York State has tremendous resources and unmatched potential. We have a vast university system. We are the world's center for many important industries, including banking, media, agriculture, finances, and many others. We have a diverse population and continue to attract people from around the world.

But without being able to take even the most incremental step of year-to-year planning, our leaders and our citizens cannot be positioned to face the challenges of the future.

The world is changing at an unbelievable pace in all levels. In governments, as with businesses, those who are not prepared for all the opportunities of the future will be left behind.

New York has benefitted greatly from the success of Wall Street. But we need to reduce our reliance on this sector and to encourage economic diversification. We need to make investments in sectors that will help provide good jobs for all New Yorkers, no matter where they live.

New York is a great state, and it can be better. To ensure that we continue to strengthen our financial condition we must continue to invest in those activities that strengthen New York's infrastructure and make our State competitive in the twenty-first century.

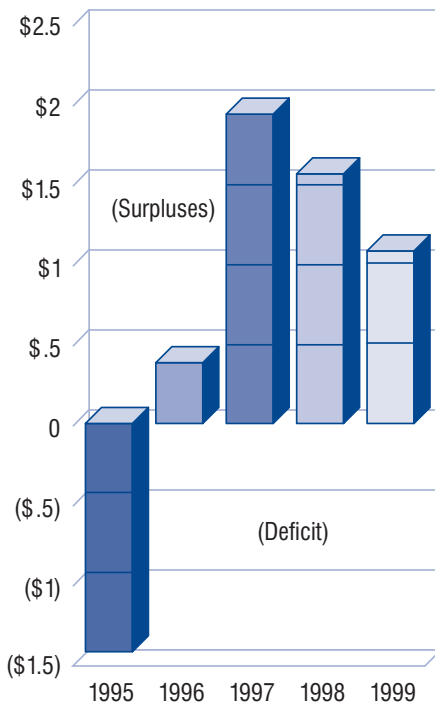
Sincerely,

A handwritten signature in black ink, appearing to read "H. Carl McCall". The signature is written in a cursive, slightly slanted style.

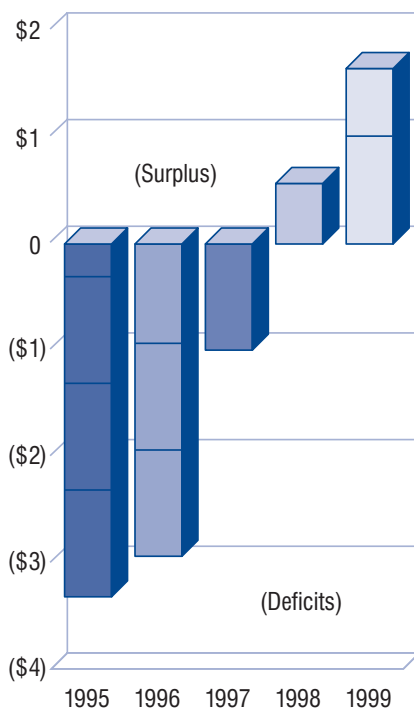
H. Carl McCall
State Comptroller

FINANCIAL OVERVIEW

GENERAL FUND OPERATING RESULTS (AMOUNTS IN BILLIONS)



GENERAL FUND ACCUMULATED DEFICIT/SURPLUS (AMOUNTS IN BILLIONS)



This report has been prepared in accordance with generally accepted accounting principles ("GAAP") for governments as promulgated by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, included within the Comprehensive Annual Financial Report rests with the Office of the State Comptroller. The general purpose financial statements contained in this report have been audited by KPMG. Their audit was conducted in accordance with generally accepted governmental auditing standards and their auditor's report precedes the general purpose financial statements. The unqualified auditor's report attests that the State's financial information is fairly presented in accordance with GAAP. In addition, the Office of the State Comptroller was honored for the tenth consecutive year to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the State's 1998 Financial Report. This prestigious award represents the highest form of recognition in the area of governmental financial reporting and reflects a commitment to clearly communicate the State's financial results and position to the taxpayers through public disclosure.

The Reporting Entity and Its Services

The funds and entities included in this Comprehensive Annual Financial Report are those for which the State is accountable, based on criteria for defining the financial reporting entity prescribed by the Governmental Accounting Standards Board. The criteria includes legal standing, fiscal dependency and financial accountability. Based on these criteria the various funds, account groups and entities shown in this report are considered as part of the reporting entity (see Notes 1 and 16 of the Notes to the Financial Statements).

The State provides a range of governmental services in such areas as education, social services, health and environment, criminal justice, transportation, mental hygiene, and housing, among others, and also administers the State and Local Retirement System.

General Governmental Results

An operating surplus of \$1.078 billion is reported in the General Fund for fiscal year 1998-99. As a result, the General Fund now has an accumulated surplus of \$1.646 billion. Without the benefit of \$4.7 billion of New York Local Government Assistance Corporation net bond proceeds between 1991 and 1995 and the decision to use \$300 million of Dormitory Authority bond proceeds in 1996, the General Fund accumulated deficit would have been \$2.935 billion.

The State completed its fiscal year ended March 31, 1999 with a combined Governmental Funds operating surplus of \$1.323 billion as compared to a combined Governmental Funds operating surplus for the preceding fiscal year of \$1.800 billion. The combined 1998-99 operating surplus of \$1.323 billion included operating surpluses in the General Fund of \$1.078 billion, Debt Service Funds of \$209 million, Capital Projects Funds of \$154 million and offset by an operating deficit in the Special Revenue Funds of \$118 million. The 1997-98 combined operating surplus of \$1.800 billion included operating surpluses in the General Fund of \$1.562 billion, Special Revenue Funds of \$49 million, Capital Projects Funds of \$232 million offset by an operating deficit in the Debt Service Funds of \$43 million.

The State's financial position as shown in its Combined Balance Sheet as of March 31, 1999 includes a fund balance in its Governmental Funds of \$3.949 billion represented by liabilities of \$14.749 billion and by assets available to liquidate such liabilities of \$18.698 billion. The governmental funds fund balance includes a \$1.646 billion accumulated General Fund surplus.

Revenues and other financing sources of the Governmental Funds totaled \$74.225 billion, an increase of \$3.762 billion (5.34%) over the previous year. Changes in revenues and other financing sources from the previous year are shown in the following tabulation (amounts in thousands):

Revenues and Other Financing Sources

	1999	1998	Increase/(Decrease) Over 1998 Actual	
			Amount	Percent
Taxes:				
Personal income	\$ 21,011,480	\$ 18,695,967	\$ 2,315,513	12.39
Consumption and use	10,157,796	9,734,541	423,255	4.35
Business	6,386,336	6,636,159	(249,823)	(3.76)
Other	1,429,773	1,307,500	122,273	9.35
Subtotal	38,985,385	36,374,167	2,611,218	7.18
Federal grants	24,132,509	23,268,282	864,227	3.71
Other:				
Lottery	3,697,631	3,943,096	(245,465)	(6.23)
Patient fees	386,377	392,370	(5,993)	(1.53)
Miscellaneous	3,616,846	3,362,017	254,829	7.58
Subtotal	7,700,854	7,697,483	3,371	0.04
Total revenues	70,818,748	67,339,932	3,478,816	5.17
Other financing sources	3,406,645	3,123,595	283,050	9.06
Total revenues and other financing sources	\$ 74,225,393	\$ 70,463,527	\$ 3,761,866	5.34

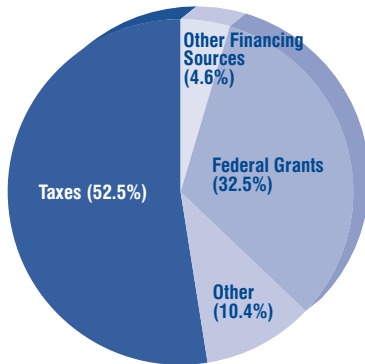
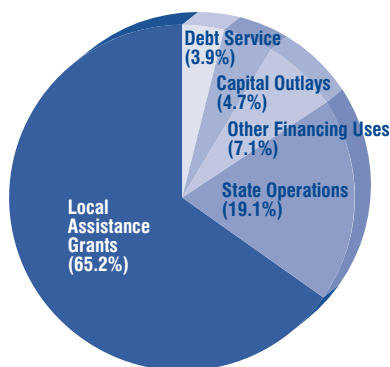
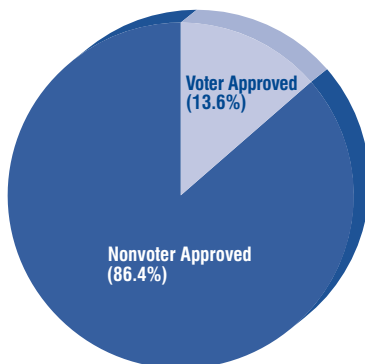
Changes in revenues were highlighted by:

- Personal income tax (PIT) revenues increased due to a combination of strong employment, and wage growth and increases in estimated tax payments due to the strong performance by the financial markets.
- The increase in consumption and use taxes is attributed primarily to an increase in sales tax revenues caused by increased consumer confidence and related spending as demonstrated by an increase in personal income and strong employment growth.
- The decrease in the sale of Lotto and instant cash game tickets was responsible for the decrease in lottery revenues.

Expenditures and other financing uses totaled \$72.902 billion in fiscal 1999 which represents an increase of \$4.228 billion (6.16%) over expenditures and other financing uses in fiscal 1998. Changes in expenditures and other financing uses from fiscal 1998 levels are presented in the following tabulation (amounts in thousands):

Expenditures and Other Financing Uses

	1999	1998	Increase/(Decrease) Over 1998 Actual	
			Amount	Percent
Local assistance grants:				
Social services	\$ 26,078,639	\$ 25,631,452	\$ 447,187	1.74
Education	16,023,276	14,304,505	1,718,771	12.02
Mental hygiene	1,078,252	1,051,409	26,843	2.55
General purpose	910,193	581,466	328,727	56.53
Health and environment	1,609,905	1,301,597	308,308	23.69
Transportation	640,409	602,714	37,695	6.25
Criminal justice	322,933	319,122	3,811	1.19
Miscellaneous	884,022	875,063	8,959	1.02
Subtotal	47,547,629	44,667,328	2,880,301	6.45
Departmental operations	13,929,092	13,729,764	199,328	1.45
Capital outlays	3,393,450	2,983,620	409,830	13.74
Debt service and financing arrangements	2,889,008	2,727,657	161,351	5.92
Total expenditures	67,759,179	64,108,369	3,650,810	5.69
Other financing uses	5,142,836	4,565,236	577,600	12.65
Total expenditures and other financing uses	\$ 72,902,015	\$ 68,673,605	\$ 4,228,410	6.16

REVENUES –1999**EXPENDITURES –1999****DEBT SERVICE –1999**

- The increase in expenditures for social services is attributed to spending for Medicaid and the State's welfare program and to normal program growth.
- The increase in Education expenditures is primarily attributed to additional support of public schools.
- Construction of correctional facilities and highway and bridge projects accounted for the increase in capital outlays.

Cash Management

Cash deposits into the State Treasury are controlled jointly by the State Comptroller and Commissioner of Taxation and Finance. Cash is managed in pooled investment funds to maximize interest earnings. Investments are made in accordance with the State Finance Law. Cash is primarily invested in repurchase agreements involving United States Treasury obligations and remaining funds are invested in United States Treasury bills and commercial paper. For the fiscal year ended March 31, 1999, the average daily balance of pooled investment funds was \$7.144 billion with an average yield of 5.33% and total investment income of \$381 million. Cash deposits not held in the State Treasury and controlled by various other State officials are generally held in interest bearing accounts.

Fixed Assets

The fixed assets of the State are those fixed assets used in the performance of governmental functions. They are accounted for in the General Fixed Assets Account Group and the College and University Funds. They do not include infrastructure (e.g., roads, bridges, canals, etc.) or fixed assets of public benefit corporations which amounted to \$30.329 billion. At March 31, 1999, the fixed assets of the State amounted to \$17.483 billion. This amount represents the valuation of fixed assets in accordance with GAAP and the State's capitalization policy as described in Note 1 of the Notes to the Financial Statements.

Risk Management

The State does not insure its buildings or their contents against theft, fire or other risks and does not insure its automobiles against the possibility of bodily injury and property damages. However, the State does have fidelity insurance on State employees. Workers' compensation coverage is provided on a self-insurance basis.

Debt Administration and Other Financing Arrangements

There are a number of methods by which the State may incur debt. The State may issue general obligation bonds approved by the voters and notes in anticipation of such bonds. The State, with voter approval, may also directly guarantee obligations of public benefit corporations. Presently, the Job Development Authority is the only public benefit corporation authorized to issue State guaranteed bonds. Payments for debt service on State general obligation and State-guaranteed bonds or notes are legally enforceable obligations of the State. The State has never been called upon to make any direct payments pursuant to its guarantee.

The State's general obligation bonds are rated A by Standard and Poor's Corporation and A2 by Moody's Investors Services. The State had approximately \$4.640 billion in general obligation bonds outstanding at year-end. During the year the State issued \$388 million in general obligation bonds and redeemed \$488 million. The total amount of general obligation bonded debt authorized but not yet issued at year-end was \$2.033 billion.

Notes payable had a year-end balance of \$185 million. The notes were issued in the form of commercial paper.

The Public Benefit Corporations (Corporations) had \$48.952 billion in bonds payable and short-term debt outstanding at year-end. For further information regarding Corporations debt refer to Note 16 of the Notes to the Financial Statements.

The State has also entered into lease/purchase agreements with selected public benefit corporations and municipalities for certain of its capital facilities. Under the agreements, construction costs are initially paid from appropriations and repaid to the State from proceeds of bond issues.

The State has also entered into other financing agreements with several public benefit corporations. The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by the entity. The public benefit corporations will generally retain title to the assets acquired with the bond proceeds.

At year-end, the State had long-term debt obligations of \$30.644 billion under lease/purchase and other financing arrangements (nonvoter approved), an increase of \$1.694 billion from fiscal 1998.

Fiduciary Fund Type

The Fiduciary Fund Type consists of Trust and Agency Funds including the State and Local Retirement System. These funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations and other governments. The Trust and Agency Funds reported a year-end fund balance of \$116.038 billion as compared to the previous year-end of \$109.473 billion.

The State and Local Retirement System, covering most non-teaching State employees and local government employees outside of New York City, reported combined net assets available for retirement benefits of \$112.723 billion as compared to the previous year-end amount of \$106.319 billion. For further information refer to Note 15 of the Notes to the Financial Statements.

Public Benefit Corporations

Component units are discretely presented and reported as Public Benefit Corporations (Corporations), which includes Public Authorities, and are legally separate entities that are not operating departments of the State. Corporations have been established for a variety of purposes such as economic development, capital construction, financing, and public transportation. The powers of the Corporations generally are vested in their governing boards. The Governor, with the approval of the State Senate, appoints a majority of the members of the Board of most major Corporations and either the Governor or the Board selects the chairperson and chief operating officer. Corporations are not subject to the State constitutional restrictions on the incurrence of debt which apply to the State and may issue bonds and notes within legislatively authorized amounts.

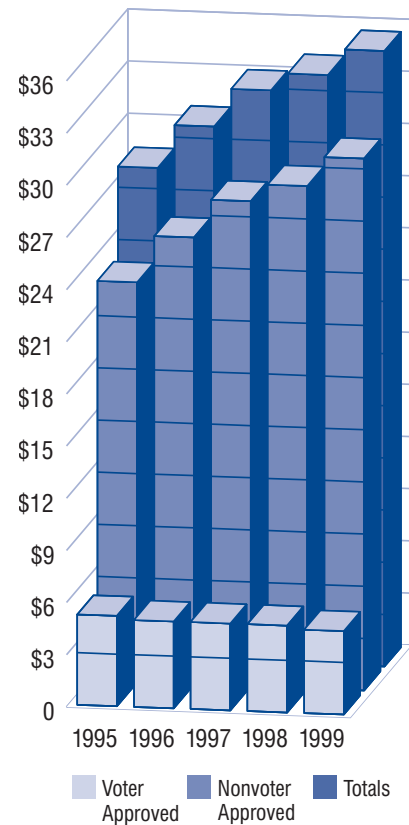
Corporations submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances accompanied by an independent auditor's report. Corporations are generally supported by revenues derived from their activities, although in recent years the State has provided financial assistance, in some cases of a recurring nature, to certain Corporations for operating and other expenses, and in fulfillment of its commitments on moral obligation indebtedness. The Corporations have been presented in the accompanying financial statements as component units of the State. The amounts presented in this report were derived from the Corporations' most recent audited financial statements. At year-end these entities reflected a combined equity of \$23.032 billion. For further information refer to Note 16 of the Notes to the Financial Statements.

Internal Controls

In developing the State's accounting system, consideration was given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits derived. To monitor the adequacy of the State's internal accounting controls my auditors check adherence to internal control policies and procedures.

In 1987 the Legislature passed the New York State Governmental Accountability, Audit and Internal Control Act, which commits the State to enhancing existing systems of internal controls in all State governmental entities. As a result, there is now a requirement for managers in all branches and components of government to maintain comprehensive internal control systems and to regularly evaluate the effectiveness and adequacy of these systems by internal reviews and external audits. Finally, the legislation promotes accountability by assuring that all external audits are made available to the public.

OUTSTANDING DEBT
(AMOUNTS IN BILLIONS)



Budgetary Process

The State Constitution requires the Governor to submit a cash basis balanced Executive Budget which contains a complete plan of expenditures for the ensuing fiscal year and identifies the anticipated revenues sufficient to meet the proposed expenditures. Included in the proposed budget are provisions for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget also includes both cash basis and GAAP basis financial plans for the ensuing fiscal year as well as a three year financial projection for governmental funds and a three year capital plan. The accounting policies used in developing the GAAP basis financial plans are generally consistent with those used in preparing the annual GAAP financial statements. Generally, the financial plans are updated quarterly. The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved. Expenditures are controlled at the major object (e.g., personal service, grants to local governments) level within each program/project of each State agency in accordance with the underlying approved appropriation bills.

Economic Outlook

The national economic expansion is on track to become the longest period of growth in the nation's history, a milestone that it is likely to reach in the winter of 2000. After expanding by a blistering pace of 6.0 percent in the fourth quarter of 1998, the nation's real output slowed to 4.3 percent growth in the first quarter of 1999.

Rising interest rates and the expectation of dampened expenditures by consumers, whose spending has outpaced income in recent quarters, are expected to slow growth in the second half of 1999 and in 2000. However, the near term recession risk appears to be low, unless a sudden change occurs in the generally quiescent inflation picture. The appearance of significant price increases would precipitate more aggressive tightening by the Federal Reserve's Open Market Committee than the recent 0.25 percentage point increase in the lending rate.

After several years of sub-par economic growth, New York State is showing signs of greater economic vitality. The State's job count surged by 2.0 percent in 1998, and in the first five months of 1999 expanded by 1.8 percent, about three-quarters of the national pace. Recent employment growth has been led by business services, trade, and construction. New York's pace of growth has pulled slightly ahead of large northeastern states such as New Jersey and Massachusetts, and has lifted the State from the near-bottom in rankings of employment growth to place 29th in the rate of job creation so far in 1999. The State's personal income growth lagged the nation's only slightly in 1998, and ranked 27th among the states. In May 1999, New York State's unemployment rate stood at 5.1 percent, down from 5.6 percent a year earlier, although the State's jobless rate still stands nearly a full point above the national rate of 4.2.

The aggregate signs of improvement mask a State economy characterized by wide disparities in growth and in economic opportunities. Growth in recent years has been driven by the downstate economy, propelled by Wall Street and related activities. Averaging 2.2 percent per year from 1996 to 1998, employment growth in New York City and the New York suburbs outpaced the four largest upstate metropolitan areas, where the job count expanded by just 1.0 percent during the same period. Weakened by continuing manufacturing losses, the pace of growth upstate appears to have slackened thus far in 1999, while the downstate metro area is expanding at last year's brisk rate.

By contrast, unemployment in the upstate areas is quite low, averaging 4.2 percent in May 1999, compared to 6.6 percent in New York City. Unfortunately, low unemployment rates upstate are an outcome of population outflows which have reduced the size of the labor force and the number of unemployed. Recent population growth in New York, slow by national standards, has been entirely attributable to the downstate area, where the population of the New York City PMSA (New York City plus its northern suburbs) grew by 0.5 percent in 1998. In the aggregate, population did not increase in the rest of the State.

Income growth exhibits similar geographic disparities. Upstate New York, excluding New York City and the New York suburbs, experienced total real personal income growth of just 3.3 percent in 1997, compared to 4.8 percent in the City and similar growth in the metro area suburbs. Within New York City, disparities are even more stark as income growth in Manhattan stood at nearly four times the pace of some of the other boroughs.

The combination of extraordinary earnings growth on Wall Street, corporate downsizing, and the reduction in well-paying manufacturing jobs upstate has widened the income gap between the highest earners and those in the middle or at the bottom of the spectrum. Those gaps are now greater in New York than in any other state. The income gap between the top fifth of families and the middle fifth increased the third fastest of all states between the mid-1980's and the mid-1990's. During this period, the average income of the middle fifth of families declined by \$1,200 while the average income of the richest fifth of families grew by \$24,700.

And while the nation's poverty rate has decreased since 1993, New York's poverty rate has increased slightly, averaging 16.6 percent between 1995 and 1997, compared to 13.6 percent for the US as a whole. For this period, New York showed the 11th highest rate of poverty among the states, including the District of Columbia.

Both the improvement and the disparities in the State's economic performance have been shaped by the ongoing Wall Street boom, which has concentrated income growth in the downstate area and has given considerable lift to State revenue collections. Using some of the broadest measures of the State's economic performance, it appears that the Wall Street investment banking and securities brokerage firms have dominated the State's economic picture throughout the 1990's expansion. From 1992 to 1997, the latest year for which data are available, Wall Street accounted for half of the \$27 billion increase in real earnings, comprised of wages and proprietors' income, and the same result holds for growth in real Gross State Product, a measure of the total output produced in New York. The sizable earnings this sector produces is concentrated among only about 2 percent of the State's workforce, to whom Wall Street firms paid out an estimated \$9.9 billion in bonuses alone in 1998, the second highest level on record.

The economic importance of Wall Street to the State and to New York City is much greater in the 1990's than it was in the 1980's. In New York City, where securities industry employment is concentrated, Wall Street accounted for 23 percent of the gain in total real earnings between 1983 and 1988, compared to 56 percent of the gain between 1992 and 1997. Similarly, the financial sector has accounted for a much larger share of growth in Gross State Product (about 50 percent) in the 1990's, than it did in the 1980's, when the sector accounted for one-eighth of the gain in Gross State Product.

The State's economic outlook in the near term is highly dependent on the course of the national economy and Wall Street. In the absence of a national slowdown or an enduring stock market correction, growth should continue its recent pattern of strong downstate activity and weaker expansion upstate. The Federal Reserve Open Market Committee, which sets interest rate policy, has signaled its intention to exhibit restraint in raising interest rates in the absence of clear evidence of inflationary pressures developing in the economy. However, bad news on the inflation front would trigger a series of interest rate increases which would slow spending in the economy and considerably dampen Wall Street activity, in turn putting State revenue collections at risk.

REPORT LAYOUT

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the Comptroller's transmittal letter, this Financial Overview, the State's organization chart, and a list of principal officials. The Financial Section includes the general purpose financial statements and the combining statements and schedules, as well as the auditor's report on the financial statements and schedules. The Statistical Section includes fiscal, social, and demographic information about the State.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of
New York

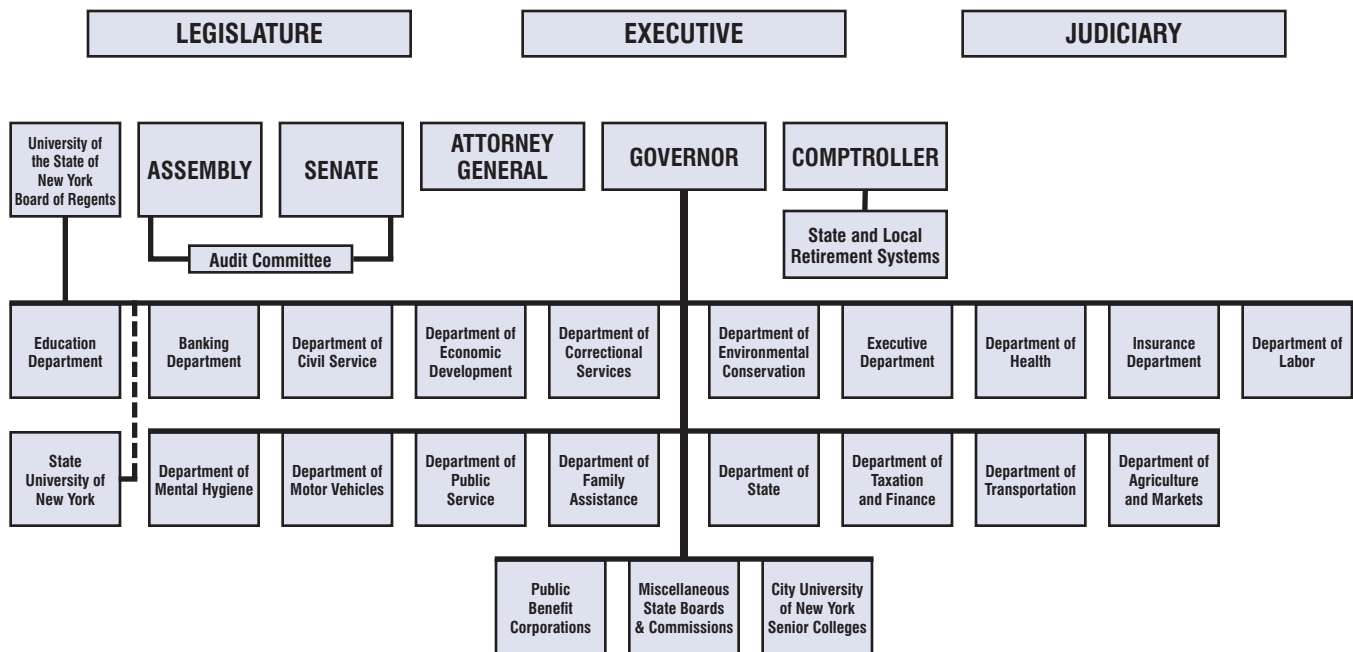
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Douglas R. Ellsworth
President

Jeffrey L. Essler
Executive Director



STATE OF NEW YORK Selected State Officials

Executive

George E. Pataki, Governor • **Mary O. Donohue**, Lieutenant Governor • **H. Carl McCall**, State Comptroller
Eliot Spitzer, Attorney General

Judicial

Judith S. Kaye, Chief Judge Court of Appeals of New York

Legislative

Joseph L. Bruno, Temporary President of the Senate • **Sheldon Silver**, Speaker of the Assembly
Martin Connor, Senate Minority Leader • **John J. Faso**, Assembly Minority Leader

Financial Section



515 Broadway
Albany, NY 12207

Independent Auditors' Report

The Audit Committee of the
New York State Legislature

We have audited the general purpose financial statements of the State of New York (the "State") as of and for the year ended March 31, 1999, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities, which statements represent 48% of total assets and 55% of total revenues of the discretely presented component units - Public Benefit Corporations. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of New York as of March 31, 1999, and the results of its operations and cash flows of its Nonexpendable Trust Funds and discretely presented component units - Public Benefit Corporations for the year then ended in conformity with generally accepted accounting principles.

The Schedule of Required Supplementary Information - Year 2000 Disclosure, as listed in the accompanying table of contents, is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the State is or will become year 2000 compliant, that year 2000 remediation efforts of the State will be successful in whole or in part, or that parties with which the State does business are or will become year 2000 compliant.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New York. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 21, 1999 on our consideration of the State of New York's internal control over financial reporting and on its compliance with laws and regulations.

We did not audit the data included in the introductory and statistical sections of this report, and accordingly, express no opinion thereon.

KPMG LLP

July 21, 1999



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.

General Purpose Financial Statements

Combined Balance Sheet

ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

March 31, 1999

(Amounts in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS:				
Cash and investments	\$ 2,839,666	\$ 428,755	\$ 1,767,233	\$ 753,474
Retirement system investments	—	—	—	—
Receivables, net of allowances for uncollectibles:				
Taxes	5,401,998	50,109	170,003	67,397
Due from Federal government	—	3,655,366	—	317,095
Loans and leases	—	—	—	—
Other	595,954	173,282	164,046	26,948
Due from other funds	1,033,472	37,526	83,291	3,203
Fixed assets	—	—	—	—
Other assets	774,251	355,363	—	180
Assets available for future debt service	—	—	—	—
Amounts to be provided for retirement of general long-term obligations	—	—	—	—
Total assets	\$ 10,645,341	\$ 4,700,401	\$ 2,184,573	\$ 1,168,297
LIABILITIES:				
Payable to local governments	\$ 1,666,442	\$ 720,068	\$ —	\$ 35,573
Tax refunds payable	3,415,747	59,404	9,038	3,851
Accrued liabilities	2,157,460	2,348,778	—	38,654
Pension contributions payable	70,221	—	—	—
Accounts payable	293,387	68,049	3,274	474,767
Due to other funds	349,938	598,791	—	630,119
Deferred revenues	883,310	441,409	104,901	27,966
Notes payable	—	—	—	185,000
Bonds payable	—	—	—	—
Obligations under lease/purchase and other financing arrangements	—	—	—	—
Other long-term liabilities	163,125	—	—	—
Total liabilities	8,999,630	4,236,499	117,213	1,395,930
EQUITY (DEFICIT) and OTHER CREDITS:				
Fund balances (deficits):				
Reserved for:				
Net retirement system assets held in trust for pension benefits	—	—	—	—
Encumbrances	363,926	482,541	—	3,922,414
Unemployment benefits	—	—	—	—
Debt service	—	—	1,628,693	—
Tax stabilization	472,935	—	—	—
Other specified purposes	375,180	8,500	—	20,538
Unreserved	433,670	(27,139)	438,667	(4,170,585)
Investment in fixed assets	—	—	—	—
Contributed capital	—	—	—	—
Retained earnings	—	—	—	—
Total equity (deficit) and other credits	1,645,711	463,902	2,067,360	(227,633)
Total liabilities, equity (deficit) and other credits	\$ 10,645,341	\$ 4,700,401	\$ 2,184,573	\$ 1,168,297

See accompanying notes to financial statements.

EXHIBIT A

Account Groups			Fiduciary Fund Types	Component Units
General Fixed Assets	General Long-Term Obligations	College and University Funds	Trust and Agency	Public Benefit Corporations
\$ —	\$ —	\$ 3,403,485	\$ 7,856,599	\$ 26,212,779
—	—	—	111,008,692	—
—	—	—	913,318	—
—	—	—	339	—
—	—	—	—	22,547,899
—	—	610,857	2,542,697	2,478,111
—	—	439,350	360,993	—
9,432,246	—	8,050,385	—	30,329,349
—	—	41,079	8,781,319	7,335,293
—	2,067,360	—	—	—
—	32,265,168	—	—	—
\$ 9,432,246	\$ 34,332,528	\$ 12,545,156	\$ 131,463,957	\$ 88,903,431
\$ —	\$ —	\$ —	\$ 1,459,951	\$ —
—	—	—	—	—
—	—	1,232,435	13,769,369	12,064,692
—	141,942	—	—	339,396
—	—	—	155,464	523,488
—	—	—	34,406	—
—	—	130,697	6,678	1,037,522
—	—	—	—	1,110,928
—	4,640,107	—	—	47,841,490
—	23,953,997	6,472,464	—	—
—	5,596,482	—	—	2,953,775
—	34,332,528	7,835,596	15,425,868	65,871,291
—	—	—	112,723,142	—
—	—	—	—	—
—	—	—	1,475,607	—
—	—	—	—	—
—	—	1,209,572	1,839,340	—
—	—	—	—	—
9,432,246	—	3,499,988	—	—
—	—	—	—	11,856,040
—	—	—	—	11,176,100
9,432,246	—	4,709,560	116,038,089	23,032,140
\$ 9,432,246	\$ 34,332,528	\$ 12,545,156	\$ 131,463,957	\$ 88,903,431

Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

EXHIBIT B

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

Year Ended March 31, 1999

(Amounts in thousands)

	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
REVENUES:					
Taxes:					
Personal income	\$ 20,429,324	\$ 582,156	\$ —	\$ —	\$ —
Consumption and use	7,320,283	324,903	2,019,151	493,459	—
Business	4,851,574	1,016,392	—	518,370	—
Unemployment	—	—	—	—	1,616,662
Other	1,122,395	—	195,378	112,000	—
Federal grants	—	22,859,428	—	1,273,081	25,039
Lottery	—	3,697,631	—	—	—
Patient fees	—	—	386,377	—	—
Miscellaneous	2,754,106	620,996	117,137	124,607	2,756,156
Total revenues	36,477,682	29,101,506	2,718,043	2,521,517	4,397,857
EXPENDITURES:					
Local assistance grants:					
Social services	9,251,957	16,826,682	—	—	—
Education	12,175,154	3,843,791	—	4,331	—
Mental hygiene	913,324	132,264	—	32,664	—
General purpose	910,193	—	—	—	—
Health and environment	642,669	697,265	—	269,971	—
Transportation	443,475	185,066	—	11,868	—
Criminal justice	281,464	41,469	—	—	—
Miscellaneous	348,464	500,778	—	34,780	2,767
Departmental operations:					
Personal service	6,151,979	651,216	—	—	891
Non-personal service	2,257,524	2,938,654	5,380	—	2,171,091
Pension contribution	118,392	20,675	—	—	—
Other fringe benefits	1,650,443	134,829	—	—	686
Capital construction	—	—	—	3,393,450	—
Debt service, including payments on financing arrangements	20,994	—	2,868,014	—	—
Unemployment benefits	—	—	—	—	1,764,328
Total expenditures	35,166,032	25,972,689	2,873,394	3,747,064	3,939,763
Excess (deficiency) of revenues over expenditures	1,311,650	3,128,817	(155,351)	(1,225,547)	458,094
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds	4,285,498	814,737	4,525,392	246,646	628,428
Operating transfers to other funds	(4,580,102)	(2,752,528)	(4,257,627)	(527,466)	(930,324)
Operating transfers from public benefit corporations	88,667	11,184	—	—	—
Operating transfers to public benefit corporations	(343,957)	(1,319,708)	—	(181,534)	(100)
Proceeds of general obligation bonds	—	—	—	357,612	—
Proceeds from financing arrangements/advance refundings	316,666	—	2,073,882	1,483,884	—
Payments on advance refundings	—	—	(1,977,437)	—	—
Net other financing sources (uses)	(233,228)	(3,246,315)	364,210	1,379,142	(301,996)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,078,422	(117,498)	208,859	153,595	156,098
Fund balances (deficit) at April 1, 1998	567,289	581,400	1,858,501	(381,228)	3,139,286
Fund balances (deficit) at March 31, 1999	\$ 1,645,711	\$ 463,902	\$ 2,067,360	\$ (227,633)	\$ 3,295,384

See accompanying notes to financial statements.

Combined Statement of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

EXHIBIT C

GOVERNMENTAL FUND TYPES

Year Ended March 31, 1999

(Amounts in thousands)

	General			Special Revenue		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ 33,279,000	\$ 33,319,300	\$ 40,300	\$ 1,932,000	\$ 1,934,100	\$ 2,100
Miscellaneous	1,544,000	1,501,000	(43,000)	5,812,000	5,813,100	1,100
Federal grants	—	4,000	4,000	22,016,000	21,421,300	(594,700)
Total receipts	34,823,000	34,824,300	1,300	29,760,000	29,168,500	(591,500)
DISBURSEMENTS:						
Local assistance grants	24,889,000	24,693,500	195,500	23,486,000	23,447,400	38,600
Departmental operations	6,650,000	6,671,500	(21,500)	6,183,000	5,920,200	262,800
General state charges	2,286,000	2,259,300	26,700	326,000	275,600	50,400
Debt service	11,000	8,700	2,300	—	—	—
Capital projects	—	—	—	7,000	5,500	1,500
Total disbursements	33,836,000	33,633,000	203,000	30,002,000	29,648,700	353,300
Excess (deficiency) of receipts over disbursements	987,000	1,191,300	204,300	(242,000)	(480,200)	(238,200)
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	1,952,000	1,917,300	(34,700)	2,417,000	2,444,300	27,300
Transfers to other funds	(2,778,000)	(2,854,400)	(76,400)	(1,940,000)	(1,908,100)	31,900
Net other financing sources (uses)	(826,000)	(937,100)	(111,100)	477,000	536,200	59,200
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ 161,000	\$ 254,200	\$ 93,200	\$ 235,00	\$ 56,000	\$ (179,000)

(Continued)

See accompanying notes to financial statements.

Combined Statement of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

EXHIBIT C

GOVERNMENTAL FUND TYPES

Year Ended March 31, 1999

(Amounts in thousands)

	Debt Service			Capital Projects		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ 2,223,000	\$ 2,204,100	\$ (18,900)	\$ 1,107,000	\$ 1,123,400	\$ 16,400
Miscellaneous	622,000	630,100	8,100	1,805,000	1,566,600	(238,400)
Federal grants	—	—	—	1,249,000	1,219,300	(29,700)
Total receipts	2,845,000	2,834,200	(10,800)	4,161,000	3,909,300	(251,700)
DISBURSEMENTS:						
Local assistance grants	—	—	—	695,000	437,900	257,100
Departmental operations	6,000	4,000	2,000	—	—	—
General state charges	—	—	—	—	—	—
Debt service	3,289,000	3,266,300	22,700	—	—	—
Capital projects	—	—	—	3,573,000	3,624,600	(51,600)
Total disbursements	3,295,000	3,270,300	24,700	4,268,000	4,062,500	205,500
Excess (deficiency) of receipts over disbursements	(450,000)	(436,100)	13,900	(107,000)	(153,200)	(46,200)
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	331,000	249,000	(82,000)
Transfers from other funds	4,338,000	4,369,600	31,600	274,000	273,600	(400)
Transfers to other funds	(3,886,000)	(3,877,800)	8,200	(423,000)	(422,800)	200
Net other financing sources (uses)	452,000	491,800	39,800	182,000	99,800	(82,200)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ 2,000	\$ 55,700	\$ 53,700	\$ 75,000	\$ (53,400)	\$ (128,400)

See accompanying notes to financial statements.

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances

EXHIBIT D

NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended March 31, 1999

(Amounts in thousands)

	Fiduciary Fund Type	Component Units
	Nonexpendable Trust	Public Benefit Corporations
OPERATING REVENUES:		
Charges for services	\$ —	\$ 8,200,592
Financing income	—	1,272,042
Investment income	3,128	1,027,686
Miscellaneous	3,121	580,057
Total operating revenues	6,249	11,080,377
OPERATING EXPENSES:		
Operations	1,214	10,435,272
Depreciation and amortization	—	1,173,757
Interest	—	1,389,135
Total operating expenses	1,214	12,998,164
Operating income (loss)	5,035	(1,917,787)
NONOPERATING REVENUES (EXPENSES):		
Non-State subsidies and grants	—	1,040,476
Interest revenues	—	255,304
Interest expenses	—	(768,206)
Other, net	—	(94,324)
Net nonoperating revenues (expenses)	—	433,250
Income (loss) before operating transfers	5,035	(1,484,537)
Operating transfers from primary government	—	1,967,439
Operating transfers to primary government	—	(31,165)
Income before extraordinary items	5,035	451,737
Extraordinary item—refinancing charges	—	(31,752)
Net Income	5,035	419,985
Depreciation charged to contributed capital	—	576,922
Increase in retained earnings/fund balances	5,035	996,907
Retained earnings/fund balances at beginning of year, as restated	14,528	10,179,193
Retained earnings/fund balances at end of year	\$ 19,563	\$ 11,176,100

See accompanying notes to financial statements.

Combined Statement of Cash Flows

EXHIBIT E

NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended March 31, 1999

(Amounts in thousands)

	Fiduciary Fund Type	Component Units
	Nonexpendable Trust	Public Benefit Corporations
SOURCES OF CASH AND INVESTMENTS:		
Cash flows from operating activities:		
Operating income (loss)	\$ 5,035	\$ (1,917,787)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	—	1,173,798
Interest paid on operating debt	—	2,379,677
Interest and dividends on investments	(3,128)	(1,027,686)
Component units using governmental fund accounting	—	(141,843)
Other	—	(154,690)
Change in assets and liabilities:		
Change in loans and leases receivables	—	(996,164)
Change in other receivables	—	(181,964)
Change in other assets	—	(5,409,278)
Change in payable to local government	100	—
Change in accrued liabilities	(7)	969,838
Change in pension contributions payable	—	16,509
Change in accounts payable	71	(19,789)
Change in due to	(47)	—
Change in deferred revenue	—	49,094
Total adjustments to operating income (loss)	(3,011)	(3,342,498)
Net cash (used for) operating activities	2,024	(5,260,285)
Cash flows from noncapital financing activities:		
Borrowing of operating debt	—	3,973,115
Repayment of operating debt	—	(2,645,067)
Interest paid on operating debt	—	(2,386,758)
Operating grants received	—	1,012,951
Operating transfers from primary government	—	1,998,211
Operating transfers to primary government	—	(16,448)
Repayment of other long-term liabilities	—	(33,925)
Proceeds from other long-term liabilities	—	87,776
Net cash provided by (used for) noncapital financing activities	—	1,989,855
Cash flows from capital and related financing activities:		
Proceeds from issuance of bonds	—	15,113,672
Proceeds from issuance of notes	—	273,605
Repayment of bonds	—	(6,778,719)
Repayment of notes	—	(11,639)
Interest paid on bonds and notes	—	(799,637)
Capital contributions	—	1,446,943
Acquisition and construction of capital assets	—	(4,947,527)
Other	—	360,295
Net cash (used for) capital and related financing activities	—	4,656,993

(Continued)

Combined Statement of Cash Flows (cont'd)

EXHIBIT E

NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended March 31, 1999

(Amounts in thousands)

	Fiduciary Fund Type	Component Units
	Nonexpendable Trust	Public Benefit Corporations
Cash flows from investing activities:		
Purchase of investment securities	—	(50,217,949)
Proceeds from sale and maturities of investment securities	—	48,416,336
Interest and dividends on investments	3,128	1,221,089
Net cash provided by (used for) investing activities	3,128	(580,524)
Net decrease in cash and cash equivalents	5,152	806,039
Cash and cash equivalents at beginning of year	14,622	390,552
Cash and cash equivalents at end of year	\$ 19,774	\$ 1,196,591
Reconciliation:		
Cash and cash equivalents at end of year	\$ 19,774	\$ 1,196,591
Cash and cash equivalents, Expendable Trust and Agency	7,836,825	—
Cash and cash equivalents of certain component units using governmental fund accounting	—	43,224
Investments	—	24,972,964
Cash and investments per Exhibit A	\$ 7,856,599	\$ 26,212,779

See accompanying notes to financial statements.

Combined Statement of Changes in Fund Balances

EXHIBIT F

COLLEGE AND UNIVERSITY FUNDS

Year Ended March 31, 1999

(Amounts in thousands)

	Current Funds					
	Unrestricted	Restricted	Total (Memorandum Only)	Loan Funds	Endowment and Similar Funds	Plant Funds
Revenues and other additions:						
Unrestricted current fund revenues	\$ 2,772,314	\$ —	\$ 2,772,314	\$ —	\$ —	\$ —
New York City appropriations	—	4,225	4,225	—	—	—
Government grants and contracts:						
Federal	—	507,786	507,786	1,948	—	—
New York State	—	171,834	171,834	—	—	—
New York City	—	28,489	28,489	—	—	—
Other	—	8,407	8,407	—	—	—
Private gifts, grants and contracts	—	135,147	135,147	49	6,622	1,189
Investment income	—	18,230	18,230	606	492	118,149
Realized and unrealized gains	—	6,510	6,510	—	103,136	—
Interest on loans receivable	—	—	—	4,194	—	—
U.S. government advances	—	—	—	870	—	—
Expended for plant facilities	—	—	—	—	—	177,919
Retirement indebtedness	—	—	—	—	—	213,196
Other additions	—	5,801	5,801	1,586	765	2,627
Total revenues and other additions	2,772,314	886,429	3,658,743	9,253	111,015	513,080
Expenditures and other deductions:						
Educational and general expenditures	3,329,440	886,606	4,216,046	—	—	—
Hospitals and clinics	780,150	52	780,202	—	—	—
Auxiliary enterprises expenditures	353,685	417	354,102	—	—	—
Indirect cost recovered	—	102,431	102,431	—	—	—
Refunded to grantors	—	—	—	267	—	—
Loan cancellations and write-offs	—	—	—	3,082	—	—
Administration costs	—	—	—	1,689	—	—
Expended for plant facilities	—	—	—	—	—	191,455
Additional Indebtedness incurred to effect refinancing	—	—	—	—	—	22,312
Debt service:						
Principal	—	—	—	—	—	213,196
Interest	—	—	—	—	—	350,401
Plant and equipment write-offs and disposals	—	—	—	—	—	58,000
Loss on debt refinancing	—	—	—	—	—	22,415
Other deductions	—	—	—	135	—	4,248
Total expenditures and other deductions	4,463,275	989,506	5,452,781	5,173	—	862,027
Transfers from (to) other funds:						
Mandatory:						
Debt service and reserve requirements	(370,030)	—	(370,030)	—	—	370,030
Renewals and replacements	(650)	—	(650)	650	—	—
Loan fund matching grant	(237)	—	(237)	237	—	—
Nonmandatory:						
Interfund transfers	(49,158)	(2,998)	(52,156)	(163)	1,996	50,323
State appropriations	2,137,256	114,854	2,252,110	—	—	281,410
Total transfers from (to) other funds	1,717,181	111,856	1,829,037	724	1,996	701,763
Net increase for the year	26,220	8,779	34,999	4,804	113,011	352,816
Fund balances at April 1, 1998	123,408	177,703	301,111	149,967	605,680	3,147,172
Fund balances at March 31, 1999	\$ 149,628	\$ 186,482	\$ 336,110	\$ 154,771	\$ 718,691	\$ 3,499,988

See accompanying notes to financial statements.

Combined Statement of Current Funds Revenues, Expenditures and Other Changes

EXHIBIT G

COLLEGE AND UNIVERSITY FUNDS

Year Ended March 31, 1999

(Amounts in thousands)

	Unrestricted	Restricted	Total (Memorandum Only)
Revenues:			
Tuition and fees	\$ 1,148,768	\$ —	\$ 1,148,768
Governmental appropriations:			
Federal	19,084	—	19,084
New York City	22,953	4,225	27,178
Government grants and contracts:			
Federal	128,009	421,027	549,036
New York State	20,333	170,042	190,375
New York City	3,234	26,668	29,902
Local	3,195	7,692	10,887
Private gifts, grants and contracts	152,081	116,490	268,571
Endowment income	4,112	15,060	19,172
Sales and services:			
University hospitals and clinics	753,305	—	753,305
Educational activities	27,390	112	27,502
Auxiliary enterprises	402,798	62	402,860
Other	87,052	10,843	97,895
Total revenues	2,772,314	772,221	3,544,535
Expenditures and mandatory transfers:			
Educational and general:			
Instruction	1,546,315	128,997	1,675,312
Research	141,714	269,937	411,651
Public service	94,249	66,274	160,523
Academic support	265,087	32,032	297,119
Student services	233,483	17,257	250,740
Institutional support	551,179	45,861	597,040
Operation and maintenance of plant	439,444	2,805	442,249
Scholarships and fellowships	57,969	323,443	381,412
Educational and general expenditures	3,329,440	886,606	4,216,046
Mandatory transfers:			
Debt service	307,712	—	307,712
Loan fund matching grant	887	—	887
Total educational and general	3,638,039	886,606	4,524,645
Hospitals and clinics:			
Expenditures	780,150	52	780,202
Mandatory transfers for debt service	20,441	—	20,441
Total hospitals and clinics	800,591	52	800,643
Auxiliary enterprises:			
Expenditures	353,685	417	354,102
Mandatory transfers for debt service	41,877	—	41,877
Total auxiliary enterprises	395,562	417	395,979
Total expenditures and mandatory transfers	4,834,192	887,075	5,721,267
Other transfers and additions (deductions):			
Excess of restricted additions over expenditures	—	11,777	11,777
Transfer from (to):			
Endowment and similar funds	(2,567)	(198)	(2,765)
Loan funds	156	(37)	119
Plant funds	(49,512)	(811)	(50,323)
State appropriations	2,137,256	114,854	2,252,110
Other	2,765	(1,952)	813
Total other transfers and additions (deductions)	2,088,098	123,633	2,211,731
Net increase in fund balances	\$ 26,220	\$ 8,779	\$ 34,999

See accompanying notes to financial statements.

Statement of Changes in Net Plan Assets

EXHIBIT H

STATE AND LOCAL RETIREMENT SYSTEMS

Year Ended March 31, 1999

(Amounts in thousands)

	Employees Retirement System	Police & Fire Retirement System	Total
Additions:			
Investment income	\$ 8,238,544	\$ 1,534,268	\$ 9,772,812
Less securities lending expenses	(367,545)	(68,448)	(435,993)
Less investment expenses	(94,473)	(17,594)	(112,067)
Net investment income	7,776,526	1,448,226	9,224,752
Contributions:			
Employers	239,670	52,012	291,682
Employees	398,705	1,115	399,820
Others	84,344	26,459	110,803
Total contributions	722,719	79,586	802,305
Total additions	8,499,245	1,527,812	10,027,057
Deductions:			
Benefits paid	2,986,313	584,172	3,570,485
Administrative expenses	46,059	6,547	52,606
Total deductions	3,032,372	590,719	3,623,091
Net increase	5,466,873	937,093	6,403,966
Net assets held in trust for pension			
benefits at beginning of year	89,730,033	16,589,143	106,319,176
Net assets held in trust for pension			
benefits at end of year	\$ 95,196,906	\$ 17,526,236	\$ 112,723,142

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 1999

Note 1 Summary of Significant Accounting Policies

The accompanying general purpose financial statements of the State of New York (State) have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard-setting body for establishing governmental accounting and financial reporting principles.

The general purpose financial statements have been prepared primarily from accounts maintained by the State Comptroller. Additional data has been derived from reports prescribed by the State Comptroller and prepared by State departments, agencies, public benefit corporations and other entities based on independent or subsidiary accounting systems maintained by them.

a. Reporting Entity

The general purpose financial statements include all funds and account groups of the primary government, which is the State, as well as the component units and other organizational entities determined to be included in the State's financial reporting entity.

The decision to include a potential component unit in the State's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the State's reporting entity.

New York Local Government Assistance Corporation

The New York Local Government Assistance Corporation (Corporation) was created by Chapter 220 of the Laws of 1990. The Corporation is administered by three directors consisting of the State Comptroller and the Director of the Division of the Budget, serving ex officio, and one director appointed by the Governor. The Corporation was created to issue long-term debt on behalf of the State to finance certain local assistance aid payments plus amounts necessary to fund a capital reserve fund and other issuance costs. Therefore, the Corporation is a component unit, part of the primary government and reported in the Debt Service Funds.

State and Local Retirement System

The State and Local Retirement System (System) was established by State statute with the State Comptroller designated as sole trustee and administrative head of the System. The System's costs, based upon actuarial valuations, are funded by the State, participating governmental employers and participants. The System is a part of the primary government and is reported in the Fiduciary Funds.

College and University Funds

For financial reporting purposes, the State University of New York (SUNY) and the senior colleges of the City University of New York (CUNY) are included as part of the primary government (excluding community colleges) and reported in the College and University Funds. Included within the College and University Funds are the Research Foundations at both SUNY and CUNY, the State and City University Construction Funds, auxiliary service corporations and other affiliated operations.

Component Units

The Discretely Presented Component Units—Public Benefit Corporations (Corporations) listed in Note 16 were established by State statute with full corporate powers. The Governor, with the approval of the State Senate, appoints most members of the board of directors of most Corporations and either the Governor or the board of directors selects the chairman and chief operating officer. Corporations generally submit annual reports to the Governor, the Legislature, and the State Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The State Comptroller is empowered to conduct financial and management audits of the Corporations. Financial assistance was provided in the fiscal year ended March 31, 1999 to certain Corporations and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of the Corporations. Since the Corporations are legally separate organizations for which the Governor and Legislature are financially accountable, they are discretely presented as component units of the State.

Related Organizations

The State's officials are also responsible for appointing the members of the boards of other organizations, but the state's accountability for these organizations does not extend beyond making the appointments. The Governor appoints the board of the Municipal Assistance Corporation for the City of New York (MAC), which is the State's only significant related organization. MAC was created by the state to provide financing assistance and fiscal oversight for the City of New York (the City). Because of its integral relationship with the City, it is included as a component unit of the City's reporting entity.

b. Fund Accounting

The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The State records its transactions in the fund types and account groups described below. Transactions between funds within a fund type, if any, have been eliminated.

Governmental Fund Types:

General—is the general operating fund of the State and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Revenue—is used to account for the proceeds of specific revenue sources (other than debt service, expendable trust or major capital projects) such as Federal grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed by either the State Legislature or outside parties.

Debt Service—is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs of general long-term obligations. The operations and debt service related activities of the New York Local Government Assistance Corporation are included in the Debt Service Funds.

Capital Projects—is used to account for the financial resources used for acquisition or construction of major state-owned capital facilities and for capital assistance grants to local governments.

Account Groups:

General Fixed Assets Account Group—is used to account for general fixed assets of the State exclusive of fixed assets reported by the College and University Funds and the Discretely Presented Component Units—Public Benefit Corporations.

General Long-Term Obligations Account Group—is used to account for long-term obligations of the State including bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term obligations exclusive of liabilities of the College and University Funds and the Discretely Presented Component Units—Public Benefit Corporations.

College and University Funds:

College and University Funds account for the operations of both SUNY and CUNY. The accounts of the College and University Funds are derived from their annual financial statements for the fiscal year ended June 30, 1998.

Transactions reported by SUNY and CUNY are displayed in the College and University Funds described below:

Current funds include those assets which can be expended for any purpose in performing the primary objectives of the College and University. Resources restricted by donors or other outside agencies for specific operating purposes are accounted for as restricted current funds.

Loan funds include gifts and grants which are limited by the terms of the donors for the purpose of making loans to students.

Endowment and similar funds are subject to the restrictions of gift instruments, requiring in perpetuity that the principal be invested and the income only be utilized.

Plant funds include resources that have been or are to be invested in fixed assets and funds reserved to retire debt incurred to finance facilities.

Fiduciary Fund Types:

Fiduciary Funds include Expendable and Nonexpendable Trust Funds, Agency Funds and the State and Local Retirement System. The Expendable and Nonexpendable Trust Funds and Agency Funds are used to account for assets held by the State in a trustee capacity (e.g., unemployment compensation) or as an agent for individuals, private organizations and other governments. The accounts of the State and Local Retirement System are derived from their annual financial statements for the year ended March 31, 1999. Additional information about the State and Local Retirement System is provided in Note 15.

Component Units:

Component Units include the accounts of public benefit corporations, public authorities, not-for-profit corporations and similar entities. Amounts reported in the accompanying general purpose financial statements are derived from their most recently issued annual financial statements. Additional information about Component Units is provided in Note 16.

c. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. Nonexpendable Trust Funds, the State and Local Retirement System and Component Units—Public Benefit Corporations are accounted for on a flow of economic resources measurement focus.

Governmental Fund Types and Expendable Trust Funds are accounted for on the modified accrual basis of accounting. Revenues and related receivables are recorded in the accounting period that they become both measurable and available, i.e., earned and collected or expected to be collected within the next 12 months. Tax revenues are recorded by the State as taxpayers earn income (personal income, general business and other taxes), as sales are made (consumption and use taxes) and as the taxable event occurs (miscellaneous taxes), net of estimated overpayments (refunds). Receivables not expected to be collected within the next 12 months are offset by deferred revenues. Expenditures and related liabilities are recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, except for vacation leave and interest on general long-term obligations which are recorded when paid and certain pension contributions. The portion of the liabilities which are expected to be paid beyond 12 months is recorded in the General Long-Term Obligations Account Group except for certain lease/purchase arrangements (see Note 10).

Financial statements for College and University Funds have been prepared in accordance with the principles of fund accounting for colleges and universities on the accrual basis, except that no provision has been made for the depreciation of fixed assets. The statement of current funds revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. Student revenues are recognized in the accounting period earned. Included in non-mandatory transfers from State appropriations are transfers from the State used to support operating expenditures. State appropriation transfers are recognized as the expenditures are incurred. A receivable is recorded for amounts to be received in support of expenditures to be paid from appropriations of the current fiscal year which lapse 90 days after year-end. Also included in due from other funds are amounts to be provided by the General Fund of the State for certain compensated absences and fringe benefits.

Nonexpendable Trust Funds and the State and Local Retirement System are accounted for on the accrual basis. Agency Funds are custodial in nature (assets equal liabilities) and generally are accounted for on the cash basis which approximates the modified accrual basis of accounting.

Component Units—Public Benefit Corporations are accounted for on the accrual basis of accounting and apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Power Authority of the State of New York and the

Long Island Power Authority have elected to continue to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

d. Cash and Investments

Cash balances of funds held in the State Treasury are commingled in a general checking account and several special purpose bank accounts. The available cash balance in the general checking account beyond immediate need is pooled for short-term investment purposes. The balances pooled are limited to legally stipulated investments which are reported at cost which approximates fair value. At March 31, 1999, there were no non-interest bearing compensated balances included in cash and investments. At various times during the year, compensating balances could be substantially higher. Cash balances not held in the State Treasury and controlled by various State officials are generally deposited in interest-bearing accounts or other legally stipulated investments (see Note 2).

Generally, for purposes of reporting cash flows, cash includes cash and cash equivalents and short-term investments with maturities, when purchased, of three months or less. The Combined Statement of Cash Flows presented in Exhibit E uses the indirect method of reporting cash flows.

In March 1997, the GASB issued Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which establishes accounting and financial reporting standards for all investments held by governments and governmental external investment pools. The State has adopted the provisions of this statement for the fiscal year ended March 31, 1999 and the impact was insignificant. In accordance with this pronouncement, all investments with a maturity of more than a year are recorded on the balance sheet at fair value and all investment income, including changes in the fair value of investments, are reported as revenue in Exhibits B and D. Investments of the short-term investment pool have a maturity of one year or less and are recorded at cost in accordance with Statement No. 31. Fair values were determined using market values at March 31, 1999.

e. Receivables

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based upon past collection experience and current economic conditions. Due from Federal Government represents amounts owed to the State to reimburse it for expenditures incurred pursuant to federally funded programs. Other receivables represent amounts owed to the State, including lottery revenues, student loans and patient fees of SUNY and Health Department hospitals and various Mental Hygiene facilities.

f. Fixed Assets

The State reports fixed assets in the General Fixed Assets Account Group, while SUNY and CUNY report fixed assets in the Plant Fund within the College and University Funds. Fixed assets consist of: (1) land in urban centers, rural areas, and forest preserves; (2) land improvements; (3) buildings which house State offices, correctional facilities, hospitals, and educational facilities; (4) equipment used in construction work, hospitals, offices, etc.; (5) library books; and (6) construction in progress. Fixed assets in the General Fixed Assets Account Group and the College and University Funds are reported at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Generally, equipment which has a cost in excess of \$25 thousand at the date of acquisition and has an expected useful life of two or more years is capitalized. All initial building costs and land are capitalized. Land improvements in excess of \$100 thousand are capitalized. Building improvements and renovations in excess of \$100 thousand are capitalized if 75% of the useful life of the component has expired and if the useful life of the asset has been extended as a result of the renovation or the improvement has a useful life of two or more years. Interest incurred during construction is not capitalized. Fixed assets are not depreciated. Infrastructure (e.g., roads, bridges, dams, canals, etc.) is not reported in the General Fixed Assets Account Group.

g. Long-Term Obligations

The liabilities reported in the General Long-Term Obligations Account Group include the State's general obligation bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term liabilities including vacation leave, sick leave, litigation, Medicaid (State and Federal share), workers' compensation and other insurance related liabilities pertaining to the Governmental Funds.

h. Compensated Absences

The State records vacation leave as an expenditure when paid. The estimated liability at March 31, 1999 of \$582 million is reported in the General Long-Term Obligations Account Group. This represents a decrease of \$38 million over the prior year. State employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days a year, but may accumulate no more than a maximum of 40 days.

SUNY employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 21 days per year and may accumulate no more than a maximum of 40 days. CUNY employees accrue vacation leave based upon the number of years

employed, with the maximum accumulation generally ranging from 45 to 50 days. The liability for vacation leave approximated \$110 million and \$30 million for SUNY and CUNY, respectively, at June 30, 1998, and is reported in the College and University Funds.

State, SUNY and CUNY employees earn sick leave credits which are considered termination payments. Sick leave credits earned by State and SUNY employees may be used to pay the employees' share of post-retirement health insurance premiums. CUNY employees may receive payments of up to 50% of the value of their accumulated sick leave as of the date of retirement from CUNY. The sick leave liability for State employees, reported in the General Long-Term Obligations Account Group at March 31, 1999, was \$715 million and represents an increase of \$17 million from the prior year. SUNY and CUNY reported a liability of \$183 million and \$6 million, respectively, for sick leave credits in the College and University Funds.

i. Lease Accounting

The construction of certain State office buildings, campus facilities, and other public facilities has been financed through bonds and notes issued by public benefit corporations or local governments pursuant to lease/purchase agreements with the State (see Note 10).

These lease/purchase contracts are capital leases for which the State's rental payments over the duration of the agreements constitute long-term liabilities. The amount included in obligations under lease/purchase and other financing arrangements consists of total future principal payments and equals the outstanding balance of the related bonds and notes.

j. State Lottery

The State Lottery is accounted for within two funds. The revenues, administrative costs, aid to education and the expenditures for amounts allocated to prizes are reported in a Special Revenue Fund. Uncollected ticket sales at March 31, 1999 are accrued. Monies allocated to prizes are accumulated in an Agency Fund to be distributed at the appropriate time. Such monies are invested in United States government backed obligations which are recorded at fair value. Lottery long-term prize liabilities are recorded at a discounted value equivalent to the related investments. At March 31, 1999, the long-term prize liabilities of approximately \$2.8 billion were reported at a discounted value of approximately \$1.5 billion (at interest rates of 3.01% to 13.55%).

k. Reservations of Fund Balance

Employees' Pension Benefits

Employees' pension benefits represents the State and Local Retirement System net assets available to finance pension benefit obligations (see Note 15).

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General Fund, Special Revenue Funds and Capital Projects Funds. The cost of construction contract commitments generally is recorded as an encumbrance of Capital Projects Funds and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Unemployment Benefits

Fund balance reserved for unemployment benefits represents net assets available to fund future unemployment benefit payments.

Debt Service

Fund balance reserved for debt service represents various capital reserve assets available to finance future debt service payments in accordance with the underlying bond indentures.

Tax Stabilization

Pursuant to law, receipts in excess of disbursements of the Local Assistance and State Purposes Accounts not otherwise appropriated are required to be transferred to the Tax Stabilization Reserve Account at the end of each fiscal year. These amounts may be borrowed by these two accounts temporarily and repaid within the same fiscal year. They may also be borrowed to cover an operating deficit at year-end. Generally, these loans must be repaid within six years in no less than three equal annual installments. During the year the State increased the reserve by \$73 million.

Other Specified Purposes

The amount of fund balance reserved for other specified purposes represents the net amount of appropriated loans receivable (see Note 4), the Contingency Reserve (\$107 million), Community Projects (\$246 million) and amounts available to fund various fiduciary arrangements. The amount reported for other specified purposes in the College and University Funds consists of unrestricted and restricted current funds, loan funds, endowment and similar funds and expendable plant funds.

l. Post-Retirement Benefits

In addition to providing pension benefits, the State is statutorily required to provide health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the State's employees may become eligible for these benefits if they reach normal retirement age while working for the State.

Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the State and the retired employee. The State recognizes the cost of providing health insurance by recording its share of insurance premiums (\$408 million for 112,513 retirees and their dependents) as an expenditure in the General Fund in the year paid. Additionally, the survivor's benefit program provides for a death benefit to be paid by the State to a retiree's designated beneficiary. During the year, approximately \$9.2 million was paid on behalf of 3,179 retirees and recorded as an expenditure in the General Fund.

m. Deficit Fund Balances

As of March 31, 1999, fund deficits were reported in the State Housing Debt Fund (\$11.7 million), the Dedicated Highway and Bridge Trust Fund (\$42.5 million), the Environmental Quality Protection Fund (\$23.0 million), the Accelerated Capacity and Transportation Improvements Fund (\$47.0 million), the Division for Youth Facilities Improvement Fund (\$10.6 million), the Housing Program Fund (\$76.0 million), the Department of Transportation Engineering Services Fund (\$185.8 million), the Mental Hygiene Facilities Capital Improvement Fund (\$170.5 million), the Correctional Facilities Capital Improvement Fund (\$86.3 million), and the Miscellaneous Capital Projects Fund (\$28.3 million). The deficits related to the Capital Projects Funds are the result of differences in cash flow timing relating to the reimbursement of capital project costs from bond proceeds and are routinely resolved during subsequent fiscal years.

n. Total (Memorandum Only)

Total columns in Exhibits F and G in the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

o. Estimates

The preparation of the general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 Cash and Investments

Custodians are authorized by various statutes to deposit funds in checking accounts or interest-bearing accounts including certificates of deposit. Legally authorized investments vary by fund but generally include: obligations of or guaranteed by the United States; obligations of New York State and its political subdivisions, and repurchase agreements. Information on cash and investments of the State and Local Retirement System is presented in Note 15.

Cash

The State maintains approximately 3,000 bank accounts for various purposes at locations throughout the State. Bank deposits may be under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance or under the sole custody of a specified State official. Both the State Comptroller and the Commissioner of Taxation and Finance are also sole custodians of certain accounts. Cash balances not required for immediate use are invested either through a short-term investment pool (STIP) administered by the State Comptroller or by the fund custodian.

For demand or checking accounts, the State requires that its depository banks pledge collateral based on average daily available bank balances. All securities pledged as collateral are held by the State's fiscal agent in the name of the State. The use of average daily available balances to determine collateral requirements results in the available balances being

under-collateralized at various times during the fiscal year. The State's cash management policy is to invest all major revenues as soon as the monies are available within the banking system which limits under collateralization. The State's deposits with financial institutions were fully collateralized at fiscal year-end except for accounts with a total book balance of \$245 million and bank balance of \$239 million. The bank balance of \$239 million was uninsured and uncollateralized.

Investments

The State holds investments both for its own benefit and as an agent for other parties. Major investment programs conducted for the direct benefit of the State include STIP which is used for the temporary investment of funds not required for immediate payments, sole custody funds administered by the Department of Taxation and Finance, and funds of the Division of the Lottery.

The following table presents the carrying amount and fair value of investments by type and categorizes the carrying amounts as follows: Category 1 are those which are insured or registered, or held by the State or its agent in the State's name. Category 2 are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name (amounts in thousands):

	Category			Reported Amount	Fair Value
	1	2	3		
Government securities	\$ 3,576,090	\$ 443,043	\$ 1,370,027	\$ 5,389,160	\$ 5,581,522
Repurchase agreements	2,262,655	1,025,740	188,253	3,476,648	3,507,827
Commercial paper	6,139,260	—	—	6,139,260	6,180,650
Corporate bonds/notes	100	—	27,181	27,281	27,281
Other	99,473	61,612	836,708	997,793	997,793
Total	\$ 12,077,578	\$ 1,530,395	\$ 2,422,169	\$ 16,030,142	\$ 16,295,073

Disclosures relating to risk and type of investment as presented above report positions held as of March 31, 1999.

Also included in the accompanying general purpose financial statements are securities which either were not acquired for investment purposes or cannot be classified or categorized. The State holds cash and securities deposited by contractors in lieu of retainage on contract payments (carrying amount and fair value of \$86 million). SUNY has investments for endowment and similar funds of approximately \$641 million (Category 1). CUNY has investments in mutual funds and amounts held by the Dormitory Authority of \$5 million

and \$92 million, respectively. In addition, CUNY lends certain securities to broker-dealers and other entities under a contractual agreement with its custodian. In exchange for the securities loaned, CUNY receives collateral, which has an underlying fair value in amounts not less than 102% of securities lent. The custodian may invest the cash collateral in U.S. Government securities or repurchase agreements, which are fully collateralized by U.S. Government securities, high grade corporate obligations, high grade asset-backed securities or domestic money market instruments (carrying amount and fair value of \$32 million) (Category 3).

Note 3 Taxes Receivable and Tax Refunds Payable

Taxes Receivable

Taxes receivable represent amounts owed by taxpayers for the 1998 calendar year and the first quarter of the 1999 calendar year, including assessments for underpayments, penalties and interest. Taxes receivable are accrued when they become both measurable and available based on actual collections or estimates of amounts to be collected during the next 12 months.

Personal income tax (PIT) revenues are reported by the State as income is earned by the taxpayers. The primary components of the PIT receivable are the estimated and withholding payments which relate to the first quarter of the 1999 calendar year, payments with final returns which relate to the 1998 calendar year, and assessments which relate to prior tax periods.

Consumption and use tax revenues are reported by the State in the fiscal period when the sale is made. The principal component of this receivable is sales tax receivables which include sales tax due through March 31, 1999 and assessments.

General business tax revenues are reported by the State as businesses earn income. General business tax receivables are comprised of estimated tax payments, payments remitted with final returns, and assessments.

Unemployment tax receivables represent taxes on payrolls incurred by employers prior to April 1, 1999 and received by the State after March 31, 1999.

Taxes receivable at March 31, 1999 are summarized as follows (amounts in thousands):

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>
Personal income	\$ 4,404,475	\$ —	\$ —	\$ —	\$ —
Consumption and use	537,017	20,363	147,548	45,539	—
Business	203,046	29,746	—	21,858	—
Unemployment	—	—	—	—	913,318
Other	257,460	—	22,455	—	—
Total	\$ 5,401,998	\$ 50,109	\$ 170,003	\$ 67,397	\$ 913,318

Tax Refunds Payable

Tax refunds payable primarily represent amounts owed to taxpayers because of overpayments of their 1998 calendar year and first quarter 1999 calendar year tax liabilities. Tax refunds payable, which reduce respective tax revenues, are accrued to the extent they are measurable based on payments and estimates. The amount of PIT refunds payable is comprised of estimates of

overpayments of the first calendar quarter (1999) tax liability and payments of 1998 calendar and prior year refunds. The remaining portion of tax refunds payable is comprised of payments made subsequent to the end of the fiscal year and estimates of the refund liability.

Tax refunds payable at March 31, 1999 are summarized as follows (amounts in thousands):

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Personal income	\$ 2,857,382	\$ —	\$ —	\$ —
Consumption and use	25,296	1,031	8,211	2,446
Business	479,205	58,373	—	1,405
Other	53,864	—	827	—
Total	\$ 3,415,747	\$ 59,404	\$ 9,038	\$ 3,851

Note 4 Other Receivables

Other receivables at March 31, 1999 are summarized as follows (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects	College and University	Trust and Agency
Miscellaneous receivables:						
Lottery	\$ —	\$ 57,925	\$ —	\$ —	\$ —	\$ 64,260
Patient fees	—	—	212,947	—	343,065	—
Student loans	—	—	—	—	197,522	—
State and local retirement system	—	—	—	—	—	2,227,309
Other	598,028	119,302	93,404	7,416	323,357	251,128
	598,028	177,227	306,351	7,416	863,944	2,542,697
Allowance for uncollectibles	(7,699)	(12,445)	(142,305)	(1,006)	(253,087)	—
	590,329	164,782	164,046	6,410	610,857	2,542,697
Appropriated loans:						
Assessments	3,067	—	—	9,278	—	—
Due from local governments	5	—	—	24,603	—	—
Due from public benefit corporations	18,888	8,500	—	186,369	—	—
	21,960	8,500	—	220,250	—	—
Allowance for uncollectibles	(16,335)	—	—	(199,712)	—	—
	5,625	8,500	—	20,538	—	—
Total	\$ 595,954	\$ 173,282	\$ 164,046	\$ 26,948	\$ 610,857	\$ 2,542,697

Appropriated loans represent monies appropriated in the form of loans or advances from the General Fund and a Special Revenue Fund to finance agency, local government or public benefit corporations' operations, or from various Capital Projects Funds to finance construction or debt service of public benefit corporations or local governments. The underlying appropriation bills provide that amounts will be repaid pursuant to repayment agreements with public benefit corporations or local governments. The loans are

reported net of estimated uncollectible amounts and as a reservation of fund balance.

Pursuant to an agreement with the Port Authority of New York and New Jersey, the State sold its lease rights at the World Trade Center in return for a series of payments to the State over a period of 30 years (see Note 17). A receivable for \$493 million has been recorded in the General Fund (included as other in the table above) and offset by deferred revenues of \$479 million which represents the long-term portion of the receivable.

Note 5 Fixed Assets

The following is a summary of changes in fixed assets in the General Fixed Assets Account Group for the year ended March 31, 1999 (amounts in thousands):

Classes	Balance	Additions	Deletions	Balance
	April 1, 1998			March 31, 1999
Land	\$ 887,011	\$ 58,341	\$ 1,990	\$ 943,362
Land improvements	315,896	15,176	294	330,778
Buildings	5,888,559	282,011	22,960	6,147,610
Equipment	705,680	37,834	16,217	727,297
Construction in progress	1,245,428	266,868	229,097	1,283,199
Total	\$ 9,042,574	\$ 660,230	\$ 270,558	\$ 9,432,246

The following represents year-end balances of fixed assets for the year ended June 30, 1998 for SUNY and

CUNY as reported in the College and University Funds (amounts in thousands):

<u>Classes</u>	<u>SUNY</u>	<u>CUNY</u>	<u>Total</u>
Land and improvements	\$ 383,206	\$ 150,457	\$ 533,663
Buildings	3,379,353	2,211,065	5,590,418
Equipment	1,076,824	391,571	1,468,395
Construction in progress	268,534	183,465	451,999
Artwork	—	5,910	5,910
Total	\$ 5,107,917	\$ 2,942,468	\$ 8,050,385

Note 6 Liabilities

The following summarizes payable to local governments at March 31, 1999 (amounts in thousands):

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>
Handicapped pupil education programs	\$ 700,609	\$ —	\$ —	\$ —
Other education programs	86,958	64,809	—	—
Temporary and disability assistance programs	233,969	487,505	—	—
Local health programs	130,673	38,352	—	—
Mental hygiene programs	58,125	20,145	—	—
Criminal justice programs	87,472	6,147	—	—
Child and family services programs	69,833	35,291	—	—
Personal income tax offsets	184,789	—	—	—
Local share of sales tax revenues	—	—	—	764,473
Agency funds	—	—	—	695,453
Miscellaneous	114,014	67,819	35,573	25
Total	\$ 1,666,442	\$ 720,068	\$ 35,573	\$ 1,459,951

The following summarizes accrued liabilities at March 31, 1999 (amounts in thousands):

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>College and University</u>	<u>Trust and Agency</u>
Payroll	\$ 293,356	\$ 23,604	\$ 12,265	\$ 98,207	\$ —
Fringe benefits	147,972	6,346	3,625	49,514	—
Compensated absences	—	—	—	413,037	—
Medicaid	1,463,139	2,304,588	—	—	—
Litigation	47,044	—	—	60,196	—
Escheat property settlement	17,675	—	—	—	416,135
Workers' compensation claims	154,410	—	—	—	—
Interest payable	—	—	—	214,756	—
Agency funds	—	—	—	—	4,040,409
Retirement Systems (See Note 15)	—	—	—	—	9,171,221
Miscellaneous	33,864	14,240	22,764	396,725	141,604
Total	\$ 2,157,460	\$ 2,348,778	\$ 38,654	\$ 1,232,435	\$ 13,769,369

Note 7 Short-Term Financing

Notes, including commercial paper and bond anticipation notes, are issued by the State in anticipation of the proceeds of voter-authorized bond issues. Notes may be issued for a term not exceeding two years. The notes may be redeemed only from the proceeds of permanent bonds or reissued notes. Notes outstanding at March 31, 1999 were issued at rates of 1.60% to 4.25%

in the form of commercial paper. The notes require the issuance of a line of credit to cover total outstanding obligations. At March 31, 1999, the State's line of credit related to the outstanding notes totaled \$300 million with an expiration date of November 24, 1999. Interest on short-term financing is paid from the General Fund.

Changes in Capital Projects Fund's notes during the year (not including renewals) were as follows (amounts in thousands):

Purpose	Outstanding April 1, 1998	Issued	Redeemed	Outstanding March 31, 1999
Accelerated capacity and transportation improvements of the nineties	\$ 216,000	\$ —	\$ 148,000	\$ 68,000
Clean water/clean air:				
Environmental restoration	150	—	—	150
Clean water	57,750	—	—	57,750
Solid waste	—	12,000	—	12,000
Energy conservation through improved transportation	1,200	—	600	600
Environmental quality (1986):				
Land acquisition	7,000	2,500	1,000	8,500
Solid waste management	—	3,500	—	3,500
Environmental quality protection (1972):				
Air	500	25,000	—	25,500
Land and wetlands	4,000	500	—	4,500
Water	3,000	500	3,000	500
Rebuild New York—transportation infrastructure renewal:				
Highways, parkways, bridges	4,000	1,000	1,000	4,000
Total	\$ 293,600	\$ 45,000	\$ 153,600	\$ 185,000

Note 8 Bonds Payable

General obligation bonds are backed by the full faith and credit of the State and must be repaid in equal annual installments beginning not more than one year

after issuance of such bonds. Changes for the year were as follows (amounts in thousands):

Purpose	Outstanding April 1, 1998	Issued	Redeemed	Outstanding March 31, 1999
Accelerated capacity and transportation improvements of the nineties (3.75%-7.1%)	\$ 1,759,132	\$ 166,917	\$ 185,385	\$ 1,740,664
Clear water/clean air (4.1%-6.4%)	102,204	106,668	6,255	202,617
Environmental quality (1986):				
Land acquisition (4.0%-7.1%)	146,716	2,536	11,582	137,670
Solid waste management (4.0%-6.9%)	687,774	91,336	32,891	746,219
Environmental quality protection (1972):				
Air (4.5%-7.8%)	18,773	90	3,157	15,706
Land and wetlands (4.0%-12.0%)	120,806	5,977	10,531	116,252
Water (3.75%-12.0%)	333,239	4,009	22,923	314,325
Higher education (2.0%-6.5%)	27,280	—	5,800	21,480
Housing:				
Low income (1.0%-7.0%)	223,201	—	18,797	204,404
Middle income (3.4%-6.75%)	89,043	—	3,197	85,846
Urban renewal (4.25%-7.8%)	3,469	13	822	2,660
Outdoor recreation development (4.1%-7.8%)	4,568	6	1,956	2,618
Parks and recreation land acquisition (4.25%-7.8%)	786	3	222	567
Pure waters (2.0%-12.0%)	319,545	5,130	31,560	293,115
Rail preservation (4.0%-12.0%)	94,567	541	5,712	89,396
Transportation capital facilities:				
Highways	4,500	—	4,500	—
Mass transportation (2.0%-12.0%)	273,762	685	35,102	239,345
Aviation (3.0%-12.0%)	108,025	337	9,724	98,638
Energy conservation through improved transportation (4.0%-12.0%)	143,829	2,583	18,181	128,231
Rebuild New York—transportation infrastructure renewal:				
Highways, parkways, bridges (4.1%-7.1%)	166,223	1,033	68,210	99,046
Ports, canals, waterways (4.1%-7.8%)	16,853	89	3,380	13,562
Rapid transit, rail, aviation (4.1%-7.8%)	94,974	452	7,680	87,746
Total	\$ 4,739,269	\$ 388,405	\$ 487,567	\$ 4,640,107

Debt service expenditures related to the above general obligation bonds during the year were \$739 million.

Debt service requirements for general obligation bonds in future years, which are financed by transfers from the General Fund, are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2000	\$ 477,785	\$ 242,099	\$ 719,884
2001	435,527	215,474	651,001
2002	385,593	191,943	577,536
2003	350,399	171,637	522,036
2004	293,567	154,803	448,370
Thereafter ...	2,697,236	871,445	3,568,681
Total	\$ 4,640,107	\$ 1,847,401	\$ 6,487,508

Note 9 Local Government Assistance Corporation

In past years certain payments due to the State's local government units in the first quarter of the State's fiscal year exceeded available State funds. To meet these payments in the past, the State issued short-term tax and revenue anticipation notes called the annual spring borrowing. The New York Local Government Assistance Corporation (Corporation) was established by Chapter 220 of the Laws of 1990 (as amended by Chapter 2 of the Laws of 1991) to issue up to \$4.7 billion in long-term debt to finance certain local assistance aid payments plus amounts necessary to fund a capital reserve fund and other issuance costs. Issuance of the entire \$4.7 billion bond authorization as of March 31, 1996 eliminated the need for the State's annual spring borrowing.

Payments of debt service on the Corporation's bonds will be made from funds received from the State. Pursuant to the Act establishing the Corporation, the State deposits 25% of the total State sales and use tax collected into the Local Government Assistance Tax Fund (a Debt Service Fund) which is to be used to make payments to the Corporation. Amounts in excess of the Corporation's needs are subsequently transferred to the General Fund. Payments to the Corporation are subject to annual appropriations by the Legislature. The Corporation's bondholders do not have a lien on monies deposited in the Local Government Assistance Tax Fund.

Any issuance of bonds by the Corporation in the future will be for refunding purposes only. In October of 1998, the Corporation issued \$307 million in series 1998A refunding bonds to defease \$292 million of principal of outstanding series 1991B, 1992B and C, and 1995A bonds. This refunding resulted in a cash flow savings of \$22.5 million and a present value savings of \$17 million.

The total amount of general obligation bonds authorized but not issued at March 31, 1999 was \$2.033 billion.

In July 1998, \$557 million General Obligation refunding issue (Series 98F) was completed. The issue refunded \$526 million in existing debt with a cash flow savings of \$35 million and present value savings of \$28 million.

The Corporation's general bond resolution requires one or more capital reserve accounts be established and funded in an amount equal to the maximum amount of principal, sinking fund installments or redemption price of and interest on all bonds outstanding or on any related reimbursement obligations coming due during the then current or any succeeding fiscal year. The Corporation may also fund a capital reserve account with a surety bond or other similar instrument. The capital reserve (\$436 million) is reported as cash and investments in the Debt Service Funds with a corresponding reservation of fund balance.

For purposes of calculating future interest payments on the Series 1993A, 1994B and 1995B - G variable interest rate bonds, a constant rate of 6% has been used. All other bonds have interest rates ranging from 4.1% to 7.0%. Debt Service requirements for future years are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2000	\$ 111,725	\$ 273,172	\$ 384,897
2001	116,520	266,640	383,160
2002	123,120	259,352	382,472
2003	130,175	251,962	382,137
2004	133,725	244,562	378,287
Thereafter ...	4,499,295	2,883,120	7,382,415
Total	\$ 5,114,560	\$ 4,178,808	\$ 9,293,368

The use of the Corporation's bond proceeds to fund \$4.7 billion in local assistance payments had the effect of reducing the General Fund accumulated deficit. The General Fund fund balance, reported in Exhibit A, would have been an accumulated deficit of \$2.935 billion without the Corporation's bond proceeds.

At March 31, 1999, approximately \$2.59 billion of refunded bonds from prior years remain outstanding.

Note 10 Obligations Under Lease/Purchase and Other Financing Arrangements

The State has entered into lease/purchase agreements with certain public benefit corporations, municipalities and other entities for various capital assets. Under these agreements, construction costs are initially paid by the State from appropriations (reported as capital construction expenditures in the Capital Projects Funds). These appropriations are then repaid to the State from the proceeds of bonds issued by the public benefit corporations or other entities (reported as proceeds from financing arrangements in the Capital Projects Funds). The State becomes the tenant of the facility under a lease/purchase agreement which provides for the payment of rentals sufficient to cover the related bond debt service and for the passage of title to the State after the bonds have been repaid.

The State has also entered into contractual obligation financing arrangements (also referred to as “service contract bonds”) with certain public benefit corporations. The terms of these arrangements require the State to fund the debt service requirements of the

specific debt issued by these entities. The public benefit corporations retain title to the assets acquired with the bond proceeds.

During the year, the State entered into various arrangements for the refinancing and purchase of equipment and real property through the issuance of certificates of participation. These certificates are issued through a trustee and the State is responsible for payments to the trustee that approximate the interest and principal payments made by the trustee to the certificate holders. The State maintains custody and use of the equipment and real property. However, title is held by the trustees as security for the certificate holders until such time as the certificates are fully paid. Proceeds from the issuance of these certificates and the related capital construction expenditures are accounted for in essentially the same manner as lease/purchase agreements.

Changes in lease/purchase and other financing arrangements for the year were as follows (amounts in thousands):

Issuer	Outstanding April 1, 1998	Issued	Redeemed	Outstanding March 31, 1999
Public Benefit Corporations (see Note 16):				
Housing Finance Agency	\$ 1,057,341	\$ 99,200	\$ 29,500	\$ 1,127,041
Dormitory Authority—Other	2,031,167	160,955	216,351	1,975,771
Dormitory Authority—Mental Health				
Services Facilities	3,595,129	813,335	651,990	3,756,474
Thruway Authority	3,912,200	1,346,350	522,360	4,736,190
Triborough Bridge & Tunnel Authority	411,140	—	22,375	388,765
Metropolitan Transportation Authority	2,061,119	124,675	171,060	2,014,734
Urban Development Corporation	3,512,370	419,010	79,668	3,851,712
Community Enhancement Facilities Assistance Program	—	187,050	—	187,050
Environmental Facilities Corporation	325,655	30,765	22,310	334,110
Energy Research & Development Authority	89,790	14,345	7,235	96,900
Total PBCs	16,995,911	3,195,685	1,722,849	18,468,747
Other Entities:				
County of Albany	44,775	—	17,335	27,440
Total PBCs and other entities	17,040,686	3,195,685	1,740,184	18,496,187
Certificates of Participation	250,115	179,135	86,000	343,250
Local Government Assistance Corporation (see Note 9)	5,199,315	307,290	392,045	5,114,560
Total	\$ 22,490,116	\$ 3,682,110	\$ 2,218,229	\$ 23,953,997

Debt service expenditures for the aforementioned obligations during the year were \$2.1 billion. These expenditures were financed primarily by the revenues reported in the Debt Service Funds, transfers of Medicaid monies from the Special Revenue Funds and transfers from the General Fund (see Note 11).

Certain of the underlying bond indentures require the maintenance of various reserves. Such amounts (\$1.6 billion) are reported as cash of the appropriate Debt Service Fund with a corresponding reservation of fund balance.

Following is a summary of the future minimum rental payments for lease/purchase and contractual obligations financing arrangements including interest at rates between 2.9% and 10% (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2000	\$ 824,430	\$ 1,015,611	\$ 1,840,041
2001	901,996	971,129	1,873,125
2002	939,079	921,120	1,860,199
2003	932,547	868,795	1,801,342
2004	889,252	817,849	1,707,101
Thereafter	14,008,883	7,281,154	21,290,037
Total	\$ 18,496,187	\$ 11,875,658	\$ 30,371,845

Certain certificates of participation issues require the maintenance of a reserve. These amounts (\$33 million) are reported as cash of the appropriate Debt Service Fund with a corresponding reservation of fund balance.

Debt service requirements for certificates of participation, which are financed by transfers from the General Fund, including interest at rates of 4.0% to 7.75%, are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2000	\$ 102,270	\$ 14,356	\$ 116,626
2001	87,995	9,874	97,869
2002	73,720	6,002	79,722
2003	47,505	3,030	50,535
2004	26,580	1,136	27,716
Thereafter	5,180	363	5,543
Total	\$ 343,250	\$ 34,761	\$ 378,011

Issue Description

Dormitory Authority:

Issue Description	Refunding Amount	Refunded Amount	Cash Flow Gain	Present Value Gain
Mental Health Services—1998D	\$ 328,130	\$ 293,005	\$ 13,276	\$ 11,158
Mental Health Services—1998G	90,030	81,025	2,737	2,539
Mental Health Services—1999C	175,870	166,015	7,424	4,844
Department of Health—Series 1998	50,510	43,610	3,007	1,824
State Portion of CUNY Community Colleges:				
Refunded by Series 1998A, 1998B, & 1998 Series 1	15,752	13,819	527	509
Refunded by 1998 Series 2	3,476	3,192	172	143
Total Dormitory Authority	663,768	600,666	27,143	21,017

Metropolitan Transportation Authority:

Transit & Commuter Facilities—Series R	124,675	116,955	18,209	15,628
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Thruway Authority:

Local Highway & Bridge Bonds—Series 1998A	101,940	95,885	3,851	2,654
Local Highway and Bridge Bonds—Series 1998B	133,245	125,245	4,980	3,464
Highway & Bridge Trust Fund Bonds—1999A	78,260	76,385	2,807	2,132
Total Thruway Authority	313,445	297,515	11,638	8,250
Total	\$ 1,101,888	\$ 1,015,136	\$ 56,990	\$ 44,895

The assets and liabilities relating to the refunded bonds are not reported in the accompanying general purpose financial statements. At March 31, 1999,

The State is also committed under numerous capital leases covering EDP and telecommunications equipment. Debt service expenditures for these obligations during the year were \$7 million. The liability for the remaining principal of \$95 million is reported in the General Long-Term Obligations Account Group as other long-term liabilities. Included with these capital leases are several real property capital leases which will require principal payments in the amount of \$28 million and interest payments in the amount of \$23 million throughout the lives of the leases.

Following is a summary of the principal and interest payments, which are financed by transfers from the General Fund, for the remaining lease periods of these capital leases (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2000	\$ 18,286	\$ 4,463	\$ 22,749
2001	18,796	4,230	23,026
2002	19,024	3,238	22,262
2003	13,805	2,251	16,056
2004	779	1,497	2,276
Thereafter	24,475	15,579	40,054
Total	\$ 95,165	\$ 31,258	\$ 126,423

During the year ended March 31, 1999 there were ten refunding issues relating to lease/purchase agreements. The impact of these issues is presented in the following table (amounts in thousands):

Issue Description	Refunding Amount	Refunded Amount	Cash Flow Gain	Present Value Gain
Transit & Commuter Facilities—Series R	124,675	116,955	18,209	15,628
Local Highway & Bridge Bonds—Series 1998A	101,940	95,885	3,851	2,654
Local Highway and Bridge Bonds—Series 1998B	133,245	125,245	4,980	3,464
Highway & Bridge Trust Fund Bonds—1999A	78,260	76,385	2,807	2,132
Total Thruway Authority	313,445	297,515	11,638	8,250
Total	\$ 1,101,888	\$ 1,015,136	\$ 56,990	\$ 44,895

approximately \$7.2 billion of such bonds, including college and university debt, are outstanding.

In March 1989, the State refinanced certain lease/purchase agreement rental payments. The refinancing plan required the Urban Development Corporation to sell \$123 million in capital appreciation bonds and loaned the proceeds to the General Fund for the purpose of funding the next four semi-annual lease payments which are normally funded by transfers from the General Fund to the Debt Service Funds. The bonds have sinking fund requirements which began in 1998, maturity dates ranging from 1998 to 2011, interest rates ranging from 7.7% to 8.1% and total payments remaining amount to \$390 million on the remaining debt. The liability relating to the outstanding principal balance and any accrued interest on the bonds is reported as other liabilities within the General Fund. The fund liability reflects a loan from a component unit, Urban Development Corporation, operating as the Empire State Development Corporation to the General Fund.

The State is also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year ended March 31, 1999 under such operating leases totaled \$300 million and were financed primarily from the General

Fund. Following is a summary of the future minimum rental commitments under real property and equipment leases with terms exceeding one year (amounts in thousands):

Fiscal Year	Amount
2000	\$ 111,103
2001	95,963
2002	91,735
2003	80,278
2004	71,379
Thereafter	219,385
Total	\$ 669,843

College and University Debt

The DA issues debt on behalf of SUNY and CUNY. The debt service is funded from subsidies from the General Fund and certain student fees. The following tables present information for lease/purchase debt, certificates of participation financing and capital and operating lease data relating to college and university operations.

The following represents year-end balances for SUNY and CUNY lease/purchase and other financing arrangements (amounts in thousands):

	Outstanding End of Year
Public Benefit Corporations (See Note 16):	
Dormitory Authority—CUNY	\$ 2,366,351
Dormitory Authority—SUNY	229,230
Dormitory Authority—SUNY Educational Facilities	3,631,391
Total lease/purchase	6,226,972
Certificates of Participation	204,889
Capital Lease Commitments	40,603
Total	\$ 6,472,464

Following is a summary of the future minimum rental payments for lease/purchase and contractual obligations financing arrangements for SUNY and

CUNY including interest rates ranging from 4.4% to 8.2% (amounts in thousands):

Fiscal Year	SUNY	CUNY	Total
1999	\$ 339,245	\$ 219,110	\$ 558,355
2000	343,198	221,239	564,437
2001	341,502	218,569	560,071
2002	339,331	216,396	555,727
2003	336,221	221,869	558,090
Thereafter	5,286,376	3,293,377	8,579,753
Total minimum lease payments	6,985,873	4,390,560	11,376,433
Less amount representing interest	(3,125,252)	(1,969,877)	(5,095,129)
Less unamortized original issue discount	—	(54,332)	(54,332)
Present value of net minimum lease payments	\$ 3,860,621	\$ 2,366,351	\$ 6,226,972

Subsequent to June 30, 1998 fiscal year-end for both SUNY and CUNY, the following debt exclusive of

refunding issues was issued by the DA in the amounts indicated (amounts in thousands):

<u>Issue Date</u>	<u>Issue Title/Series</u>	<u>Amount</u>
July 10, 1998	CUNY Consolidated Revenue Bonds 1998—Series 2	\$ 192,468
August 13, 1998	SUNY Educational Facilities—Series 1998 B	301,345

Debt service requirements for certificates of participation including interest rates of 3.9% to 7.9% are as follows (amounts in thousands):

<u>Fiscal Year</u>	<u>SUNY</u>	<u>CUNY</u>	<u>Total</u>
1999	\$ 9,689	\$ 20,373	\$ 30,062
2000	6,580	20,355	26,935
2001	5,004	20,331	25,335
2002	3,135	20,291	23,426
2003	1,152	20,100	21,252
Thereafter	2,629	139,960	142,589
Total minimum lease payments	28,189	241,410	269,599
Less amount representing interest	(3,717)	(61,556)	(65,273)
Subtotal	24,472	179,854	204,326
Unamortized premium	—	563	563
Present value of net minimum lease payments	\$ 24,472	\$ 180,417	\$ 204,889

SUNY and CUNY also have numerous capital lease commitments covering EDP, telecommunications equipment, and renovation of building space. Following is a

summary of the principal and interest payments for the remaining lease periods of these capital leases including interest rates of 4% to 10% (amounts in thousands):

<u>Fiscal Year</u>	<u>SUNY</u>	<u>CUNY</u>	<u>Total</u>
1999	\$ 8,857	\$ 698	\$ 9,555
2000	8,460	698	9,158
2001	7,783	698	8,481
2002	5,925	698	6,623
2003	3,950	698	4,648
Thereafter	7,603	6,978	14,581
Total minimum lease payments	42,578	10,468	53,046
Less amount representing interest	(7,387)	(5,056)	(12,443)
Present value of net minimum lease payments	\$ 35,191	\$ 5,412	\$ 40,603

The liability for lease/purchase debt, certificates of participation and capital leases are reported as obligations under lease/purchase and other financing arrangements in the College and University Funds.

Debt service expenditures for all of the aforementioned obligations during the year totaled \$564 million. The funding source for these expenditures is primarily from State appropriations.

SUNY and CUNY are also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year ended June 30, 1998, under such operating leases totaled \$51 million. Following is a summary of the future minimum rental commitments under real property and equipment operating leases with terms exceeding one year (amounts in thousands):

<u>Fiscal Year</u>	<u>SUNY</u>	<u>CUNY</u>	<u>Total</u>
1999	\$ 19,173	\$ 23,627	\$ 42,800
2000	18,040	23,833	41,873
2001	15,981	23,693	39,674
2002	14,632	22,606	37,238
2003	13,440	18,916	32,356
Thereafter	19,205	44,846	64,051
Total	\$ 100,471	\$ 157,521	\$ 257,992

During the year ended March 31, 1999, there were five refunding issues relating to lease/purchase agree-

ments. The impact of these issues is presented in the following table (amounts in thousands):

Issue Description	Refunding Amount	Refunded Amount	Cash Flow Gain	Present Value Gain
Dormitory Authority:				
CUNY Senior Colleges:				
Refunded by Series 1998A, 1998B, & 1998 Series 1	\$ 158,506	\$ 139,052	\$ 5,298	\$ 5,122
Refunded by 1998 Series 2	43,872	40,286	2,176	1,809
Refunded by Series 1993 Series, C, D and E (cross over State University of New York)	93,255	91,435	22,555	5,516
State University of New York:				
SUNY Series 1998A	255,850	231,135	8,659	6,308
SUNY Athletic Series 1998	26,165	24,510	4,266	3,047
Total Dormitory Authority	\$ 577,648	\$ 526,418	\$ 42,954	\$ 21,802

During the fiscal year ended March 31, 1997, the DA entered into a five-year interest rate swap agreement for \$125 million of its fixed rate SUNY Educational Facilities Bonds which are supported by a lease purchase agreement with the State. Based upon the swap agreement, the DA owes interest calculated at a variable rate based upon the Public Securities Association (PSA) index. In return the counterparty owes the DA interest based upon the fix rate that matches the rate required by the bonds. Only the net difference in the interest payments is actually exchanged with the counterparty. The \$125 million in bond principal is not exchanged; it is only the basis on which the interest payments are calculated. A separate and concurrent agreement between the State and the DA provides that the State, pursuant to an appropriation, will fund any payment required to be made by the DA to the counterparty under the swap agreement.

The DA continues to pay interest to the bondholders at the fixed rate provided by the bonds. However, during the term of the swap agreement, the DA effectively pays interest at the variable rate on the debt. The debt service requirements to maturity for these bonds is based upon the fixed rate. The DA will be exposed to variable interest rates during the term of the swap, unless the counterparty to the swap defaults or the swap is terminated. A termination of the swap agreement may also result in the DA making or receiving a termination payment.

During the year ended March 31, 1999, the DA received payments under the swap agreement in the amount of \$712 thousand which was used to reduce the payments the State made to the DA under the lease purchase agreement.

Note 11 Interfund Transactions

Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund which utilizes them. The more significant transfers include the transfer of General Fund revenues to Capital Projects Funds (\$246 million), to College and University Funds (\$1.8 billion) and to Debt Service Funds (\$2.1 billion), and the transfer of excess revenues of Debt Service Funds to the General Fund. The transfers from Debt Service Funds in support of certain health, mental health and retardation expenditures (\$1.9 billion) are made after first satisfying debt service and rental reserve requirements using revenues provided by patient fees. The transfers from Debt Service Funds to the General Fund for expenditures in support of general government (\$1.6 billion) represent excess sales tax receipts of the Local Government Assistance Tax Fund not needed for debt service, excess real property tax receipts from the Clean Water and Air Fund (\$187 million) and transfers to College and University Funds (\$537 million). Transfers to the General Fund from Expendable Trust Funds of \$268 million represented excess abandoned property funds not needed to pay claims. Operating transfers from

Special Revenue Funds are comprised of the Federal share of Medicaid payments for a variety of purposes including transfers to Debt Service Funds for recipients residing in State-operated mental health and retardation facilities (\$1.8 billion) and transfers from/to Expendable Trust Funds for reimbursement of medical assistance payments (\$625 million). Operating transfers from Capital Projects Funds to Debt Service Funds include funding for payment of debt service on lease purchase bonds issued to finance local highways and bridge projects (\$397 million). Operating transfers from the Governmental Funds to the College and University Funds are reported as operating transfers to other funds by the Governmental Funds and as nonmandatory transfers from State appropriations by the College and University Funds. As explained in Note 1, the amounts reported for the College and University Funds are derived from their annual financial statements for the fiscal year ended June 30, 1998. Therefore, because of the different fiscal year-end for the College and University Funds, total operating transfers to other funds exceed total operating transfers from other funds by \$287 million.

Each year the General Fund, Special Revenue Funds and Capital Projects Funds make operating transfers to certain Public Benefit Corporations to subsidize operations and to acquire capital assets. For the fiscal year ended March 31, 1999, the General Fund, Special Revenue Funds and Capital Projects Funds made operating transfers to public benefit corporations totaling more than \$1.8 billion. The more significant transfers include the transfers from the General Fund to Roswell Park of \$150 million, \$87 million to the Urban Development Corporation and \$41 million to the Metropolitan Transportation Authority. The transfers from Special Revenue Funds were to the Metropolitan Transportation Authority for \$1.3 billion. The transfers from Capital Projects Funds include the transfer of \$51 million to the Housing Trust Finance Corporation and \$43 million to the Thruway Authority. During the same time, certain Public Benefit Corporations made operating transfers to the General Fund and Special Revenue Funds amounting to \$89 million and \$11 million, respectively. These amounts differ from amounts reported on Exhibit D as operating transfers from primary government and operating transfers to primary government, totaling \$1.4 billion and \$36 million, respectively, because certain Public Benefit Corporations have fiscal years different than the State's. In addition, those operating transfers from the primary government to the public benefit corporations that are used to acquire capital assets are reported as capital contributions by the Public Benefit Corporations.

Due From/To Other Funds

The following is a summary of due from other funds and due to other funds at March 31, 1999 (amounts in thousands):

<u>Fund Type/Fund</u>	<u>Due From</u>	<u>Due To</u>
GENERAL	\$ 1,033,472	\$ 340,178
SPECIAL REVENUE:		
Disproportionate Share		
Medical Assistance	29,666	—
Federal USDA—FNS	83	34,821
Federal DHHS	1,755	442,246
Federal Education	1,129	26,162
Federal DHHS Block Grant	7	16,718
Federal Operating Grants	641	54,280
ENCON Special Revenue	319	1,946
Conservation	735	673
Environmental Protection and		
Oil Spill Compensation	19	278
Hazardous Waste Removal	278	805
Mass Transportation		
Operating Assistance	—	1,281
Clean Air	68	212
Unemployment Insurance		
Administration	1,398	11,053
Federal Job Training Partnership ..	—	131
Miscellaneous Special Revenue ..	1,428	8,185
	37,526	598,791

<u>Fund Type/Fund</u>	<u>Due From</u>	<u>Due To</u>
DEBT SERVICE:		
Mental Hygiene Services	74,906	—
Department of Health Income	8,385	—
	83,291	—
CAPITAL PROJECTS:		
State Capital Projects	805	16,845
Dedicated Highway and		
Bridge Trust	481	26,551
Environmental Protection	—	8
Federal Capital Projects	193	145,627
Division for Youth		
Facilities Improvement	—	8,984
Housing Program	—	75,936
DOT Engineering Services	98	129,789
Mental Hygiene Facilities		
Capital Improvement	30	147,543
Correctional Facilities		
Capital Improvement	1,261	57,280
Miscellaneous Capital Projects ...	335	21,556
	3,203	630,119
COLLEGE AND UNIVERSITY		
	439,350	—
TRUST AND AGENCY:		
Combined Expendable Trust	701	593
Miscellaneous Expendable Trust ..	121,545	27
Combined Trusts, Gifts,		
Bequests	—	17
Employees Health Insurance	1	1,349
Social Security Contribution	167	—
NYS Employee Payroll		
Withholding	300	63
Employee Dental Insurance	107	—
Fringe Benefit Escrow	192,270	274
CUNY Senior College Operating ..	623	296
MMIS Statewide Escrow	7,717	16,104
Sole Custody	9,896	—
Miscellaneous Agency	27,666	15,683
	360,993	34,406
Total	\$ 1,957,835	\$ 1,603,494

The more significant balances due to/from other funds include \$943 million due to the General Fund to cover cash overdrafts in the short-term investment pool. These temporary interfund loans include \$541 million to various Capital Projects Funds and \$402 million to the Special Revenue Funds. In addition, \$74.9 million due from the Federal DHHS Fund to the Mental Hygiene Services Fund for Medicaid reimbursement, and \$126 million due to the Fringe Benefit Escrow Fund for fringe benefits on payrolls of the Governmental Funds.

As explained in Note 1, the amounts reported for the College and University Funds are derived from their annual financial statements for fiscal year ended June 30, 1998. Therefore, because of the different fiscal year-end of the College and University Funds, the total amount reported as due from other funds exceeds the total amount reported as due to other funds by \$354 million.

Note 12 Budgetary Basis Reporting

The State Constitution requires the Governor to submit annually an Executive Budget which contains a complete plan for all funds of expenditures for the ensuing fiscal year and all monies and revenues estimated to be available. The Executive Budget is accompanied by bills containing all recommended appropriations or reappropriations and any proposed legislation necessary to provide monies and revenues sufficient to meet such proposed expenditures. Budgets are prepared and enacted for all funds. Included in the proposed appropriation bills is a provision for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget includes a cash basis financial plan which must be in balance, i.e., disbursements must not exceed available receipts.

The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved or modified. The Legislature may also enact a supplemental appropriation bill and special appropriation bills. When the Legislature convenes in January, it may enact a deficiency appropriation bill which authorizes additional unforeseen expenditures for the then current fiscal year. The Legislature did not enact any supplemental appropriations during the year.

An appropriation is a statutory authorization against which expenditures may be made during a specific fiscal year, and from which disbursements may be made, for the purposes designated, up to the stated amount of the appropriation. An appropriation represents the maximum spending authority and is not a mandate to spend. The State's central accounting system includes controls over disbursements to ensure that the maximum spending authority is not exceeded during the life of the appropriation. Disbursements are controlled at the major object level within each program/project of each State agency in accordance with the underlying approved appropriation bills. The major object and program/project levels vary among State agencies. For example, the program level reporting would provide information for programs such as Medicaid and Food Stamps. Project level information relates primarily to capital construction project appropriations. Compliance with the level of legal control is reported in a separate document entitled, "*Appropriation/Segregation Accounts*." This document reports both disbursements and encumbrances, which reserve a portion of the applicable appropriation, thereby

ensuring that the appropriations are not exceeded. Encumbrances are not considered a disbursement in the financial plan or an expenditure in the financial statements. Appropriations do not lapse at fiscal year-end. Generally, all appropriations lapse on September 15, following the end of the fiscal year, except for state operations appropriations which lapse on June 30. Disbursements related to prior year appropriations and made during the lapse period are included in the subsequent fiscal year financial plan. The funds appropriated are determined in accordance with constitutional and statutory requirements. Many appropriations enacted are not intended to be used although required by law. These types of appropriations will generally cause total appropriation authorizations to exceed cash basis financial plan (Exhibit C) disbursement amounts. Actual disbursements exceeded financial plan disbursements as reported on Exhibit C but did not exceed total appropriations. Most Capital Projects appropriations and many State operations appropriations are reappropriated each year by the Legislature and therefore the lives of such appropriations may be many years.

The annual budget cycle normally begins during the summer prior to the commencement of the fiscal year with the State departments developing their budget requests for submission to the Division of the Budget in September. During the fall, the departmental requests are analyzed by the Division of the Budget, formal budget hearings are held and major policy decisions are made by the Governor and his staff. The Executive Branch phase of the process culminates in the submission of the Executive Budget to the Legislature in January. The Legislative fiscal committees review the Executive Budget, the Legislature holds public hearings and modifies the proposed Executive Budget, and appropriation bills are expected to be enacted into law by the April 1 start of the fiscal year. If the budget is not enacted by April 1, the legislature could enact emergency appropriations to continue State operations.

Once the appropriation and revenue bills become law, the cash basis and the GAAP basis financial plans are revised by the Governor to reflect the impact resulting from changes in appropriations and revenue bills. The cash basis financial plan, which serves as the basis for the administration of the State's finances during the fiscal year, authorizes spending at amounts less than or equal to the appropriations enacted by the Legislature. Accordingly, the cash basis financial plan is generally considered to be the State's "Budget" and the appropriate plan to present in Exhibit C.

The Governor is required to provide a quarterly report to the Legislature showing a comparison of the actual year-to-date results with the latest revised plans providing an explanation of any major deviations and any significant changes to the financial plans. Such revisions to the financial plan do not require that

balance be maintained between receipts and disbursements. The following represents a comparison of the State's cash basis financial plan as originally published by the Governor in April 1998 with subsequent published modifications by the Governor to reflect changes during the fiscal year (amounts in millions):

GENERAL	April 1998	Modifications	February 1999
Receipts:			
Taxes	\$ 34,360	\$ (1,081)	\$ 33,279
Miscellaneous	1,404	140	1,544
Total receipts	35,764	(941)	34,823
Disbursements:			
Local assistance grants	25,141	(252)	24,889
Departmental operations	6,704	(54)	6,650
General state charges	2,215	71	2,286
Debt service	11	—	11
Total disbursements	34,071	(235)	33,836
Other financing sources (uses):			
Transfers from other funds	1,796	156	1,952
Transfers to other funds	(2,708)	(70)	(2,778)
Net other financing sources (uses)	(912)	86	(826)
Receipts and other financing sources over (under) disbursements and other financing uses	\$ 781	\$ (620)	\$ 161
SPECIAL REVENUE			
Receipts:			
Taxes	\$ 2,068	\$ (136)	\$ 1,932
Miscellaneous	5,582	230	5,812
Federal grants	21,724	292	22,016
Total receipts	29,374	386	29,760
Disbursements:			
Local assistance grants	23,653	(167)	23,486
Departmental operations	5,968	215	6,183
General state charges	346	(20)	326
Capital projects	7	—	7
Total disbursements	29,974	28	30,002
Other financing sources (uses):			
Transfers from other funds	2,321	96	2,417
Transfers to other funds	(1,907)	(33)	(1,940)
Bond and note proceeds, net	9	(9)	—
Net other financing sources (uses)	423	54	477
Receipts and other financing sources (under) over disbursements and other financing uses	\$ (177)	\$ 412	\$ 235
DEBT SERVICE			
Receipts:			
Taxes	\$ 2,127	\$ 96	\$ 2,223
Miscellaneous	615	7	622
Total receipts	2,742	103	2,845
Disbursements:			
Departmental operations	5	1	6
Debt service	3,355	(66)	3,289
Total disbursements	3,360	(65)	3,295
Other financing sources (uses):			
Transfers from other funds	4,430	(92)	4,338
Transfers to other funds	(3,753)	(133)	(3,886)
Net other financing sources (uses)	677	(225)	452
Receipts and other financing sources over (under) disbursements and other financing uses	\$ 59	\$ (57)	\$ 2

CAPITAL PROJECTS	April 1998	Modifications	February 1999
Receipts:			
Taxes	\$ 1,077	\$ 30	\$ 1,107
Miscellaneous	1,670	135	1,805
Federal grants	1,194	55	1,249
Total receipts	3,941	220	4,161
Disbursements:			
Local assistance grants	818	(123)	695
Capital projects	3,321	252	3,573
Total disbursements	4,139	129	4,268
Other financing sources (uses):			
Transfers from other funds	202	72	274
Transfers to other funds	(441)	18	(423)
Bond and note proceeds, net	528	(197)	331
Net other financing sources (uses)	289	(107)	182
Receipts and other financing sources over (under) disbursements and other financing uses	\$ 91	\$ (16)	\$ 75

The modifications indicated above generally reflect revisions to projections based on actual receipts and disbursements for interim periods.

Exhibit C provides a comparison of the estimated data in the February 1999 Financial Plan with the actual

results on the cash basis of accounting, whereas Exhibit B presents operating results in conformity with GAAP. The following presents a reconciliation of the budgetary cash basis operating results per Exhibit C with the GAAP based operating results per Exhibit B (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses per Exhibit C	\$ 254,200	\$ 56,000	\$ 55,700	\$ (53,400)
Entity differences:				
Receipts and other financing sources over (under) disbursements and other financing uses for funds and accounts not included in the cash basis financial plan	(101,387)	(3,388)	127,317	72,324
Perspective differences:				
Receipts and other financing sources over (under) disbursements and other financing uses for funds treated as Special Revenue Funds in the financial plan and part of the General Fund for GAAP reporting	164,268	(164,268)	—	—
College and University Funds	—	11,369	(1,855)	(16,906)
Temporary interfund cash loans	(21,129)	(21,478)	—	42,607
Basis of accounting differences:				
Net increase in taxes receivable	516,087	2,730	12,296	129
Net increase in due from Federal government	—	33,788	—	38,235
Net increase (decrease) in other receivables and miscellaneous assets	(165,662)	181,561	(7,426)	(615)
Net increase in due from other funds	80,579	23,487	16,658	13
Net (increase) decrease in deferred revenues	68,701	(208,356)	6,073	(5,562)
Net (increase) decrease in tax refunds payable	(102,095)	(14,822)	346	546
Net decrease in payable to local governments	261,661	249,803	—	7,154
Net (increase) decrease in other payables and accrued liabilities	75,673	(239,289)	(250)	144,842
Net (increase) decrease in due to other funds	47,526	(24,635)	—	(75,772)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses per Exhibit B	\$ 1,078,422	\$ (117,498)	\$ 208,859	\$ 153,595

The entity differences relate to the inclusion of certain funds considered to be Proprietary Funds for purposes of the cash basis financial plan. In addition, the inclusion of New York Local Government Assistance Corporation and related entities as well as certain sole custody bank accounts, which are not included in the Governmental Funds cash basis financial plan, contribute to the entity difference.

Perspective differences relate to variations in the presentation of the cash basis financial plan fund structure versus GAAP fund structure. A perspective difference for temporary interfund loans occurs when a fund temporarily overdraws its share of the pooled investment funds. These temporary loans are covered by the General Fund's and a Special Revenue Fund's share of the pool. The establishment of the College and University Funds

creates a perspective difference because certain SUNY and CUNY operations are included in the Governmental Fund Types for purposes of the cash basis financial plan yet this activity is reported in the College and University Funds for GAAP. A perspective difference relating to the Infrastructure Trust Fund and Earmarked Revenue Accounts occurs because these funds are included in the

Special Revenue Funds cash basis financial plan while the GAAP based presentation includes them in the General Fund. Receipts relating to the perspective difference attributed to variations between cash basis and GAAP reporting totaled \$5,915 million offset by disbursements totaling \$5,743 million for a net increase in cash of \$172 million.

Note 13 Commitments and Contingencies

The State receives significant financial assistance from the Federal government in the form of grants and entitlements. Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of resources for eligible purposes. Substantially all grants are subject to either the Federal Single Audit Act or to financial and compliance audits by grantor agencies of the Federal government or their designees. Disallowances by Federal program officials as a result of these audits may become liabilities of the State.

The Dormitory Authority of the State of New York has \$1,082 million outstanding of Secured Hospital Revenue Bonds for the purpose of financing mortgage loans to various hospitals in New York City. The hospitals are committed to pay the debt service, and reserves have been established to cover deficiencies incurred by the hospitals. However, if both of these funding sources are inadequate, the State may be called upon to pay the debt service. Any such payments would require authorization by the State Legislature.

The New York State Constitution provides that the State may guarantee repayment of certain borrowings of the Job Development Authority (JDA) to carry out designated projects. The State has never been called upon to make any direct payments pursuant to such guarantees. As of March 31, 1999, JDA had \$187 million of State-guaranteed bonds outstanding (with an additional \$563 million authorized but not issued).

In order to provide additional inducement to investors to purchase the obligations of certain public benefit corporations, the legislation creating these corporations authorizes the State to make up any deficiencies in their debt service reserve funds, subject to legislative appropriation (effectively, a "moral obligation" to back the corporations' credit). Such "moral obligation" does not constitute full faith and credit obligations of the State. As of March 31, 1999, approximately \$628 million in moral obligation bonds were outstanding. During the year the State was not called on to make any payments.

Health care providers have a right to appeal Medicaid reimbursement rates. Based on an analysis of appeals

a liability of \$824 million has been recognized of which \$162 million is expected to be paid within the next 12 months and is recorded in the Governmental Funds. The remainder, \$662 million, is reported in the General Long-Term Obligations Account Group and represents a decrease of \$289 million from the prior year.

In 1977-78, the State required that reserve funds held by insurance companies which underwrite the State employee health insurance programs be paid to the General Fund. The State is liable to replenish these reserve funds if needed to pay insured benefits or if the contracts with the insurance companies are terminated. Accordingly, based on actuarial calculations, the State has recorded a liability of \$196 million. The amount is reported in the General Long-Term Obligations Account Group and represents a decrease of \$27 million from the amount reported in the prior year.

Generally, the State does not insure its buildings, contents or related risks and does not insure its State-owned automobiles for bodily injury and property damages, but the State does have fidelity and health insurance on State employees. Routine uninsured losses are recorded as expenditures in the General Fund as paid, while significant uninsured losses usually are the result of litigation which is discussed further in Note 14.

Workers' compensation is provided with the State Insurance Fund acting as the State's administrator and claims processing agent. Under an agreement with the State Insurance Fund, the State pays only what is necessary to fund claims. Based on actuarial calculations, discounted at 5% as of March 31, 1999, the State is liable for unfunded claims and incurred but not reported claims totaling approximately \$857 million. The portion expected to be paid in the next 12 months, \$154 million, is reported as a liability of the General Fund. The remaining amount, \$703 million, is reported in the General Long-Term Obligations Account Group and represents an increase of \$44 million from the amount reported in the prior year.

Changes in the State's liability relating to workers' compensation claims, litigation (see Note 14) and auto claims in fiscal years 1998 and 1999 were (amounts in thousands):

Fiscal Year	Claim Liability Beginning of Year	Increase in Liability Estimate	Payments and Decreases in Liability Estimate	Claim Liability End of Year
1997-1998	\$ 1,171,455	\$ 777,581	\$ 267,562	\$ 1,681,474
1998-1999	1,681,474	959,410	886,576	1,754,308

The State Abandoned Property Law requires the deposit of certain defined and unclaimed assets into a State-managed Abandoned Property Fund (Expendable Trust). The State Finance Law provides that whenever the cash balance of the Fund exceeds \$750 thousand at fiscal year-end, the excess must be remitted to the General Fund where it is reported as operating transfers from other funds. However, during the year, in accordance with the statute, the Fund has had cash balances which exceeded \$750 thousand in order to meet anticipated cash flow demands. At March 31, 1999, the Fund included \$235 million of securities not yet liquidated and funds restricted by Federal requirements which were not subject to transfer to the General Fund. The amounts remitted during the year approximated \$268 million. Net collections from inception (1942) to March 31, 1999 of approximately \$4.4 billion, excluding interest, represent a contingent liability to the State since claims for refund may be filed by the owners of such property.

A liability and a corresponding reduction of revenue representing the probable amount of escheat property which will be reclaimed and paid to claimants is reported in the Abandoned Property Fund (Fund). To the extent that assets in the Fund are less than the claimant liability, a receivable (due from other funds) is reported in that Fund and an equal liability (due to other funds) is reported in the General Fund. At March 31, 1999, the amount reported in the Fund for claimant liability is \$416 million and the amount reported in the General Fund as due to the Fund is \$122 million. Since revenues in the Fund are expected to be adequate to pay current claims, it is not expected that General Fund support for that purpose will be required. Claims paid from the Fund during the year totaled \$65 million.

Since fiscal year 1982-83, amounts have been transferred to the General Fund and the Capital Projects Fund from the State Insurance Fund and from several nongovernmental funds. The legislation authorizing the transfers requires the Legislature to enact annual appropriations from the General Fund to cover the State's contingent liability to repay these transfers. Payments from these appropriations will be made only if the affected funds become insolvent and have no other monies available to meet their statutory obligations. To date, no payments from these appropriations have been required. As of March 31, 1999, the appropriation was \$1.7 billion. However, due to the State Insurance Fund's accumulated deficit, exclusive of the contingent receivable from the State, it has been determined that a liability may exist. As a result, a liability of \$461 million has been reported in the General Long-Term Obligations Account Group and represents a decrease of \$156 million from the prior year. A related receivable is reflected in the accounts of the State Insurance Fund (see Note 16).

The State is liable for costs relating to the closure and post-closure of landfills totaling \$13 million. \$3 million is expected to be paid in the next 12 months and is recorded in Capital Projects funds. The remaining \$10 million is recorded in the General Long-Term Obligations Account Group. Closure and post-closure requirements are generally governed by Title 6, Part 360 of the New York Code of Rules and Regulations. Since most landfills are inactive, the liability reflects the total estimated closure and post-closure cost at year-end. Liability estimates are based on engineering studies or on estimates by agency officials which are updated annually.

Note 14 Litigation

The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings and other alleged violations of State and Federal laws.

Included in the State's outstanding litigation are a number of cases challenging the legality or the adequacy of a variety of significant social welfare programs primarily involving the State's Medicaid and mental health programs. Adverse judgments in these matters generally could result in injunctive relief coupled with prospective changes in patient care which could require substantial increased financing of the litigated programs in the future. Because of the prospective nature of these

matters, no provision for this potential exposure has been made in the accompanying general purpose financial statements.

Actions commenced by several Indian nations claim that significant amounts of land were unconstitutionally taken from the Indians in violation of various treaties and agreements during the eighteenth and nineteenth centuries. The claimants seek recovery of thousands of acres of land as well as compensatory and punitive damages.

In addition, the State is party to other claims and litigation which its legal counsel has advised are not probable of adverse court decisions. Although the amounts of potential losses, if any, are not presently determinable, it is the State's opinion that its ultimate liability in these cases is not expected to have a material adverse effect on the State's financial position.

With respect to pending and threatened litigation, the State has reported liabilities of \$895 million for awarded and anticipated unfavorable judgments. The portion of the liability expected to be paid within the next 12 months, \$132 million, is reported in the General Fund. The remainder, \$763 million, is reported in the General Long-Term Obligations Account Group and

represents a decrease of \$19 million from the prior year. Included within the reported liabilities is the anticipated judgment relating to the Yonkers Board of Education in which the State is held liable for not taking appropriate steps to eliminate segregation within the Yonkers school system.

Note 15 State and Local Retirement System

There are three systems within the State and Local Retirement System for employees of the State and its localities (except employees of New York City and teachers, essentially all of whom are covered by separate pension plans). The systems, known and reported collectively as the New York State and Local Retirement Systems (System), are the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the New York State and Local Public Employees' Group Life Insurance Plan (GLIP). GLIP provides death benefits in the form of life insurance. In these statements, GLIP amounts are apportioned and included in either ERS or PFRS. The State Comptroller is sole trustee and administrative head of the System. The System is a cost sharing multiple-employer public employee retirement system. On March 31, 1999, there were 2,843 participating government employers. Employees of the State constituted about 37% of the members of the System during the 1998-99 fiscal year.

The System provides retirement benefits as well as death and disability benefits. Benefits vest after 5 years of credited service. Retirement benefits are established by the New York State Retirement and Social Security Law and are dependent upon the point in time at which the employees last joined the System. Contributory and noncontributory requirements also depend upon the point in time at which an employee last joined the System. Most members of ERS who joined the System on or before July 26, 1976 are enrolled in a noncontributory plan. Most members of PFRS are not required to make employee contributions. Employees who last joined ERS subsequent to July 26, 1976 are enrolled in a contributory plan which requires a 3% contribution of their salary. Less than 1% of other members are contributory. Members cannot be required to begin making contributions or make increased contributions beyond what was required when membership began. Generally, members of the System may retire at age 55; however, members of Tiers 2, 3 and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. An employee with less than 10 years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions.

The System's financial statements are prepared using the accrual basis of accounting. Revenue is recognized when earned and liabilities are recognized when incurred. Employer contributions are recognized when billed. Investments are reported at fair value. Stocks traded on a national or international exchange are valued at market value at current exchange rates. Bonds are valued from independent pricing services at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals made every three years. Investments that do not have an established market are reported at estimated fair value. The System trades in foreign exchange contracts in the normal course of its investing activities in order to manage exposure to market risks. Such contracts, which are generally for a period of less than one year, are used to purchase and sell foreign currency at a guaranteed future price. These contracts are recorded at market value using foreign currency forward exchange rates.

Investments are held by the System or its custodial agent in the name of the State Comptroller as trustee. Investments of the System are categorized by the level of custodial credit risk (the risk that a counterparty to an investment transaction will not fulfill its obligations). All investments of the System are designated as Category 1, the lowest risk, which includes investments that are insured or registered or for which the securities are held by the System or its agent, in the System's name.

Section 177-D of the Retirement and Social Security Law authorizes the System to enter into security loan agreements with broker/dealers and New York state or national banks. The System has designated its master custodian bank to manage a securities lending program. This program is subject to a written contract between the System and the Custodian who acts as Security Lending Agent for the System. The Custodian is authorized to lend securities within the borrower limits and guidelines established by the System. Types of collateral received from borrowers for securities loaned are cash and government securities. The Custodian is authorized to invest the cash collateral in

short-term investments that meet the same criteria used by the System, including: bankers' acceptances, domestic commercial paper, obligations of federal agencies and repurchase agreements. The System has no right to the government securities pledged unless there is a default by the borrowers. The System has not experienced any losses resulting from the default of a borrower or lending agent during fiscal 1998-99 or in the history of the program.

The System lends domestic fixed income, domestic equity, and international equity securities to brokers/dealers approved by the System. Collateral for securities loaned equals 102% of fair market value for domestic securities and 105% for international securities. Investment guidelines provided to the Custodian by the System minimize the risk that the cash collateral could be invested in securities which may default. The Custodian acknowledges responsibility to reimburse the System for losses which may arise from managing the program in a manner inconsistent with the contract. The System manages its credit risk by recording investments at market value daily and maintaining the value of the collateral held by the System in excess of the value of the securities loaned.

All security loans can be terminated on demand by either the System or borrower. The average term of the securities loaned is four days while the overall average term to maturity of invested collateral for the System is 24 days. To provide sufficient liquidity, the policy of the System is to maintain a minimum of 10% of collateral in overnight investments.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State and Local Retirement Systems, Office of the State Comptroller, A. E. Smith State Office Building, Albany, New York, 12244.

FUNDING STATUS

Participating employers are required under the New York State Retirement and Social Security Law to contribute annually to the System.

The funding of the System is accomplished through member and employer contributions and the

investment earnings on these contributions, according to the New York State Retirement and Social Security Law. The aggregate actuarial funding method is used by the System. Generally, participating employers that have adopted the same benefit plans contribute at the same rate of payroll. The total employer contribution rate as a percentage of salary includes rates for administrative expenses, GLIP, and supplemental benefits. GLIP is a one-year term insurance plan. Consequently, the GLIP rates are determined so as to pay for the current year's GLIP costs. Similarly, the administrative rates are determined so as to pay the current year's administrative expenses. Employers may make other contributions due to legislation, such as retirement incentives, the 17-year amortization, and deficiency payments (which an employer may incur when joining the System and are payable for up to 25 years).

Incentive program costs receivable from New York State as of March 31, 1999 totaled \$210 million. Section 803 costs are also receivable from the State as of March 31, 1999 in the amount of \$0.4 million. Annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For fiscal year ended March 31, 1999, the rate was 8.5%. Interest on amounts amortized over a fixed number of years remains at the fixed rate in effect at the time the payment schedule was established. The State's contribution to the System for years ended March 31, 1999, 1998, and 1997 were \$136 million, \$288 million, and \$271 million, respectively, which equaled 100% of the required contributions for each respective year.

As a result of the enactment of Chapter 62, Laws of 1989, employer contributions due from other than the State for the fiscal years ended March 31, 1989 and 1988, are to be amortized over 17 years, with the initial payment paid December 15, 1989. The net balance of the deferred contributions is approximately \$48 million. In addition, the receivable for the incentive program is \$154 million and \$30 million for the Section 803 costs. Annual bills for employer contributions accrue interest at the actuarial rate applicable during the year. For fiscal year ended March 31, 1999, the rate was 8.5%. Interest on amounts amortized over a fixed number of years remains at the fixed rate in effect at the time the payment schedule was established.

The following presentation displays the Statement of Plan Net Assets for the System as of March 31, 1999 (amounts in thousands):

STATEMENT OF PLAN NET ASSETS
March 31, 1999
(Amounts in thousands)

	Employees' Retirement System	Police & Fire Retirement System	Total
Assets:			
Investments:			
Short-term investments	\$ 2,143,541	\$ 398,282	\$ 2,541,823
Government bonds	21,004,365	3,902,727	24,907,092
Corporate bonds	7,927,773	1,473,024	9,400,797
Domestic stocks	47,463,686	8,819,015	56,282,701
International stocks	8,530,145	1,584,948	10,115,093
Alternative investments	2,664,704	495,116	3,159,820
Real property owned	2,607,374	484,465	3,091,839
Mortgage loans	1,272,997	236,530	1,509,527
Total investments	93,614,585	17,394,107	111,008,692
Securities lending collateral, invested	5,804,150	1,078,443	6,882,593
Forward foreign exchange contracts	1,491,102	277,055	1,768,157
Receivables	2,027,002	200,307	2,227,309
Other assets	6,419	1,193	7,612
Total assets	102,943,258	18,951,105	121,894,363
Liabilities:			
Securities lending collateral, due to borrowers	5,804,150	1,078,443	6,882,593
Forward foreign exchange contracts	1,492,410	277,298	1,769,708
Investment purchases	240,985	44,776	285,761
Benefits payable	76,687	7,205	83,892
Other liabilities	132,120	17,147	149,267
Total liabilities	7,746,352	1,424,869	9,171,221
Net assets held in trust for pension benefits	\$ 95,196,906	\$ 17,526,236	\$ 112,723,142

EMPLOYER ACCOUNTING

The pension contribution expenditure reported in the Governmental Funds includes \$139 million relating to employee services rendered during the year, retirement incentives and certain benefit enhancements. Pension contributions payable reported in the General Fund includes \$65 million for the retirement incentive programs and \$5 million related to certain benefit

enhancements. In addition, \$140 million of the pension incentive programs, and \$2 million of Section 803 costs are reported in the General Long-Term Obligations Account Group. Liabilities reported in the General Long-Term Obligations Account Group for the pension incentive programs and Section 803 costs decreased \$28 million and \$9 million, respectively.

Note 16 Component Units—Public Benefit Corporations

Component Units—Public Benefit Corporations (Corporations) (as defined in Note 1) are legally separate entities that are not operating departments of the State. The Corporations are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Corporations are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations are generally supported by revenues derived from their activities, although the State has provided financial assistance, in some cases of a recurring nature, to certain corporations for operating and other expenses. Financial assistance in the form of appropriated loans, contributed capital or operating subsidies for certain corporations, principally the Roswell Park Cancer Institute, the Metropolitan Transportation Authority, and the Urban Development Corporation was provided in the fiscal year ended March 31, 1999 and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of public benefit corporations.

The amounts presented in the accompanying general purpose financial statements for the Corporations include the following entities for the fiscal years indicated:

<u>Entity</u>	<u>Fiscal Year-End</u>
Aggregate Trust Fund	December 31, 1998
Agriculture and New York State Horse Breeding Development Fund Corporation	December 31, 1998
Battery Park City Authority	October 31, 1998
Capital District Transportation Authority	March 31, 1999
Central New York Regional Transportation Authority	March 31, 1999
Dormitory Authority of the State of New York	March 31, 1999
Health Research, Inc.	March 31, 1999
Homeless Housing and Assistance Corporation	March 31, 1999
Housing Trust Fund Corporation	March 31, 1999
Hudson River-Black River Regulating District	June 30, 1998
Industrial Exhibit Authority	March 31, 1999
Long Island Power Authority	December 31, 1998
Metropolitan Transportation Authority	December 31, 1998
MTA Excess Loss Trust Fund	December 31, 1998

<u>Entity</u>	<u>Fiscal Year-End</u>
Manhattan and Bronx Surface Transit Operating Authority	December 31, 1998
Metro-North Commuter Railroad Company	December 31, 1998
Metropolitan Suburban Bus Authority	December 31, 1998
New York City Transit Authority	December 31, 1998
State Island Rapid Transit Operating Authority	December 31, 1998
The Long Island Rail Road Company	December 31, 1998
Triborough Bridge and Tunnel Authority	December 31, 1998
Municipal Bond Bank Agency	October 31, 1998
Natural Heritage Trust	March 31, 1999
Nelson A. Rockefeller Empire State Plaza Performing Arts Center	March 31, 1999
New York City Convention Center Operating Corporation	March 31, 1999
New York State Affordable Housing Corporation	March 31, 1999
New York State Bridge Authority	December 31, 1998
New York State Energy Research and Development Authority	March 31, 1999
New York State Environmental Facilities Corporation	March 31, 1999
New York State Higher Education Services Corporation	March 31, 1998
New York State Housing Finance Agency	October 31, 1998
New York State Job Development Authority	March 31, 1999
New York State Olympic Regional Development Authority	March 31, 1999
New York State Project Finance Agency	October 31, 1998
New York State Science and Technology Foundation	March 31, 1999
New York State Theatre Institute	March 31, 1999
New York State Thoroughbred Breeding and Development Fund Corporation	December 31, 1997
New York State Thoroughbred Racing Capital Investment Fund	December 31, 1997
New York State Thruway Authority	December 31, 1998
Niagara Frontier Transportation Authority	March 31, 1999
Ogdensburg Bridge and Port Authority	March 31, 1999
Port of Oswego Authority	March 31, 1999
Power Authority of the State of New York	December 31, 1998
Research Foundation for Mental Hygiene, Inc.	March 31, 1999
Rochester-Genesee Regional Transportation Authority	March 31, 1998
Roosevelt Island Operating Corporation	March 31, 1999
Roswell Park Cancer Institute	March 31, 1999
State Insurance Fund	December 31, 1998
State of New York Mortgage Agency	October 31, 1998
Urban Development Corporation	March 31, 1999

Financial Information

Substantially all of the financial data was derived from audited annual financial statements and summarized into the accompanying format. The Corporations follow the accrual basis of accounting. A few of the individual component units, primarily, the State Insurance Fund, do not fully conform to the accrual basis; however, the impact of these variances is not material to the Corporations in total. Nine of the forty-two entities presented comprise 88% of the combined assets and 92% of the combined operating revenues (before eliminations). Retained earnings at the beginning of the year has been increased to reflect a \$169 million restatement. This restatement is due to accounting changes implemented by certain of the corporations to conform to the Governmental Accounting Board's Statement No. 31 which requires investments to be reported at fair value. The remaining portion of this note contains a brief description of the operations of the nine largest entities followed by a presentation of their accounts (amounts in thousands). Additional information about each of the Corporations can be obtained by contacting the Corporations directly and requesting a copy of their annual financial reports.

Certain Corporations issue Revenue Bonds for independent third-party entities to provide funding for the projects of those third-parties. These bonds which are considered conduit debt are secured by payments made by the third-party entities and in some cases certain other pledged funds. These bonds do not constitute a debt or pledge of the faith and credit of the corporations or the State. The Dormitory Authority, the Environmental Facilities Corporation (EFC) and the Energy Research and Development Authority (ERDA) have issued conduit debt and have elected different, but permissible, methods of accounting for it under generally accepted accounting principles. The Dormitory Authority has elected to report conduit debt and related assets on its balance sheet. At March 31, 1999 the liability for such debt, the related assets and equity totaled \$15,732 million, \$16,301 million, and \$569 million, respectively. At March 31, 1999 EFC's balance sheet did not include \$406 million in bonds it issued for certain private companies and \$334 million in bonds it issued for the State, the latter of which is included in the State's General Long-Term Obligations Account Group. ERDA has issued conduit debt for participating gas and electric companies and other third party entities, the principal of which totaled approximately \$4.0 billion at March 31, 1999, which is not included on ERDA's balance sheet.

Power Authority

The Power Authority of the State of New York (Authority) was created in 1931 to help provide a continuous adequate supply of dependable electric power and energy to the people of the State. The Authority generates, transmits, and sells electric power and energy principally at wholesale to various customers including private and municipal utilities.

Two of the Authority's largest facilities are the Niagara Power Project at Lewiston and the St. Lawrence-Franklin D. Roosevelt Power Project at Massena. These hydroelectric facilities produced net power generation during calendar 1998 of 17 billion kilowatt-hours and 7 billion kilowatt-hours, respectively. The Authority also operates two nuclear powered facilities: the James A. FitzPatrick Nuclear Power Plant at Scriba and the Indian Point 3 Nuclear Power Plant at Buchanan.

Thruway Authority

The New York State Thruway Authority (Authority) was created as a public benefit corporation by the Legislature in 1950 with powers to construct, operate and maintain a Thruway system. The Authority has also been authorized by the Legislature to act as a financing agent for issuing Emergency Highway Reconditioning and Preservation (EHR) Bonds and Emergency Highway Construction and Reconstruction (EHC) Bonds to finance improvements to State highways. In 1991, the Legislature empowered the Authority to issue Local Highway and Bridge Service Contract (LHB) Bonds to provide funds to municipalities throughout the State for qualifying capital expenditures under State programs. The Authority has also issued Cross Westchester Expressway Special Obligation Bonds to fund the Authority's March 1991 purchase of Interstate 287 from the State. In August 1992, the State legislature created the New York State Canal Corporation (NYSCC) as a subsidiary corporation of the Authority to accept jurisdiction and control over the State Canal System from the State. In 1993, the Legislature authorized the Authority to issue Highway and Bridge Trust Fund Bonds (HBTF) to reimburse the State for expenditures made by the State's Department of Transportation in connection with the State's multi-year Highway and Bridge Capital Program.

In the financial information presented for the Public Benefit Corporations, the special bond programs (EHR, EHC, LHB, and HBTF) are reported in the columns headed "Other Entities" and include \$4.5 billion in bonds which are reported in the State's General Long-Term Obligation Account Group. Columns headed "Thruway Authority" reflect the operations of the Thruway system and the NYSCC.

Metropolitan Transportation Authority

The Metropolitan Transportation Authority (Authority) was created to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York metropolitan area. The accounts presented as the Authority are the combined accounts of the nine subsidiaries.

The Authority, excluding TBTA, has ongoing capital programs, subject to the approval of the New York State Metropolitan Transportation Authority Capital Review Board (CPRB), designed to improve public transportation in the New York metropolitan area. In November 1995, the MTA Board approved a proposed 1995-1999 Capital Program totaling approximately \$12.2 billion. In September 1996, the Governor signed legislation to increase the current bonding authority for capital projects and approved additional changes to the provisions governing capital programs. In July 1997, the Authority received CPRB approval of its 1995-1999 Capital Program in the revised amount of \$12.4 billion. During February 1999, the MTA Board amended the 1995-1999 Capital Program, raising the amount to \$12.6 billion. These amendments have been approved by the CPRB.

In November 1995, the MTA Board approved a 1995-1999 Capital Program for TBTA totaling \$665 million which was increased in December 1997 to \$669 million. This plan includes the last two years of the 1992-1996 Capital Program and provides funding for three additional years. In February 1999, this amount was increased to \$670 million. The plan does not require the approval of the CPRB. At December 31, 1998, authorized funding for the TBTA 1992-1999 capital programs totaled \$1.1 billion.

Dormitory Authority

The Dormitory Authority (Authority) is a public benefit corporation established in 1944. The Authority's purpose is to finance, design, construct, purchase, reconstruct and/or rehabilitate buildings, (projects) for use by educational and other not-for-profit institutions (institutions) located within the State, certain State agencies, and cities and counties with respect to court facilities. The Authority is also authorized to make, finance, and purchase loans related to students enrolled at participating institutions of higher education in the State and finance the purchase of equipment and various short-term capital projects.

The Authority's outstanding bonds and notes of \$28.0 billion consist mainly of debt issued for health care facilities (\$9.6 billion), independent institutions (\$4.2 billion), State University projects (\$4.6 billion), City University projects (\$3.4 billion) and New York State Agency projects (\$5.1 billion). The remaining debt was issued for projects for municipal facilities.

The Authority adopted GASB Statement 31 as of March 31, 1999. The effect of adopting the provisions of this statement required the Authority to restate its fund equity balance from \$840.1 million to \$907.5 million at March 31, 1998 for an increase of \$67.4 million.

Long Island Power Authority

The Long Island Power Authority (Authority) was established as a corporate municipal instrumentality of the State. On May 28, 1998, the LIPA Acquisition Corporation, a wholly-owned subsidiary of Authority, was merged with and into the Long Island Lighting Company (LILCO) pursuant to an Agreement and Plan of Merger dated as of June 26, 1997. The Authority and its subsidiaries conduct the electric transmission and distribution business in Nassau and Suffolk counties which covers a service area of approximately 1,230 square miles and a population of approximately 2.75 million persons.

The Authority financed the cost of the merger and the refinancing of certain of the LILCO's outstanding debt by the issuance of \$6.73 billion aggregate principal amount of Electric System General Revenue Bonds and Electric System Subordinated Revenue Bonds. In addition, the Authority assumed \$1.19 billion of LILCO's General and Refunding Bonds which were defeased immediately upon the closing of the merger. The excess of the acquisition costs over the fair value of net assets acquired (\$4.0 billion) has been reported as an "other asset," which is being amortized over a 35 year period.

Urban Development Corporation

The New York State Urban Development Corporation (UDC) was established by legislative act in 1968 as a corporate governmental agency of the State. UDC now conducts business as the Empire State Development Corporation. UDC is engaged in three principal activities: Special projects financed by revenue bonds, economic development projects and real estate projects financed by general and corporate purpose bonds. A brief description of these activities follows:

UDC issues special project revenue bonds, the proceeds of which are primarily used to construct correctional facilities for the State, to refinance State office facilities or to construct technology facilities for universities located within the State, to finance construction and rehabilitation of youth facilities, and to construct or improve various sports facilities. Under the related agreements, UDC is reimbursed by the State in amounts sufficient to amortize the debt service on the bonds.

UDC's efforts in economic development projects are funded by State appropriations and are primarily directed at several activities involving civic, commercial, high technology and industrial development within the State. UDC also provides financial assistance, including low cost project financing in the form of loans, loan guarantees and interest subsidy grants; planning and feasibility studies; and technical assistance in management, financing and design of a project.

Real estate projects financed by general and corporate purpose bonds are primarily in large-scale development of housing for low, moderate and middle income persons and families, financing nonresidential, commercial, civic and industrial properties and in development of new communities. Since the mid-1970's UDC activity in this area has been limited to the monitoring and loan servicing of existing projects.

State Insurance Fund

The State Insurance Fund (Fund) is comprised of the Workers' Compensation Fund and the Disability Benefits Fund and is primarily engaged in providing workers' compensation and disability benefit insurance for employers in the State of New York.

Pursuant to various State laws, the Fund has transferred approximately \$1.3 billion to the State's General and Capital Projects Funds through December 31, 1998. The statutes under which these transfers were made require that the State appropriate amounts annually for the potential repayment of the transfers. Such repayment is required only to maintain the solvency, as defined, of the Workers' Compensation Fund.

These transactions have been recorded as operating transfers by the State. However, if the entire receivable and related equity had been eliminated from the State Insurance Fund's financial statements, a deficit of approximately \$461 million would have resulted. Since the State's Governmental Funds are responsible for the Fund's solvency, the receivable and equity have been eliminated only to the extent that fund equity is reduced to zero and a liability of \$461 million has been recorded in the State's General Long-Term Obligations Account Group (see Note 12).

State of New York Mortgage Agency

The State of New York Mortgage Agency (Agency) makes mortgages available to first-time home buyers through its Forward Commitment Home Ownership Programs and provides mortgage insurance for qualifying real property loans through its Mortgage Insurance Program. To accomplish this purpose, the Agency issues tax-exempt mortgage revenue bonds for direct issuance of forward commitments for new mortgage loans through participating financial institutions.

By statute, all costs of providing mortgage insurance are recovered from a state mortgage recording tax surcharge, which is a dedicated tax revenue stream received directly by the Agency.

The Agency provides certain financial guarantees that are not fully recognized in the financial statements. As of October 31, 1997, the Agency had issued guarantees of approximately \$1.5 billion, of which 20% has been provided as part of the fund balance, for potential claims. When an insured mortgage is in default, the insured value is established as a liability reserve.

The Agency changed its method of recording investments from the lower of cost or fair value to fair value in accordance with GASB Statement No. 31 as of October 31, 1998. The effect of adopting the provisions of this statement required the Agency to restate its beginning equity balance for the 1998 fiscal year by an increase of \$43 million.

Environmental Facilities Corporation

The New York State Environmental Facilities Corporation (EFC) is a public benefit corporation, formed pursuant to the New York Environmental Facilities Corporation Act, that promotes environmental quality by providing low-cost capital and expert technical assistance to municipalities, state agencies and businesses for environmental projects throughout New York State. Its purpose is to help public and private entities comply with federal and state environmental requirements. EFC is governed by a board of directors which consists of seven members.

The services offered by EFC include providing low-cost capital for both water quality protection and water supply projects through the Clean Water and Drinking Water State Revolving Funds; assisting municipalities, businesses, and State agencies to understand and comply with environmental laws and regulations through the Technical Advisory Services Program including protecting the New York City Watershed and helping small businesses comply with air pollution standards; and providing low-cost capital and other financial assistance to New York businesses for environmental protection projects through the Industrial Finance and Financial Assistance to Business programs.

Eliminations

Eliminations are made primarily to avoid duplicate reporting. As explained in Note 10, the State services a significant portion of the bonds and notes payable of certain Corporations. Since this liability is reported in the General Long-Term Obligations Account Group and the College and University Funds, an equivalent amount (\$24.7 billion) of bonds payable and related assets is eliminated as is the applicable financing income and interest expense of \$983 million, and operating transfers from the primary government and interest expenses of \$168 million. Another elimination (\$85 million) is to delete a receivable and payable between the Urban Development Corporation and the Project Finance Agency.

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority	Urban Development Corporation
ASSETS:						
Cash and investments	\$ 1,318,705	\$ 335,845	\$ 5,573,161	\$ 7,436,832	\$ 712,236	\$ 880,156
Receivables, net of allowances for uncollectibles:						
Loans and leases	—	—	—	21,868,735	—	4,655,155
Other	152,505	59,188	2,260,728	582,299	207,671	21,028
Fixed assets	3,308,236	2,856,991	20,571,457	29,212	2,072,304	36,066
Other assets	398,279	12,904	1,479,888	—	5,198,565	54,781
Total assets	\$ 5,177,725	\$ 3,264,928	\$ 29,885,234	\$ 29,917,078	\$ 8,190,776	\$ 5,647,186
LIABILITIES:						
Accrued liabilities	\$ 238,326	\$ 63,186	\$ 1,436,458	\$ 990,713	\$ 300,874	\$ 339,014
Pension contributions payable	—	—	339,274	—	—	—
Accounts payable	—	—	429,349	—	—	—
Deferred revenues	177,347	19,800	268,103	37,766	—	14,671
Notes payable	1,105,773	—	—	—	—	84,681
Bonds payable	1,263,455	1,211,921	11,799,042	27,982,081	7,955,898	4,730,829
Other long-term liabilities	747,836	—	1,665,459	—	34,059	440,920
Total liabilities	3,532,737	1,294,907	15,937,685	29,010,560	8,290,831	5,610,115
EQUITY (DEFICIT):						
Contributed capital	—	—	9,331,608	—	—	—
Retained earnings	1,644,988	1,970,021	4,615,941	906,518	(100,055)	37,071
Total equity (deficit)	1,644,988	1,970,021	13,947,549	906,518	(100,055)	37,071
Total liabilities and equity (deficit)	\$ 5,177,725	\$ 3,264,928	\$ 29,885,234	\$ 29,917,078	\$ 8,190,776	\$ 5,647,186
OPERATING REVENUES:						
Charges for services	\$ 1,483,939	\$ 373,931	\$ 3,627,782	\$ 62,038	\$ 1,377,605	\$ —
Financing income	—	—	—	1,333,099	—	75,642
Investment earnings	—	—	—	184,077	—	44,310
Miscellaneous	13,246	20,160	104,883	100,987	—	10,936
Total operating revenues	1,497,185	394,091	3,732,665	1,680,201	1,377,605	130,888
OPERATING EXPENSES:						
Operations	1,119,766	235,594	4,524,014	272,480	1,201,465	299,180
Depreciation and amortization	248,421	—	781,495	2,777	53,256	2,204
Interest	—	—	—	1,399,117	—	267,121
Total operating expenses	1,368,187	235,594	5,305,509	1,674,374	1,254,721	568,505
Operating income (loss)	128,998	158,497	(1,572,844)	5,827	122,884	(437,617)
NONOPERATING REVENUES (EXPENSES):						
Non-State subsidies and grants	—	41,123	636,294	—	—	27,066
Interest revenues	99,690	23,501	60,476	—	35,021	—
Interest expenses	(145,025)	(68,308)	(381,485)	—	(233,785)	—
Other, net	(2,209)	(39,486)	1,348	—	(978)	—
Total nonoperating revenues (expenses)	(47,544)	(43,170)	316,633	—	(199,742)	27,066
Income (loss) before operating transfers	81,454	115,327	(1,256,211)	5,827	(76,858)	(410,551)
Operating transfers from primary government	—	—	1,249,180	—	—	452,072
Operating transfers to primary government	—	—	—	(6,770)	—	—
Income (loss) before extraordinary items	81,454	115,327	(7,031)	(943)	(76,858)	41,521
Extraordinary item—refinancing charges	(18,487)	—	—	—	—	—
Net income (loss)	62,967	115,327	(7,031)	(943)	(76,858)	41,521
Depreciation charged to contributed capital	—	—	533,924	—	—	—
Increase (decrease) in retained earnings	62,967	115,327	526,893	(943)	(76,858)	41,521
Retained earnings (deficit) at beginning of year, as restated	1,582,021	1,854,694	4,089,048	907,461	(23,197)	(4,450)
Retained earnings (deficit) at end of year	\$ 1,644,988	\$ 1,970,021	\$ 4,615,941	\$ 906,518	\$ (100,055)	\$ 37,071

(Continued)

	State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Other Entities	Eliminations	Total Public Benefit Corporations
ASSETS:						
Cash and investments	\$ 7,130,237	\$ 1,468,079	\$ 1,829,002	\$ 3,001,497	\$ (3,472,971)	\$ 26,212,779
Receivables, net of allowances for uncollectibles:						
Loans and leases	—	3,465,096	3,571,667	4,242,064	(15,254,818)	22,547,899
Other	687,379	31,523	78,446	4,323,774	(5,926,430)	2,478,111
Fixed assets	9,482	—	39	1,718,847	(273,285)	30,329,349
Other assets	20,304	64,835	—	106,140	(403)	7,335,293
Total assets	\$ 7,847,402	\$ 5,029,533	\$ 5,479,154	\$ 13,392,322	\$ (24,927,907)	\$ 88,903,431
LIABILITIES:						
Accrued liabilities	\$ 7,654,995	\$ 162,911	\$ 127,953	\$ 803,046	\$ (52,784)	\$ 12,064,692
Pension contributions payable	—	—	—	122	—	339,396
Accounts payable	—	—	—	95,754	(1,615)	523,488
Deferred revenues	192,407	—	—	337,266	(9,838)	1,037,522
Notes payable	—	—	—	5,155	(84,681)	1,110,928
Bonds payable	—	4,030,019	3,421,079	10,160,842	(24,713,676)	47,841,490
Other long-term liabilities	—	—	7,566	115,435	(57,500)	2,953,775
Total liabilities	7,847,402	4,192,930	3,556,598	11,517,620	(24,920,094)	65,871,291
EQUITY (DEFICIT):						
Contributed capital	—	—	1,799,752	724,680	—	11,856,040
Retained earnings	—	836,603	122,804	1,150,022	(7,813)	11,176,100
Total equity (deficit)	—	836,603	1,922,556	1,874,702	(7,813)	23,032,140
Total liabilities and equity (deficit)	\$ 7,847,402	\$ 5,029,533	\$ 5,479,154	\$ 13,392,322	\$ (24,927,907)	\$ 88,903,431
OPERATING REVENUES:						
Charges for services	\$ 985,835	\$ —	\$ 3,369	\$ 286,093	\$ —	\$ 8,200,592
Financing income	—	257,259	187,308	401,455	(982,721)	1,272,042
Investment earnings	566,583	71,912	97,567	63,237	—	1,027,686
Miscellaneous	35,452	114,781	40	181,863	(2,291)	580,057
Total operating revenues	1,587,870	443,952	288,284	932,648	(985,012)	11,080,377
OPERATING EXPENSES:						
Operations	1,502,973	72,886	103,307	1,140,296	(36,689)	10,435,272
Depreciation and amortization	282	2,367	13	82,983	(41)	1,173,757
Interest	—	251,133	182,453	272,032	(982,721)	1,389,135
Total operating expenses	1,503,255	326,386	285,773	1,495,311	(1,019,451)	12,998,164
Operating income (loss)	84,615	117,566	2,511	(562,663)	34,439	(1,917,787)
NONOPERATING REVENUES (EXPENSES):						
Non-State subsidies and grants	—	—	4,066	366,778	(34,851)	1,040,476
Interest revenues	—	—	—	37,671	(1,055)	255,304
Interest expenses	—	—	—	(53,476)	113,873	(768,206)
Other, net	(84,615)	—	—	31,616	—	(94,324)
Total nonoperating revenues (expenses)	(84,615)	—	4,066	382,589	77,967	433,250
Income (loss) before operating transfers	—	117,566	6,577	(180,074)	112,406	(1,484,537)
Operating transfers from primary government	—	—	22,171	357,366	(113,350)	1,967,439
Operating transfers to primary government	—	—	—	(24,395)	—	(31,165)
Income (loss) before extraordinary items	—	117,566	28,748	152,897	(944)	451,737
Extraordinary item—refinancing charges	—	(6,622)	—	(6,643)	—	(31,752)
Net income (loss)	—	110,944	28,748	146,254	(944)	419,985
Depreciation charged to contributed capital	—	—	—	42,998	—	576,922
Increase (decrease) in retained earnings	—	110,944	28,748	189,252	(944)	996,907
Retained earnings (deficit) at beginning of year, as restated	—	725,659	94,056	960,770	(6,869)	10,179,193
Retained earnings (deficit) at end of year	\$ —	\$ 836,603	\$ 122,804	\$ 1,150,022	\$ (7,813)	\$ 11,176,100

Note 17 Joint Ventures

A joint venture is an entity that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. The only material joint venture in which the State has a financial interest is the Port Authority of New York and New Jersey (Port Authority).

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor.

The Governor of each state appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each Governor has from time to time exercised the statutory power to veto the actions of the commissioners from their state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Port Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit. The Port Authority has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Pursuant to an agreement between the Port Authority and the States, the Fund for Regional Development (Fund) was established in 1983 to sublease certain space, as vacated, held by the State of New York as tenant. The Port Authority and the States entered into an agreement on January 1, 1990 providing for the termination of the agreement creating the Fund. In consideration of the termination of the Fund, the Authority has agreed to make a series of payments to the States over a period of 30 years (see Note 4).

The liabilities of the Port Authority include \$5.6 billion of consolidated bonds and notes. Consolidated bonds and notes are equally and ratably secured by a pledge of the net revenues of all existing facilities and any additional facilities which may be financed in whole or in part through the medium of consolidated bonds and notes.

The Authority's Comprehensive Annual Financial Report is available from the Government and Community Affairs Department, The Port Authority of New York and New Jersey, One World Trade Center, New York, New York, 10048.

Consolidated financial statements of the Port Authority for the fiscal year ended December 31, 1998 disclosed the following (amounts in thousands):

Financial Position	
Total assets	\$ 13,562,444
Total liabilities	(9,377,263)
Net assets	\$ 4,185,181
Operating Results	
Operating revenues	\$ 2,361,202
Operating expenses	(1,569,258)
Depreciation and amortization	(395,738)
Income from operations	396,206
Net passenger facilities charge revenues	113,020
Financial income (expense), net	(209,724)
Loss on disposition of assets	(172)
Net income	\$ 299,330
Changes in Net Assets	
Balance, January 1, 1998	\$ 3,848,861
Net income	299,330
Capital funding provided by others	36,990
Balance, December 31, 1998	\$ 4,185,181

Schedule of Required Supplementary Information

YEAR 2000 DISCLOSURE

(Unaudited)

New York State is currently addressing year 2000 (Y2K) data processing compliance issues. The Y2K issue arises because many computer software programs use a two-digit date convention to represent the year based on the assumption that the first two digits will be "19". Therefore, such programs may interpret the year 2000 as the year 1900. Computer programs have to be adjusted to recognize the difference between those two years or the programs may fail or create errors. Finally, the Y2K issue could adversely affect any system or electronic equipment containing embedded computer chips that rely on date recognition features.

In 1996, the State created the Office for Technology (OFT) to help address statewide technology issues, including the Y2K issue. OFT has identified approximately 380 State mission-critical and high-priority computer applications that need to be Y2K compliant. Mission-critical computer applications are those which impact the health, safety and welfare of the State and its citizens, and for which failure to be in Y2K compliance could have a significant adverse impact upon State services. High-priority computer applications are those that are critical for a State agency to fulfill its mission and deliver services, but for which there are manual alternatives.

In April 1999 the State Comptroller released an audit on the State's Y2K compliance. The audit, which reviewed the State's Y2K compliance activities through October 1998, found that the State had made progress in achieving Y2K compliance, but needed to improve its activities in several areas, including data interchanges and contingency planning.

OFT is monitoring Y2K compliance, providing assistance and assigning resources to accelerate compliance for mission critical and high priority computer applications. As of March 31, 1999, the awareness and assessment stages have been completed for all mission-critical and high priority applications. This means that project plans have been completed; a budget has been established; and, identification of the systems and components for which Y2K work is needed has occurred. The remediation stage, which refers to the phase in which changes are made to correct the Y2K problem, has been completed for 97 percent of the mission critical applications and 80 percent of the high priority applications. The State has also procured independent

validation and verification services from a qualified vendor to perform an automated review of corrected programming code and a testing process review for all mission critical applications. As of March 31, 1999, the State has budgeted \$144 million to address remaining Y2K issues and the work is expected to be completed by December 31, 1999. In addition, State agencies have committed additional resources from their operating budgets to address remaining Y2K issues.

The State is also addressing a number of other issues related to bringing its systems into compliance including: testing throughout 1999 of over 800 data exchange interfaces with federal, State, local and private data partners; completion of an inventory of priority equipment and systems that may depend on embedded chips and may therefore need remediation in 1999; and contacting critical vendors and supply partners to obtain Y2K compliance status information and assurances. Since problems could be identified during the compliance testing phase that could produce compliance delays, State agencies were required to complete contingency plans for mission critical and high priority systems and core business processes by March 31, 1999. OFT is currently reviewing the status of agency contingency planning. The agency plans are being tested and integrated into the State Emergency Response Plan coordinated by the State Emergency Management Office. In addition, the State Public Service Commission ordered all State-regulated utilities to complete Y2K activities for mission-critical systems, including contingency plans, by July 1, 1999 and is reviewing the utilities' monthly progress reports. The State has also been working with local governments since December 1996 to raise awareness, promote action and provide assistance with Y2K compliance.

While the State is taking what it believes to be appropriate action to address Y2K compliance, there can be no guarantee that all of the State's systems and equipment will be Y2K compliant and that there will not be an adverse impact upon State operations or finances as a result. Since Y2K compliance by outside parties is beyond the State's control to remediate, the failure of outside parties to achieve Y2K compliance could have an adverse impact on State operations or finances as well. If significant adverse impacts were to occur, the State Emergency Response Plan would be activated.

Combining Financial Statements

General Fund

The General Fund is the most significant of the State's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund.

The General Fund is divided into several accounts. Expenditures in the form of aid to local governments for their general purposes (e.g., State-local revenue sharing) and to school districts and municipalities for certain specific purposes (e.g., education and social services) are made from the Local Assistance account. These payments, often based on specific legislated formulas, are nevertheless limited under the State Constitution to appropriations in force. Expenditures from the Local Assistance account normally comprise approximately 60% of General Fund expenditures.

The expenditures of operating the departments of the Executive Branch, the Legislature and the Judiciary, as well as expenditures for general state charges such as contributions to employee retirement systems, are paid primarily from the State Purposes account and normally comprise approximately 40% of the General Fund expenditures.

General Fund — Combining Schedule of Balance Sheet Accounts

March 31, 1999

(Amounts in thousands)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Contingency Reserve
ASSETS:				
Cash and investments	\$ 1,233	\$ 1,398,432	\$ 472,935	\$ 106,790
Receivables, net of allowances for uncollectibles:				
Taxes	—	5,401,998	—	—
Other	6,391	545,117	—	—
Due from other funds	2,004	1,073,795	—	—
Other assets	684,574	88,413	—	—
Total assets	\$ 694,202	\$ 8,507,755	\$ 472,935	\$ 106,790
LIABILITIES:				
Payable to local governments	\$ 1,447,740	\$ 188,828	\$ —	\$ —
Tax refunds payable	—	3,415,747	—	—
Accrued liabilities	1,465,480	658,148	—	—
Pension contributions payable	—	70,221	—	—
Accounts payable	—	214,627	—	—
Due to other funds	6,963	261,974	—	—
Deferred revenues	4,029	785,705	—	—
Other liabilities	—	163,125	—	—
Total liabilities	2,924,212	5,758,375	—	—
EQUITY (DEFICIT):				
Fund balances (deficits):				
Reserved for:				
Encumbrances	126,439	101,646	—	—
Tax stabilization	—	—	472,935	—
Other specified purposes	1,063	1,557	—	106,790
Unreserved	(2,357,512)	2,646,177	—	—
Total equity (deficit)	(2,230,010)	2,749,380	472,935	106,790
Total liabilities and equity (deficit)	\$ 694,202	\$ 8,507,755	\$ 472,935	\$ 106,790

Community Projects	Earmarked Revenue	Miscellaneous	Eliminations	Totals	
				1999	1998
\$ 312,485	\$ 516,805	\$ 30,986	\$ —	\$ 2,839,666	\$ 2,543,714
—	—	—	—	5,401,998	4,885,911
—	34,087	10,359	—	595,954	645,097
—	14,531	37,349	(94,207)	1,033,472	952,893
397	860	7	—	774,251	890,770
\$ 312,882	\$ 566,283	\$ 78,701	\$ (94,207)	\$ 10,645,341	\$ 9,918,385
\$ 12,734	\$ 17,140	\$ —	\$ —	\$ 1,666,442	\$ 1,928,103
—	—	—	—	3,415,747	3,313,652
24	29,495	4,313	—	2,157,460	2,286,494
—	—	—	—	70,221	67,138
626	43,833	34,301	—	293,387	240,156
382	99,555	75,271	(94,207)	349,938	397,464
—	93,357	219	—	883,310	952,011
—	—	—	—	163,125	166,078
13,766	283,380	114,104	(94,207)	8,999,630	9,351,096
53,313	57,988	24,540	—	363,926	324,609
—	—	—	—	472,935	399,973
245,803	3,005	16,962	—	375,180	115,054
—	221,910	(76,905)	—	433,670	(272,347)
299,116	282,903	(35,403)	—	1,645,711	567,289
\$ 312,882	\$ 566,283	\$ 78,701	\$ (94,207)	\$ 10,645,341	\$ 9,918,385

General Fund — Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) Accounts

Year Ended March 31, 1999

(Amounts in thousands)

	<u>Local Assistance</u>	<u>State Purposes</u>	<u>Tax Stabilization Reserve</u>	<u>Contingency Reserve</u>
REVENUES:				
Taxes:				
Personal income	\$ —	\$ 20,429,324	\$ —	\$ —
Consumption and use	—	7,320,283	—	—
Business	—	4,851,574	—	—
Other	—	1,122,395	—	—
Miscellaneous	6,234	1,166,010	—	—
Total revenues	6,234	34,889,586	—	—
EXPENDITURES				
Local assistance grants:				
Social services	8,687,588	—	—	—
Education	12,124,706	—	—	—
Mental hygiene	873,781	—	—	—
General purpose	896,875	—	—	—
Health and environment	476,287	—	—	—
Transportation	443,025	—	—	—
Criminal justice	257,040	—	—	—
Miscellaneous	298,091	—	—	—
Departmental operations:				
Personal service	—	4,175,683	—	—
Non-personal service	—	1,685,747	—	—
Pension contribution	—	118,392	—	—
Other fringe benefits	—	1,461,291	—	—
Debt service, including payments on financing arrangements	—	20,994	—	—
Total expenditures	24,057,393	7,462,107	—	—
Excess (deficiency) of revenues over expenditures	(24,051,159)	27,427,479	—	—
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	24,637,090	2,190,740	72,962	38,577
Operating transfers to other funds	(739,707)	(28,954,167)	—	—
Operating transfers from public benefit corporations	—	13,433	—	—
Operating transfers to public benefit corporations	(140,113)	(31,999)	—	—
Proceeds from financing arrangements	316,666	—	—	—
Net other financing sources (uses)	24,073,936	(26,781,993)	72,962	38,577
Excess of revenues and other financing sources over expenditures and other financing uses	22,777	645,486	72,962	38,577
Fund balances (deficits) at April 1, 1998	(2,252,787)	2,103,894	399,973	68,213
Fund balances (deficits) at March 31, 1999	\$ (2,230,010)	\$ 2,749,380	\$ 472,935	\$ 106,790

Community Projects	Earmarked Revenue	Miscellaneous	Eliminations	Totals	
				1999	1998
\$ —	\$ —	\$ —	\$ —	\$ 20,429,324	\$ 18,695,967
—	—	—	—	7,320,283	7,050,897
—	—	—	—	4,851,574	5,103,233
—	—	—	—	1,122,395	1,049,678
—	1,477,875	433,841	(329,854)	2,754,106	2,608,779
—	1,477,875	433,841	(329,854)	36,477,682	34,508,554
14,795	549,574	—	—	9,251,957	9,233,415
46,357	4,091	—	—	12,175,154	11,160,909
4,906	34,637	—	—	913,324	886,693
13,318	—	—	—	910,193	581,466
10,085	156,297	—	—	642,669	503,728
450	—	—	—	443,475	415,899
7,143	17,281	—	—	281,464	289,632
44,747	5,626	—	—	348,464	377,965
787	1,888,823	86,686	—	6,151,979	6,027,114
2,271	626,086	273,274	(329,854)	2,257,524	2,198,094
—	—	—	—	118,392	112,980
—	143,217	45,935	—	1,650,443	1,530,590
—	—	—	—	20,994	21,484
144,859	3,425,632	405,895	(329,854)	35,166,032	33,339,969
(144,859)	(1,947,757)	27,946	—	1,311,650	1,168,585
311,040	2,243,497	62,508	(25,270,916)	4,285,498	4,511,293
—	(69,415)	(87,729)	25,270,916	(4,580,102)	(4,317,329)
—	75,234	—	—	88,667	93,966
(19,061)	(152,784)	—	—	(343,957)	(170,746)
—	—	—	—	316,666	276,034
291,979	2,096,532	(25,221)	—	(233,228)	393,218
147,120	148,775	2,725	—	1,078,422	1,561,803
151,996	134,128	(38,128)	—	567,289	(994,514)
\$ 299,116	\$ 282,903	\$ (35,403)	\$ —	\$ 1,645,711	\$ 567,289

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Federal Funds—to account for federal grants received by the State that are earmarked for specific programs. The need to satisfy federal accounting and reporting requirements dictate that federal grants be accounted for in a number of separate funds, including the Federal USDA-Food and Nutrition Services Fund, the Federal Health and Human Services Fund, the Federal Education Fund, the Federal HHS Block Grant Fund, the Federal Operating Grants Fund, the Unemployment Insurance Administration Fund and the Federal Job Training Partnership Fund.

Disproportionate Share Medical Assistance Fund—to account for bad debt and charity pool hospital assessments that are earmarked for medical assistance.

Dedicated Mass Transportation Trust Fund—to account for monies that are earmarked for mass transportation purposes.

State Lottery Fund—to account for lottery revenues that are earmarked for education assistance to local school districts and the administrative costs of the Division of the Lottery.

ENCON Special Revenue Fund—to account for revenues of the Department of Environmental Conservation earmarked for miscellaneous purposes.

Conservation Fund—to account for hunting and fishing license fees and related fines and penalties that are dedicated to fish and wildlife programs.

Environmental Protection and Oil Spill Compensation Fund—to account for license fees and penalties that are earmarked for oil spill clean-up costs and claims for damages.

Hazardous Waste Remedial Fund—to account for various assessments, fines and other fees that are earmarked for hazardous waste site clean-up and site remediation activities.

Mass Transportation Operating Assistance Fund—to account for business and consumption and use taxes that are dedicated for public mass transportation projects.

Clean Air Fund—to account for revenues dedicated to meet the State's obligations under the Clean Air Act for controlling stationary and mobile sources of air pollution.

Miscellaneous—to account for various fees, fines, user charges and other miscellaneous revenues that are earmarked for specific State programs.

Special Revenue Funds — Combining Balance Sheet

March 31, 1999

(Amounts in thousands)

	Disproportionate Share Medical Assistance	Dedicated Mass Transportation Trust	State Lottery	Federal USDA-FNS
ASSETS:				
Cash and investments	\$ 27,149	\$ 73,429	\$ 9,875	\$ —
Receivables, net of allowances for uncollectibles:				
Taxes	—	12,837	—	—
Due from Federal government	—	—	—	129,347
Other	—	—	57,925	87
Due from other funds	29,666	—	—	83
Other assets	—	—	6,642	341,451
Total assets	\$ 56,815	\$ 86,266	\$ 74,442	\$ 470,968
LIABILITIES:				
Payable to local governments	\$ —	\$ 2,582	\$ —	\$ 92,518
Tax refunds payable	—	825	—	—
Accrued liabilities	—	—	14,766	696
Accounts payable	—	2,423	15,558	1,528
Due to other funds	—	—	—	34,821
Deferred revenues	—	551	2,566	341,405
Total liabilities	—	6,381	32,890	470,968
EQUITY:				
Fund balances:				
Reserved for:				
Encumbrances	—	58,209	—	6,714
Other specified purposes	—	—	—	—
Unreserved	56,815	21,676	41,552	(6,714)
Total equity	56,815	79,885	41,552	—
Total liabilities and equity	\$ 56,815	\$ 86,266	\$ 74,442	\$ 470,968

Federal DHHS	Federal Education	Federal DHHS Block Grant	Federal Operating Grants	ENCON Special Revenue	Conservation
\$ —	\$ —	\$ —	\$ —	\$ 28,299	\$ 16,795
—	—	—	—	—	—
3,297,479	38,825	49,796	117,559	—	—
—	—	598	—	8,331	501
1,755	1,129	7	641	319	735
1,774	300	2,809	—	—	—
\$ 3,301,008	\$ 40,254	\$ 53,210	\$ 118,200	\$ 36,949	\$ 18,031
\$ 529,343	\$ 11,305	\$ 32,088	\$ 49,980	\$ —	\$ —
—	—	—	—	—	—
2,309,645	2,787	1,810	3,643	1,365	1,135
19,774	—	2,594	6,738	1,847	744
442,246	26,162	16,718	54,280	1,946	673
—	—	—	—	7,880	186
3,301,008	40,254	53,210	114,641	13,038	2,738
245,545	5,922	37,978	78,135	5,702	866
—	—	—	—	—	—
(245,545)	(5,922)	(37,978)	(74,576)	18,209	14,427
—	—	—	3,559	23,911	15,293
\$ 3,301,008	\$ 40,254	\$ 53,210	\$ 118,200	\$ 36,949	\$ 18,031

(Continued)

Special Reserve Funds — Combining Balance Sheet (cont'd)

March 31, 1999

(Amounts in thousands)

	Environmental Protection and Oil Spill Compensation	Hazardous Waste Remedial	Mass Transportation Operating Assistance	Clean Air
ASSETS:				
Cash and investments	\$ 3,792	\$ 10,184	\$ 161,086	\$ 13,815
Receivables, net of allowances for uncollectibles:				
Taxes	—	—	37,272	—
Due from Federal government	—	—	—	—
Other	86,336	4,107	—	2,259
Due from other funds	19	278	—	68
Other assets	—	—	—	33
Total assets	\$ 90,147	\$ 14,569	\$ 198,358	\$ 16,175
LIABILITIES:				
Payable to local governments	\$ —	\$ —	\$ 2,189	\$ —
Tax refunds payable	—	—	58,579	—
Accrued liabilities	334	893	143	905
Accounts payable	3,229	294	113	1,786
Due to other funds	278	805	1,281	212
Deferred revenues	82,586	3,885	207	2,137
Total liabilities	86,427	5,877	62,512	5,040
EQUITY:				
Fund balances:				
Reserved for:				
Encumbrances	1,571	322	1,111	3,961
Other specified purposes	—	—	—	—
Unreserved	2,149	8,370	134,735	7,174
Total equity	3,720	8,692	135,846	11,135
Total liabilities and equity	\$ 90,147	\$ 14,569	\$ 198,358	\$ 16,175

Unemployment Insurance Administration	Federal Job Training Partnership	Miscellaneous	Totals	
			1999	1998
\$ 1,086	\$ 275	\$ 82,970	\$ 428,755	\$ 550,520
—	—	—	50,109	47,379
21,964	182	214	3,655,366	3,621,578
—	—	13,138	173,282	201,468
1,398	—	1,428	37,526	14,039
1,464	54	836	355,363	145,616
\$ 25,912	\$ 511	\$ 98,586	\$ 4,700,401	\$ 4,580,600
\$ —	\$ 49	\$ 14	\$ 720,068	\$ 969,871
—	—	—	59,404	44,582
8,542	24	2,090	2,348,778	2,120,831
6,317	307	4,797	68,049	56,707
11,053	131	8,185	598,791	574,156
—	—	6	441,409	233,053
25,912	511	15,092	4,236,499	3,999,200
26,402	—	10,103	482,541	231,901
—	—	8,500	8,500	8,500
(26,402)	—	64,891	(27,139)	340,999
—	—	83,494	463,902	581,400
\$ 25,912	\$ 511	\$ 98,586	\$ 4,700,401	\$ 4,580,600

Special Revenue Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended March 31, 1999

(Amounts in thousands)

	Disproportionate Share Medical Assistance	Dedicated Mass Transportation Trust	State Lottery	Federal USDA-FNS
REVENUES:				
Taxes:				
Personal income tax	\$ —	\$ —	\$ —	\$ —
Consumption and use	—	—	—	—
Business	—	304,440	—	—
Federal grants	—	—	—	2,587,165
Lottery	—	—	3,697,631	—
Miscellaneous	41,123	3,302	158,882	97,358
Total revenues	41,123	307,742	3,856,513	2,684,523
EXPENDITURES:				
Local assistance grants:				
Social services	—	—	—	1,689,119
Education	—	—	1,529,997	464,707
Mental hygiene	—	—	—	—
Health and environment	—	—	—	474,768
Transportation	—	—	—	—
Criminal justice	—	—	—	—
Miscellaneous	—	—	—	16,419
Departmental operations:				
Personal service	—	—	13,208	12,293
Non-personal service	—	4,136	2,425,498	21,043
Pension contribution	—	—	812	348
Other fringe benefits	—	—	3,666	2,588
Total expenditures	—	4,136	3,973,181	2,681,285
Excess (deficiency) of revenues over expenditures	41,123	303,606	(116,668)	3,238
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	625,128	—	87,570	—
Operating transfers to other funds	(625,128)	—	—	(3,238)
Operating transfers from public benefit corporations	—	—	—	—
Operating transfers to public benefit corporations	—	(276,701)	—	—
Net other financing sources (uses)	—	(276,701)	87,570	(3,238)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	41,123	26,905	(29,098)	—
Fund balances at April 1, 1998	15,692	52,980	70,650	—
Fund balances at March 31, 1999	\$ 56,815	\$ 79,885	\$ 41,552	\$ —

Federal DHHS	Federal Education	Federal DHHS Block Grant	Federal Operating Grants	ENCON Special Revenue	Conservation
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
18,047,438	777,249	558,882	387,743	—	—
—	—	—	—	—	—
—	—	177	2,623	46,768	36,743
18,047,438	777,249	559,059	390,366	46,768	36,743
14,835,384	—	296,559	5,620	—	—
555,809	691,012	504	11,304	—	—
14,033	3,540	98,746	10,479	—	—
178,478	—	43,895	—	—	—
—	—	—	12,707	—	—
—	—	21	41,312	—	—
71,400	—	59,926	98,631	—	—
142,976	33,591	26,133	123,486	28,101	20,313
150,705	20,861	25,349	51,875	20,238	7,655
2,847	2,338	751	3,477	1,213	1,081
21,196	17,406	5,591	25,882	5,471	4,880
15,972,828	768,748	557,475	384,773	55,023	33,929
2,074,610	8,501	1,584	5,593	(8,255)	2,814
—	—	—	—	6,822	—
(2,074,610)	(8,501)	(1,584)	(3,355)	(2,500)	(1,673)
—	—	—	—	3,625	—
—	—	—	(3,165)	—	—
(2,074,610)	(8,501)	(1,584)	(6,520)	7,947	(1,673)
—	—	—	(927)	(308)	1,141
—	—	—	4,486	24,219	14,152
\$ —	\$ —	\$ —	\$ 3,559	\$ 23,911	\$ 15,293

(Continued)

Special Revenue Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (cont'd)

Year Ended March 31, 1999

(Amounts in thousands)

	Environmental Protection and Oil Spill Compensation	Hazardous Waste Remedial	Mass Transportation Operating Assistance	Clean Air
REVENUES:				
Taxes:				
Personal income tax	\$ —	\$ —	\$ —	\$ —
Consumption and use	—	—	324,903	—
Business	—	—	711,951	—
Federal grants	—	—	—	—
Lottery	—	—	—	—
Miscellaneous	37,579	15,915	9,676	28,511
Total revenues	37,579	15,915	1,046,530	28,511
EXPENDITURES:				
Local assistance grants:				
Social services	—	—	—	—
Education	—	—	—	—
Mental hygiene	—	—	—	—
Health and environment	—	—	—	—
Transportation	—	—	172,359	—
Criminal justice	—	—	—	—
Miscellaneous	—	—	—	—
Departmental operations:				
Personal service	6,386	17,539	2,888	17,634
Non-personal service	21,436	1,128	850	10,504
Pension contribution	338	915	153	951
Other fringe benefits	1,527	4,129	690	4,292
Total expenditures	29,687	23,711	176,940	33,381
Excess (deficiency) of revenues over expenditures	7,892	(7,796)	869,590	(4,870)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	10,500	38,150	—	—
Operating transfers to other funds	(18,537)	(27,771)	—	(65)
Operating transfers from public benefit corporations	—	—	—	—
Operating transfers to public benefit corporations	—	—	(1,036,540)	—
Net other financing sources (uses)	(8,037)	10,379	(1,036,540)	(65)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(145)	2,583	(166,950)	(4,935)
Fund balances at April 1, 1998	3,865	6,109	302,796	16,070
Fund balances at March 31, 1999	\$ 3,720	\$ 8,692	\$ 135,846	\$ 11,135

Unemployment Insurance Administration	Federal Job Training Partnership	Miscellaneous	Eliminations	Totals	
				1999	1998
\$ —	\$ —	\$ 582,156	\$ —	\$ 582,156	\$ —
—	—	—	—	324,903	306,630
—	—	1	—	1,016,392	1,057,456
248,851	232,870	19,230	—	22,859,428	22,088,839
—	—	—	—	3,697,631	3,943,096
3,180	—	139,159	—	620,996	597,428
252,031	232,870	740,546	—	29,101,506	27,993,449
—	—	—	—	16,826,682	16,398,037
29	1,462	588,967	—	3,843,791	3,138,599
—	—	5,466	—	132,264	117,118
—	—	124	—	697,265	508,935
—	—	—	—	185,066	171,991
—	—	136	—	41,469	29,490
—	202,804	51,598	—	500,778	445,482
164,012	562	42,094	—	651,216	587,975
75,674	3,054	98,648	—	2,938,654	3,092,561
4,392	15	1,044	—	20,675	31,554
32,693	111	4,707	—	134,829	142,497
276,800	208,008	792,784	—	25,972,689	24,664,239
(24,769)	24,862	(52,238)	—	3,128,817	3,329,210
24,769	—	67,308	(45,510)	814,737	717,787
—	(24,862)	(6,214)	45,510	(2,752,528)	(2,866,093)
—	—	7,559	—	11,184	14,005
—	—	(3,302)	—	(1,319,708)	(1,145,887)
24,769	(24,862)	65,351	—	(3,246,315)	(3,280,188)
—	—	13,113	—	(117,498)	49,022
—	—	70,381	—	581,400	532,378
\$ —	\$ —	\$ 83,494	\$ —	\$ 463,902	\$ 581,400

Special Revenue Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 1999

(Amounts in thousands)

	State Lottery			Federal USDA-FNS		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Miscellaneous	1,587,000	1,575,900	(11,100)	92,000	97,300	5,300
Federal grants	—	—	—	1,063,000	1,093,300	30,300
Total receipts	1,587,000	1,575,900	(11,100)	1,155,000	1,190,600	35,600
DISBURSEMENTS:						
Local assistance grants	1,530,000	1,530,000	—	1,112,000	1,176,700	(64,700)
Departmental operations	132,000	125,900	6,100	29,000	34,100	(5,100)
General state charges	5,000	3,900	1,100	4,000	3,200	800
Capital projects	—	—	—	—	—	—
Total disbursements	1,667,000	1,659,800	7,200	1,145,000	1,214,000	(69,000)
Excess (deficiency) of receipts over disbursements	(80,000)	(83,900)	(3,900)	10,000	(23,400)	(33,400)
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	80,000	87,600	7,600	—	—	—
Transfers to other funds	—	—	—	(10,000)	(3,200)	6,800
Net other financing sources (uses)	80,000	87,600	7,600	(10,000)	(3,200)	6,800
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ —	\$ 3,700	\$ 3,700	\$ —	\$ (26,600)	\$ (26,600)

Federal DHHS			State University Income		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	1,653,000	1,560,700	(92,300)
19,321,000	18,076,200	(1,244,800)	—	—	—
19,321,000	18,076,200	(1,244,800)	1,653,000	1,560,700	(92,300)
16,347,000	15,602,200	744,800	—	—	—
514,000	332,900	181,100	1,774,000	1,726,700	47,300
51,000	30,300	20,700	—	—	—
—	—	—	—	—	—
16,912,000	15,965,400	946,600	1,774,000	1,726,700	47,300
2,409,000	2,110,800	(298,200)	(121,000)	(166,000)	(45,000)
—	—	—	134,000	144,000	10,000
(2,022,000)	(2,035,200)	(13,200)	—	—	—
(2,022,000)	(2,035,200)	(13,200)	134,000	144,000	10,000
\$ 387,000	\$ 75,600	\$ (311,400)	\$ 13,000	\$ (22,000)	\$ (35,000)

(Continued)

Special Revenue Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

Year Ended March 31, 1999

(Amounts in thousands)

	Mass Transportation Operating Assistance			Earmarked Revenue Account		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ 1,051,000	\$ 1,050,400	\$ (600)	\$ —	\$ —	\$ —
Miscellaneous	12,000	9,700	(2,300)	1,571,000	1,573,700	2,700
Federal grants	—	—	—	—	800	800
Total receipts	1,063,000	1,060,100	(2,900)	1,571,000	1,574,500	3,500
DISBURSEMENTS:						
Local assistance grants	1,211,000	1,207,500	3,500	793,000	765,600	27,400
Departmental operations	4,000	3,500	500	2,880,000	2,793,000	87,000
General state charges	1,000	1,000	—	149,000	131,300	17,700
Capital projects	—	—	—	—	—	—
Total disbursements	1,216,000	1,212,000	4,000	3,822,000	3,689,900	132,100
Excess (deficiency) of receipts over disbursements	(153,000)	(151,900)	1,100	(2,251,000)	(2,115,400)	135,600
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	—	—	—	2,328,000	2,351,500	23,500
Transfers to other funds	—	—	—	(94,000)	(71,500)	22,500
Net other financing sources (uses)	—	—	—	2,234,000	2,280,000	46,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (153,000)	\$ (151,900)	\$ 1,100	\$ (17,000)	\$ 164,600	\$ 181,600

Other			Eliminations		Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ 881,000	\$ 883,700	\$ 2,700	\$ —	\$ —	\$ 1,932,000	\$ 1,934,100	\$ 2,100
897,000	995,800	98,800	—	—	5,812,000	5,813,100	1,100
1,632,000	2,251,000	619,000	—	—	22,016,000	21,421,300	(594,700)
3,410,000	4,130,500	720,500	—	—	29,760,000	29,168,500	(591,500)
2,493,000	3,165,400	(672,400)	—	—	23,486,000	23,447,400	38,600
850,000	904,100	(54,100)	—	—	6,183,000	5,920,200	262,800
116,000	105,900	10,100	—	—	326,000	275,600	50,400
7,000	5,500	1,500	—	—	7,000	5,500	1,500
3,466,000	4,180,900	(714,900)	—	—	30,002,000	29,648,700	353,300
(56,000)	(50,400)	5,600	—	—	(242,000)	(480,200)	(238,200)
149,000	153,200	4,200	(274,000)	(292,000)	2,417,000	2,444,300	27,300
(88,000)	(90,200)	(2,200)	274,000	292,000	(1,940,000)	(1,908,100)	31,900
61,000	63,000	2,000	—	—	477,000	536,200	59,200
\$ 5,000	\$ 12,600	\$ 7,600	\$ —	\$ —	\$ 235,000	\$ 56,000	\$ (179,000)

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of principal and interest on general long-term obligations and payments on certain lease/purchase or other contractual obligations.

Debt Service Reduction Reserve—to retire or defease bonds including any accrued interest thereon for any state supported bonding program.

Mental Health Services Fund—to account for the payment of debt service in conjunction with agreements with the New York State Medical Care Facilities Finance Agency for financing mental hygiene facilities.

General Obligation Debt Service Fund—to account for the payment of principal and interest on the State's general obligation debt and the payments on certain lease/purchase or other contractual obligations.

State Housing Debt Fund—to account for the repayment of State advances made to local governments and certain public authorities that are earmarked for paying the principal and interest on State Housing bonds.

Department of Health Income Fund—to account for the payment of debt service in conjunction with agreements with the Dormitory Authority for financing health facilities.

Emergency Highway Reconditioning and Preservation Fund

Emergency Highway Construction and Reconstruction Fund

Each fund accounts for a portion of motor fuel taxes earmarked for making debt service payments pursuant to agreements with the New York State Thruway Authority for financing certain highway capital projects.

Clean Water/Clean Air—to account for taxes earmarked for reimbursing the General Debt Service Fund for the payment of debt service on the Clean Water/Clean Air Bonds.

Local Government Assistance Tax Fund—to account for revenues that are earmarked for payment to the New York Local Government Assistance Corporation for debt service.

Miscellaneous Fund—to account for debt service payments related to the issuance of certificates of participation and the refunding of certain general obligation debt and to account for the repayments of State advances made to local governments and railroads which were earmarked for payment of principal and interest on Grade Crossing Elimination bonds.

Debt Service Funds — Combining Balance Sheet

March 31, 1999

(Amounts in thousands)

	Debt Service Reduction Reserve	Mental Health Services	General Obligation Debt Service	State Housing Debt	Department of Health Income	Emergency Highway Reconditioning and Preservation
ASSETS:						
Cash and investments	\$ 50,067	\$ 179,939	\$ 722,629	\$ —	\$ 49,956	\$ 39,262
Receivables, net of allowance for uncollectibles:						
Taxes	—	—	—	—	—	2,287
Other	—	52,745	—	83,920	22,707	—
Due from other funds	—	74,906	—	—	8,385	—
Total assets	\$ 50,067	\$ 307,590	\$ 722,629	\$ 83,920	\$ 81,048	\$ 41,549
LIABILITIES:						
Tax refunds payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 372
Accounts payable	—	—	829	—	494	—
Deferred revenues	—	—	—	95,623	—	52
Total liabilities	—	—	829	95,623	494	424
EQUITY (DEFICIT):						
Fund balances (deficit):						
Reserved for debt service	—	158,409	704,332	—	21,931	25,376
Unreserved	50,067	149,181	17,468	(11,703)	58,623	15,749
Total equity (deficit)	50,067	307,590	721,800	(11,703)	80,554	41,125
Total liabilities and equity (deficit)	\$ 50,067	\$ 307,590	\$ 722,629	\$ 83,920	\$ 81,048	\$ 41,549

Emergency Highway Construction and Reconstruction	Clean Water/ Clean Air	Local Government Assistance Tax	Miscellaneous	Totals	
				1999	1998
\$ 30,401	\$ —	\$ 662,142	\$ 32,837	\$ 1,767,233	\$ 1,586,071
2,287	22,455	142,974	—	170,003	157,707
—	—	4,674	—	164,046	171,472
—	—	—	—	83,291	66,633
\$ 32,688	\$ 22,455	\$ 809,790	\$ 32,837	\$ 2,184,573	\$ 1,981,883
\$ 372	\$ 827	\$ 7,467	\$ —	\$ 9,038	\$ 9,384
—	—	1,951	—	3,274	3,024
52	254	8,920	—	104,901	110,974
424	1,081	18,338	—	117,213	123,382
26,863	—	658,945	32,837	1,628,693	1,516,953
5,401	21,374	132,507	—	438,667	341,548
32,264	21,374	791,452	32,837	2,067,360	1,858,501
\$ 32,688	\$ 22,455	\$ 809,790	\$ 32,837	\$ 2,184,573	\$ 1,981,883

Debt Service Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Year Ended March 31, 1999

(Amounts in thousands)

	Debt Service Reduction Reserve	Mental Health Services	General Obligation Debt Service	State Housing Debt	Department of Health Income	Emergency Highway Reconditioning and Preservation
REVENUES						
Taxes:						
Consumption and use	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 55,564
Other	—	—	—	—	—	—
Patient fees	—	265,452	—	—	120,925	—
Miscellaneous	67	21,968	24,334	35,783	1,072	1,974
Total revenues	67	287,420	24,334	35,783	121,997	57,538
EXPENDITURES:						
Non-personal service	—	—	589	—	—	—
Debt service, including payments on financing arrangements	—	299,342	2,111,534	31,009	17,298	30,306
Total expenditures	—	299,342	2,112,123	31,009	17,298	30,306
Excess (deficiency) of revenues over expenditures	67	(11,922)	(2,087,789)	4,774	104,699	27,232
OTHER FINANCING SOURCES (USES):						
Operating transfers from other funds ..	50,000	1,821,787	2,639,710	2,485	21,921	—
Operating transfers to other funds ...	—	(1,799,252)	(552,365)	—	(114,457)	(27,298)
Proceeds from financing arrangements/advance refundings ..	—	8,722	643,440	—	824	—
Payments on advance refundings ...	—	—	(556,825)	—	—	—
Net other financing sources (uses)	50,000	31,257	2,173,960	2,485	(91,712)	(27,298)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	50,067	19,335	86,171	7,259	12,987	(66)
Fund balances (deficit) at April 1, 1998	—	288,255	635,629	(18,962)	67,567	41,191
Fund balances (deficit) at March 31, 1999	\$ 50,067	\$ 307,590	\$ 721,800	\$ (11,703)	\$ 80,554	\$ 41,125

Emergency Highway Construction and Reconstruction	Clean Water/ Clean Air	Local Government Assistance Tax	Miscellaneous	Eliminations	Totals	
					1999	1998
\$ 55,565	\$ —	\$ 1,908,022	\$ —	\$ —	\$ 2,019,151	\$ 1,916,214
—	195,378	—	—	—	195,378	170,822
—	—	—	—	—	386,377	392,370
1,448	—	29,091	1,400	—	117,137	78,585
57,013	195,378	1,937,113	1,400	—	2,718,043	2,557,991
—	—	4,791	—	—	5,380	6,399
30,845	—	347,680	—	—	2,868,014	2,706,173
30,845	—	352,471	—	—	2,873,394	2,712,572
26,168	195,378	1,584,642	1,400	—	(155,351)	(154,581)
—	—	—	11,739	(22,250)	4,525,392	4,226,808
(26,092)	(195,604)	(1,555,490)	(9,319)	22,250	(4,257,627)	(4,239,313)
—	—	319,008	1,101,888	—	2,073,882	1,945,139
—	—	(318,724)	(1,101,888)	—	(1,977,437)	(1,821,375)
(26,092)	(195,604)	(1,555,206)	2,420	—	364,210	111,259
76	(226)	29,436	3,820	—	208,859	(43,322)
32,188	21,600	762,016	29,017	—	1,858,501	1,901,823
\$ 32,264	\$ 21,374	\$ 791,452	\$ 32,837	\$ —	\$ 2,067,360	\$ 1,858,501

Debt Service Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 1999

(Amounts in thousands)

	Mental Health Services			General Obligation Debt Service		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Miscellaneous	262,000	269,000	7,000	—	—	—
Total receipts	262,000	269,000	7,000	—	—	—
DISBURSEMENTS:						
Departmental operations	—	—	—	2,000	700	1,300
Debt service	292,000	286,400	5,600	2,512,000	2,500,200	11,800
Total disbursements	292,000	286,400	5,600	2,514,000	2,500,900	13,100
Excess (deficiency) of receipts over disbursements	(30,000)	(17,400)	12,600	(2,514,000)	(2,500,900)	13,100
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	1,792,000	1,803,600	11,600	2,514,000	2,500,900	(13,100)
Transfers to other funds	(1,777,000)	(1,799,300)	(22,300)	—	—	—
Net other financing sources (uses)	15,000	4,300	(10,700)	2,514,000	2,500,900	(13,100)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (15,000)	\$ (13,100)	\$ 1,900	\$ —	\$ —	\$ —

SUNY Dormitory Income			Local Government Assistance Tax		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ —	\$ —	\$ —	\$ 1,896,000	\$ 1,893,800	\$ (2,200)
195,000	202,300	7,300	1,000	800	(200)
195,000	202,300	7,300	1,897,000	1,894,600	(2,400)
—	—	—	4,000	3,400	600
35,000	34,900	100	341,000	335,700	5,300
35,000	34,900	100	345,000	339,100	5,900
160,000	167,400	7,400	1,552,000	1,555,500	3,500
2,000	—	(2,000)	—	—	—
(172,000)	(165,600)	6,400	(1,552,000)	(1,555,500)	(3,500)
(170,000)	(165,600)	4,400	(1,552,000)	(1,555,500)	(3,500)
\$ (10,000)	\$ 1,800	\$ 11,800	\$ —	\$ —	\$ —

(Continued)

Debt Service Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

Year Ended March 31, 1999

(Amounts in thousands)

	Other			Eliminations	
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual
RECEIPTS:					
Taxes	\$ 327,000	\$ 310,300	\$ (16,700)	\$ —	\$ —
Miscellaneous	164,000	158,000	(6,000)	—	—
Total receipts	491,000	468,300	(22,700)	—	—
DISBURSEMENTS:					
Departmental operations	—	(100)	100	—	—
Debt service	109,000	109,100	(100)	—	—
Total disbursements	109,000	109,000	—	—	—
Excess (deficiency) of receipts over disbursements	382,000	359,300	(22,700)	—	—
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	43,000	78,100	35,100	(13,000)	(13,000)
Transfers to other funds	(398,000)	(370,400)	27,600	13,000	13,000
Net other financing sources (uses)	(355,000)	(292,300)	62,700	—	—
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ 27,000	\$ 67,000	\$ 40,000	\$ —	\$ —

Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ 2,223,000	\$ 2,204,100	\$ (18,900)
622,000	630,100	8,100
2,845,000	2,834,200	(10,800)
6,000	4,000	2,000
3,289,000	3,266,300	22,700
3,295,000	3,270,300	24,700
(450,000)	(436,100)	13,900
4,338,000	4,369,600	31,600
(3,886,000)	(3,877,800)	8,200
452,000	491,800	39,800
\$ 2,000	\$ 55,700	\$ 53,700

Capital Projects Funds

Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major state-owned capital facilities and for capital assistance grants to local governments and public authorities.

State Capital Projects Fund—to account for the construction or acquisition of state capital assets and the payments to local governments and public authorities for capital assistance financed primarily by transfers from the General Fund, Bond Funds and proceeds from various financial arrangements.

Dedicated Highway and Bridge Trust Fund—to account for taxes and fees that are earmarked for financing state, county, town, and village highway, parkway, bridge, aviation or port facility capital projects.

Bond Funds—to account for the proceeds of bonds issued for capital purposes. A separate bond fund is established to account for the bond proceeds of each bond issue authorized by public referendum, including the Energy Conservation Through Improved Transportation Bond Fund, the Pure Waters Bond Fund, the Transportation Capital Facilities Bond Fund, the Environmental Quality Protection Fund, the Rail Preservation and Development Bond Fund, the Transportation Infrastructure Renewal Bond Fund, the Environmental Quality Bond Act Fund and the Accelerated Capacity and Transportation Improvements Fund.

Federal Capital Projects Fund—to account for capital projects financed from federal grants.

Division for Youth Facilities Improvement Fund—to account for Division for Youth facility improvement capital projects, that are financed by the New York State Urban Development Corporation.

Housing Program Fund—to account for the Low Income Housing Trust Fund Program and the Affordable Home Ownership Development program that are financed by the New York State Housing Finance Agency.

Department of Transportation Engineering Services Fund—to account for costs of providing engineering services for capital projects administered by the Department of Transportation.

Mental Hygiene Facilities Capital Improvement Fund—to account for mental hygiene capital projects financed by the New York State Medical Care Facilities Finance Agency.

Correctional Facilities Capital Improvement Fund—to account for correctional facility capital projects financed by the Urban Development Corporation.

Miscellaneous—to account for various capital projects financed from the sale of land or other resources, gifts, grants or other miscellaneous revenue sources earmarked for capital purposes or from transfers from the New York State Infrastructure Trust Account.

Capital Projects Funds — Combining Balance Sheet

March 31, 1999

(Amounts in thousands)

	State Capital Projects	Dedicated Highway & Bridge Trust	Environmental Protection	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Transportation Infrastructure Renewal Bond	Environmental Quality Bond
ASSETS:							
Cash and investments	\$ 251,009	\$ —	\$ 210,922	\$ 7,608	\$ 7,011	\$ 22,689	\$ 162,829
Receivables, net of allowance for uncollectibles:							
Taxes	—	67,397	—	—	—	—	—
Due from Federal government	—	—	—	—	—	—	—
Other	23,749	1	940	—	—	—	—
Due from other funds	805	481	—	—	—	—	—
Other assets	—	1	—	—	—	—	—
Total assets	\$ 275,563	\$ 67,880	\$ 211,862	\$ 7,608	\$ 7,011	\$ 22,689	\$ 162,829
LIABILITIES:							
Payable to local governments	\$ 3,863	\$ 299	\$ 3,894	\$ —	\$ —	\$ —	\$ —
Tax refunds payable	—	3,851	—	—	—	—	—
Accrued liabilities	2,818	3,000	—	—	—	—	—
Accounts payable	166,760	74,137	3,752	—	—	—	—
Due to other funds	16,845	26,551	8	—	—	—	—
Deferred revenues	23,770	2,493	568	—	—	—	—
Notes payable	—	—	—	—	30,000	4,000	12,000
Total liabilities	214,056	110,331	8,222	—	30,000	4,000	12,000
EQUITY (DEFICIT):							
Fund balances (deficits):							
Reserved for:							
Encumbrances	503,894	977,146	89,389	—	—	—	—
Other specified purposes	20,160	—	—	—	—	—	—
Unreserved	(462,547)	(1,019,597)	114,251	7,608	(22,989)	18,689	150,829
Total equity (deficit)	61,507	(42,451)	203,640	7,608	(22,989)	18,689	150,829
Total liabilities and equity (deficit)	\$ 275,563	\$ 67,880	\$ 211,862	\$ 7,608	\$ 7,011	\$ 22,689	\$ 162,829

Accelerated Capacity & Transportation Improvements Bond	Federal Capital Projects	Division For Youth Facilities Improvement	Housing Program	DOT Engineering Services	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Totals	
								1999	1998
\$ 21,040	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 70,366	\$ 753,474	\$ 708,849
—	—	—	—	—	—	—	—	67,397	67,268
—	317,095	—	—	—	—	—	—	317,095	278,860
—	1,880	—	—	—	—	—	378	26,948	26,834
—	193	—	—	98	30	1,261	335	3,203	3,190
—	—	—	—	5	—	—	174	180	909
\$ 21,040	\$ 319,168	\$ —	\$ —	\$ 103	\$ 30	\$ 1,261	\$ 71,253	\$ 1,168,297	\$ 1,085,910
\$ —	\$ 25,938	\$ —	\$ —	\$ —	\$ 1,579	\$ —	\$ —	\$ 35,573	\$ 42,727
—	—	—	—	—	—	—	—	3,851	4,397
—	15,481	—	21	12,783	192	84	4,275	38,654	90,521
—	130,987	1,583	—	43,329	21,259	30,202	2,758	474,767	459,142
—	145,627	8,984	75,936	129,789	147,543	57,280	21,556	630,119	554,347
—	1,135	—	—	—	—	—	—	27,966	22,404
68,000	—	—	—	—	—	—	71,000	185,000	293,600
68,000	319,168	10,567	75,957	185,901	170,573	87,566	99,589	1,395,930	1,467,138
—	1,535,434	3,262	8,399	387,453	126,680	263,251	27,506	3,922,414	3,762,614
—	—	—	—	—	—	—	378	20,538	20,340
(46,960)	(1,535,434)	(13,829)	(84,356)	(573,251)	(297,223)	(349,556)	(56,220)	(4,170,585)	(4,164,182)
(46,960)	—	(10,567)	(75,957)	(185,798)	(170,543)	(86,305)	(28,336)	(227,633)	(381,228)
\$ 21,040	\$ 319,168	\$ —	\$ —	\$ 103	\$ 30	\$ 1,261	\$ 71,253	\$ 1,168,297	\$ 1,085,910

Capital Projects Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended March 31, 1999

(Amounts in thousands)

	State Capital Projects	Dedicated Highway & Bridge Trust	Environmental Protection	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Transportation Infrastructure Renewal Bond	Environmental Quality Bond
REVENUES:							
Taxes:							
Consumption and use	\$ —	\$ 493,459	\$ —	\$ —	\$ —	\$ —	\$ —
Business	—	518,370	—	—	—	—	—
Other	—	—	112,000	—	—	—	—
Federal grants	—	—	—	—	—	—	—
Miscellaneous	45,145	550	18,312	—	—	—	7,096
Total revenues	45,145	1,012,379	130,312	—	—	—	7,096
EXPENDITURES:							
Local assistance grants:							
Education	4,331	—	—	—	—	—	—
Mental hygiene	16,524	—	—	—	—	—	—
Health and environment	144,744	—	3,798	—	—	—	—
Transportation	—	11,423	—	—	—	—	—
Miscellaneous	8,256	1	8,326	—	—	—	—
Capital construction	413,276	923,454	53,320	—	—	—	—
Total expenditures	587,131	934,878	65,444	—	—	—	—
Excess (deficiency) of revenues over expenditures	(541,986)	77,501	64,868	—	—	—	7,096
OTHER FINANCING SOURCES (USES):							
Operating transfers from other funds	599,624	—	—	—	—	—	—
Operating transfers to other funds	(141,190)	(784,086)	—	(2,778)	(33,256)	(4,983)	(78,457)
Operating transfers to public benefit corporations	(32,917)	—	—	—	—	—	—
Proceeds of general obligation bonds	—	—	—	140	5,000	1,000	86,000
Proceeds from financing arrangements	194,059	697,000	—	—	—	—	—
Net other financing sources (uses)	619,576	(87,086)	—	(2,638)	(28,256)	(3,983)	7,543
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	77,590	(9,585)	64,868	(2,638)	(28,256)	(3,983)	14,639
Fund balances (deficits) at April 1, 1998	(16,083)	(32,866)	138,772	10,246	5,267	22,672	136,190
Fund balances (deficits) at March 31, 1999 ..	\$ 61,507	\$ (42,451)	\$ 203,640	\$ 7,608	\$ (22,989)	\$ 18,689	\$ 150,829

Accelerated Capacity & Transportation Improvements Bond	Federal Capital Projects	Division For Youth Facilities Improvement	Housing Program	DOT Engineering Services	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Totals	
									1999	1998
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 493,459	\$ 460,800
—	—	—	—	—	—	—	—	—	518,370	475,470
—	—	—	—	—	—	—	—	—	112,000	87,000
—	1,273,081	—	—	—	—	—	—	—	1,273,081	1,179,443
—	1,207	—	—	—	—	—	52,297	—	124,607	77,225
—	1,274,288	—	—	—	—	—	52,297	—	2,521,517	2,279,938
—	—	—	—	—	—	—	—	—	4,331	4,997
—	—	—	—	—	16,140	—	—	—	32,664	47,598
—	121,429	—	—	—	—	—	—	—	269,971	288,934
—	445	—	—	—	—	—	—	—	11,868	14,824
—	2,628	—	15,569	—	—	—	—	—	34,780	51,616
—	896,842	15,963	1,433	610,989	119,435	326,978	31,760	—	3,393,450	2,983,620
—	1,021,344	15,963	17,002	610,989	135,575	326,978	31,760	—	3,747,064	3,391,589
—	252,944	(15,963)	(17,002)	(610,989)	(135,575)	(326,978)	20,537	—	(1,225,547)	(1,111,651)
—	—	—	2,695	590,381	15,188	—	963	(962,205)	246,646	209,082
(69,722)	(209,652)	—	—	—	—	—	(165,547)	962,205	(527,466)	(416,138)
—	(43,292)	—	(73,829)	—	—	—	(31,496)	—	(181,534)	(67,133)
154,506	—	—	—	—	—	—	110,966	—	357,612	485,599
—	—	11,105	69,973	—	133,492	351,000	27,255	—	1,483,884	1,132,640
84,784	(252,944)	11,105	(1,161)	590,381	148,680	351,000	(57,859)	—	1,379,142	1,344,050
84,784	—	(4,858)	(18,163)	(20,608)	13,105	24,022	(37,322)	—	153,595	232,399
(131,744)	—	(5,709)	(57,794)	(165,190)	(183,648)	(110,327)	8,986	—	(381,228)	(613,627)
\$ (46,960)	\$ —	\$ (10,567)	\$ (75,957)	\$ (185,798)	\$ (170,543)	\$ (86,305)	\$ (28,336)	\$ —	\$ (227,633)	\$ (381,228)

Capital Projects Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 1999

(Amounts in thousands)

	State Capital Projects			Dedicated Highway And Bridge Trust		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ —	\$ —	\$ —	\$ 995,000	\$ 1,011,400	\$ 16,400
Miscellaneous	276,000	187,500	(88,500)	741,000	697,900	(43,100)
Federal grants	—	—	—	—	—	—
Total receipts	276,000	187,500	(88,500)	1,736,000	1,709,300	(26,700)
DISBURSEMENTS:						
Local assistance grants	340,000	187,100	152,900	—	11,600	(11,600)
Capital projects	475,000	563,500	(88,500)	945,000	921,200	23,800
Total disbursements	815,000	750,600	64,400	945,000	932,800	12,200
Excess (deficiency) of receipts over disbursements	(539,000)	(563,100)	(24,100)	791,000	776,500	(14,500)
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	582,000	599,600	17,600	—	—	—
Transfers to other funds	(44,000)	(36,500)	7,500	(790,000)	(784,100)	5,900
Net other financing sources (uses)	538,000	563,100	25,100	(790,000)	(784,100)	5,900
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (1,000)	\$ —	\$ 1,000	\$ 1,000	\$ (7,600)	\$ (8,600)

Federal Capital Projects			Department of Transportation Engineering Services		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	1,000	(1,000)	—	—	—
1,249,000	1,219,300	29,700	—	—	—
1,249,000	1,220,300	28,700	—	—	—
198,000	109,100	88,900	—	—	—
852,000	920,100	(68,100)	589,000	590,300	(1,300)
1,050,000	1,029,200	20,800	589,000	590,300	(1,300)
199,000	191,100	(7,900)	(589,000)	(590,300)	(1,300)
—	—	—	—	—	—
—	—	—	583,000	590,400	7,400
(199,000)	(209,700)	(10,700)	—	—	—
(199,000)	(209,700)	(10,700)	583,000	590,400	7,400
\$ —	\$ (18,600)	\$ (18,600)	\$ (6,000)	\$ 100	\$ 6,100

(Continued)

Capital Projects Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

Year Ended March 31, 1999

(Amounts in thousands)

	Other			Eliminations	
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual
RECEIPTS:					
Taxes	\$ 112,000	\$ 112,000	\$ —	\$ —	\$ —
Miscellaneous	788,000	680,200	(107,800)	—	—
Federal grants	—	—	—	—	—
Total receipts	900,000	792,200	(107,800)	—	—
DISBURSEMENTS:					
Local assistance grants	157,000	130,100	26,900	—	—
Capital projects	712,000	629,500	82,500	—	—
Total disbursements	869,000	759,600	109,400	—	—
Excess (deficiency) of receipts over disbursements	31,000	32,600	1,600	—	—
OTHER FINANCING SOURCES (USES):					
Bond and note proceeds, net	331,000	249,000	(82,000)	—	—
Transfers from other funds	95,000	45,800	(49,200)	(986,000)	(962,200)
Transfers to other funds	(376,000)	(354,700)	21,300	986,000	962,200
Net other financing sources (uses)	50,000	(59,900)	(109,900)	—	—
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ 81,000	\$ (27,300)	\$ (108,300)	\$ —	\$ —

Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ 1,107,000	\$ 1,123,400	\$ 16,400
1,805,000	1,566,600	(238,400)
1,249,000	1,219,300	(29,700)
4,161,000	3,909,300	(251,700)
695,000	437,900	257,100
3,573,000	3,624,600	(51,600)
4,268,000	4,062,500	205,500
(107,000)	(153,200)	(46,200)
331,000	249,000	(82,000)
274,000	273,600	(400)
(423,000)	(422,800)	200
182,000	99,800	(82,200)
\$ 75,000	\$ (53,400)	\$ (128,400)

General Fixed Assets

Account Group

General Fixed Assets Account Group accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for by public benefit corporations, the College and University Funds and the State's infrastructure fixed assets.

Schedule of General Fixed Assets by Function

March 31, 1999

(Amounts in thousands)

Function	Land				Totals
	Land	Improvements	Buildings	Equipment	
General government	\$ 80,664	\$ 26,475	\$ 1,718,168	\$ 196,170	\$ 2,021,477
Education	1,093	359	56,817	21,635	79,904
Economic development & regulation	358	6,166	25,444	15,524	47,492
Human resources	9,151	5,704	180,180	83,082	278,117
Health & mental health	146,838	19,078	1,866,246	98,676	2,130,838
Environment	404,601	7,401	53,445	29,619	495,066
Transportation	60,945	21,767	215,992	212,284	510,988
Public safety	23,330	152,801	1,838,858	55,373	2,070,362
Natural resources & recreation	216,384	91,026	192,460	14,933	514,803
Total by function	\$ 943,364	\$ 330,777	\$ 6,147,610	\$ 727,296	8,149,047
Construction in progress					1,283,199
Total general fixed assets					\$ 9,432,246

Schedule of Changes in General Fixed Assets by Function

Year Ended March 31, 1999

(Amounts in thousands)

Function	Balance	Additions	Deletions	Transfers	Balance
	March 31, 1998				March 31, 1999
General government	\$ 2,001,187	\$ 32,202	\$ 11,652	\$ (260)	\$ 2,021,477
Education	79,980	1,755	1,831	—	79,904
Economic development & regulation	46,242	1,254	116	112	47,492
Human resources	270,280	8,180	344	—	278,116
Health & mental hygiene	1,942,580	193,467	5,329	120	2,130,838
Environment	475,537	20,665	1,465	329	495,066
Transportation	501,138	18,007	7,792	(365)	510,988
Public safety	1,991,056	84,113	4,871	64	2,070,362
Natural resources & recreation	489,145	26,049	390	—	514,804
Total by function	7,797,145	385,692	33,790	—	8,149,047
Construction in progress	1,245,428	266,868	229,097	—	1,283,199
Total	\$ 9,042,573	\$ 652,560	\$ 262,887	\$ —	\$ 9,432,246

Schedule of General Fixed Assets by Source

March 31, 1999

(Amounts in thousands)

General Fixed Assets:	
Land	\$ 943,364
Land improvements	330,777
Buildings	6,147,610
Equipment	727,296
Construction in progress	1,283,199
Total general fixed assets	\$ 9,432,246
Investment in General Fixed Assets:	
General fund	\$ 1,138,261
Special revenue funds	61,726
Capital projects funds	4,458,442
Trust funds	6,332
Agency funds	1,407
Donations	57,886
Fixed assets—initial inventory	3,708,192
Total investment in general fixed assets	\$ 9,432,246

College and University Funds

College and University Funds account for the operation of both State University of New York (SUNY) and the senior colleges of the City University of New York (CUNY).

Current Funds—Unrestricted—account for those assets which can be expended for any purpose in performing their primary objective.

Current Funds—Restricted—account for those assets received by donors or other outside agencies that are restricted by them for specific operating purposes.

Loan Funds—account for gifts and grants which are limited by the terms of the donors for the purpose of making loans to students.

Endowment and Similar Funds—account for resources that are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized.

Plant Funds—account for resources that have been or are to be invested in property, plant and equipment, and funds reserved to retire debt incurred to finance facilities.

College and University Funds

Combining Balance Sheet

March 31, 1999

(Amounts in thousands)

	Current Funds			Loan Funds		
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total
ASSETS:						
Cash and investments	\$ 437,183	\$ 229,938	\$ 667,121	\$ 8,061	\$ 4,101	\$ 12,162
Other receivables, net of allowances for uncollectibles	323,033	123,739	446,772	120,383	23,490	143,873
Due from other funds	388,929	57,297	446,226	13	349	362
Fixed assets	—	—	—	—	—	—
Other assets	37,310	867	38,177	2	—	2
Total assets	\$ 1,186,455	\$ 411,841	\$ 1,598,296	\$ 128,459	\$ 27,940	\$ 156,399
LIABILITIES:						
Accrued liabilities	\$ 711,960	\$ 212,561	\$ 924,521	\$ 166	\$ 407	\$ 573
Due to other funds	206,570	8,078	214,648	1,055	—	1,055
Deferred revenues	98,537	24,480	123,017	—	—	—
Obligations under lease/purchase and other financing arrangements	—	—	—	—	—	—
Total liabilities	1,017,067	245,119	1,262,186	1,221	407	1,628
EQUITY:						
Fund balances:						
Reserved for other specified purposes	169,388	166,722	336,110	127,238	27,533	154,771
Investment in fixed assets	—	—	—	—	—	—
Total equity	169,388	166,722	336,110	127,238	27,533	154,771
Total liabilities and equity	\$ 1,186,455	\$ 411,841	\$ 1,598,296	\$ 128,459	\$ 27,940	\$ 156,399

Endowment and Similar Funds			Plant Funds		
State University of New York	City University of New York	Total	State University of New York	City University of New York	Total
\$ 663,918	\$ 64,820	\$ 728,738	\$ 1,014,463	\$ 977,405	\$ 1,991,868
1,707	—	1,707	10,604	7,874	18,478
4	759	763	208,652	84	208,736
—	—	—	5,107,917	2,942,468	8,050,385
1,573	—	1,573	1,040	287	1,327
\$ 667,202	\$ 65,579	\$ 732,781	\$ 6,342,676	\$ 3,928,118	\$ 10,270,794
\$ 2,924	\$ 2,452	\$ 5,376	\$ 263,719	\$ 34,623	\$ 298,342
1,034	—	1,034	—	—	—
7,680	—	7,680	—	—	—
—	—	—	3,920,284	2,552,180	6,472,464
11,638	2,452	14,090	4,184,003	2,586,803	6,770,806
655,564	63,127	718,691	—	—	—
—	—	—	2,158,673	1,341,315	3,499,988
655,564	63,127	718,691	2,158,673	1,341,315	3,499,988
\$ 667,202	\$ 65,579	\$ 732,781	\$ 6,342,676	\$ 3,928,118	\$ 10,270,794

(Continued)

College and University Funds Combining Balance Sheet (cont'd)

March 31, 1999

(Amounts in thousands)

	Agency Funds				Totals	
	State	City	Total	Eliminations	1999	1998
	University of New York	University of New York			1999	1998
ASSETS:						
Cash and investments	\$ —	\$ 3,596	\$ 3,596	\$ —	\$ 3,403,485	\$ 3,102,664
Other receivables, net of allowances for uncollectibles	—	27	27	—	610,857	580,630
Due from other funds	—	—	—	(216,737)	439,350	395,988
Fixed assets	—	—	—	—	8,050,385	7,683,272
Other assets	—	—	—	—	41,079	43,299
Total assets	\$ —	\$ 3,623	\$ 3,623	\$ (216,737)	\$ 12,545,156	\$ 11,805,853
LIABILITIES:						
Accrued liabilities	\$ —	\$ 3,623	\$ 3,623	\$ —	\$ 1,232,435	\$ 1,212,301
Due to other funds	—	—	—	(216,737)	—	—
Deferred revenues	—	—	—	—	130,697	107,992
Obligations under lease/purchase and other financing arrangements	—	—	—	—	6,472,464	6,302,049
Total liabilities	—	3,623	3,623	(216,737)	7,835,596	7,622,342
EQUITY:						
Fund balances:						
Reserved for other specified purposes	—	—	—	—	1,209,572	1,036,339
Investment in fixed assets	—	—	—	—	3,499,988	3,147,172
Total equity	—	—	—	—	4,709,560	4,183,511
Total liabilities and equity ..	\$ —	\$ 3,623	\$ 3,623	\$ (216,737)	\$ 12,545,156	\$ 11,805,853

College and University Funds

Combining Statement of Changes in Fund Balances

Year Ended March 31, 1999

(Amounts in thousands)

	Current Funds					
	Unrestricted			Restricted		
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total
Revenues and other additions:						
Unrestricted current fund revenues	\$ 2,234,066	\$ 538,248	\$ 2,772,314	\$ —	\$ —	\$ —
New York City appropriations	—	—	—	—	4,225	4,225
Government grants and contracts:						
Federal	—	—	—	337,040	170,746	507,786
New York State	—	—	—	139,198	32,636	171,834
New York City	—	—	—	—	28,489	28,489
Other	—	—	—	8,407	—	8,407
Private gifts, grants and contracts	—	—	—	77,644	57,503	135,147
Investment income	—	—	—	13,537	4,693	18,230
Realized and unrealized gains	—	—	—	8	6,502	6,510
Interest on loans receivable	—	—	—	—	—	—
U.S. government advances	—	—	—	—	—	—
Expended for plant facilities	—	—	—	—	—	—
Retirement indebtedness	—	—	—	—	—	—
Other additions	—	—	—	3,931	1,870	5,801
Total revenues and other additions	2,234,066	538,248	2,772,314	579,765	306,664	886,429
Expenditures and other deductions:						
Educational and general expenditures	2,331,444	997,996	3,329,440	597,088	289,518	886,606
Hospitals and clinics	780,150	—	780,150	52	—	52
Auxiliary enterprises expenditures	343,542	10,143	353,685	417	—	417
Indirect cost recovered	—	—	—	84,147	18,284	102,431
Refunded to grantors	—	—	—	—	—	—
Loan cancellations and write-offs	—	—	—	—	—	—
Administration costs	—	—	—	—	—	—
Expended for plant facilities	—	—	—	—	—	—
Additional indebtedness incurred to effect refinancing	—	—	—	—	—	—
Debt service:						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Plant and equipment write-offs and disposals	—	—	—	—	—	—
Loss on refinancing	—	—	—	—	—	—
Other deductions	—	—	—	—	—	—
Total expenditures and other deductions	3,455,136	1,008,139	4,463,275	681,704	307,802	989,506
Transfers from (to) other funds:						
Mandatory:						
Debt service and reserve requirements	(370,030)	—	(370,030)	—	—	—
Renewals and replacements	—	(650)	(650)	—	—	—
Loan fund matching grant	(237)	—	(237)	—	—	—
Nonmandatory:						
Interfund transfers	(44,643)	(4,515)	(49,158)	(3,686)	688	(2,998)
State appropriations	1,645,533	491,723	2,137,256	104,561	10,293	114,854
Total transfers from (to) other funds	1,230,623	486,558	1,717,181	100,875	10,981	111,856
Net increase (decrease) for the year	9,553	16,667	26,220	(1,064)	9,843	8,779
Fund balances (deficit) at April 1, 1998, as restated	138,436	(15,028)	123,408	22,463	155,240	177,703
Fund balances at March 31, 1999	\$ 147,989	\$ 1,639	\$ 149,628	\$ 21,399	\$ 165,083	\$ 186,482

(Continued)

College and University Funds

Combining Statement of Changes

in Fund Balances (cont'd)

Year Ended March 31, 1999

(Amounts in thousands)

	Loan Funds			Endowment and Similar Funds		
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total
Revenues and other additions:						
Unrestricted current fund revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
New York City appropriations	—	—	—	—	—	—
Government grants and contracts:						
Federal	—	1,948	1,948	—	—	—
New York State	—	—	—	—	—	—
New York City	—	—	—	—	—	—
Other	—	—	—	—	—	—
Private gifts, grants and contracts	—	49	49	6,408	214	6,622
Investment income	456	150	606	492	—	492
Realized and unrealized gains	—	—	—	94,626	8,510	103,136
Interest on loans receivable	3,043	1,151	4,194	—	—	—
U.S. government advances	870	—	870	—	—	—
Expended for plant facilities	—	—	—	—	—	—
Retirement indebtedness	—	—	—	—	—	—
Other additions	869	717	1,586	765	—	765
Total revenues and other additions	5,238	4,015	9,253	102,291	8,724	111,015
Expenditures and other deductions:						
Educational and general expenditures	—	—	—	—	—	—
Hospitals and clinics	—	—	—	—	—	—
Auxiliary enterprises expenditures	—	—	—	—	—	—
Indirect cost recovered	—	—	—	—	—	—
Refunded to grantors	267	—	267	—	—	—
Loan cancellations and write-offs	1,214	1,868	3,082	—	—	—
Administration costs	1,064	625	1,689	—	—	—
Expended for plant facilities	—	—	—	—	—	—
Additional indebtedness incurred						
to effect refinancing	—	—	—	—	—	—
Debt service:						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Plant and equipment write-offs and disposals	—	—	—	—	—	—
Loss on refinancing	—	—	—	—	—	—
Other deductions	135	—	135	—	—	—
Total expenditures and other deductions	2,680	2,493	5,173	—	—	—
Transfers from (to) other funds:						
Mandatory:						
Debt service and reserve requirements	—	—	—	—	—	—
Renewals and replacements	—	650	650	—	—	—
Loan fund matching grant	237	—	237	—	—	—
Nonmandatory:						
Interfund transfers	(163)	—	(163)	2,809	(813)	1,996
State appropriations	—	—	—	—	—	—
Total transfers from (to) other funds	74	650	724	2,809	(813)	1,996
Net increase (decrease) for the year	2,632	2,172	4,804	105,100	7,911	113,011
Fund balances (deficit) at April 1, 1998,						
as restated	124,606	25,361	149,967	550,464	55,216	605,680
Fund balances at March 31, 1999	\$ 127,238	\$ 27,533	\$ 154,771	\$ 655,564	\$ 63,127	\$ 718,691

Plant Funds

State University of New York	City University of New York	Total
\$ —	\$ —	\$ —
—	—	—
—	—	—
—	—	—
—	—	—
1,189	—	1,189
59,114	59,035	118,149
—	—	—
—	—	—
130,243	47,676	177,919
128,063	85,133	213,196
2,627	—	2,627
321,236	191,844	513,080
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
149,344	42,111	191,455
—	22,312	22,312
128,063	85,133	213,196
229,842	120,559	350,401
35,230	22,770	58,000
22,415	—	22,415
768	3,480	4,248
565,662	296,365	862,027
370,030	—	370,030
—	—	—
—	—	—
45,683	4,640	50,323
36,517	244,893	281,410
452,230	249,533	701,763
207,804	145,012	352,816
1,950,869	1,196,303	3,147,172
\$ 2,158,673	\$ 1,341,315	\$ 3,499,988

College and University Funds

Combining Statement of Current Funds Revenues, Expenditures, and Other Changes

Year Ended March 31, 1999

(Amounts in thousands)

	Unrestricted			Restricted			Totals	
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total	1999	1998
Revenues:								
Tuition and fees	\$ 715,593	\$ 433,175	\$ 1,148,768	\$ —	\$ —	\$ —	\$ 1,148,768	\$ 1,133,864
Governmental appropriations:								
Federal	19,084	—	19,084	—	—	—	19,084	18,220
New York City	—	22,953	22,953	—	4,225	4,225	27,178	23,838
Government grants and contracts:								
Federal	114,325	13,684	128,009	265,170	155,857	421,027	549,036	534,471
New York State	16,303	4,030	20,333	137,735	32,307	170,042	190,375	185,461
New York City	—	3,234	3,234	—	26,668	26,668	29,902	29,952
Local	3,195	—	3,195	7,692	—	7,692	10,887	8,848
Private gifts, grants and contracts	146,256	5,825	152,081	65,907	50,583	116,490	268,571	259,528
Endowment income	3,970	142	4,112	12,817	2,243	15,060	19,172	15,510
Sales and services:								
University hospitals and clinics	753,305	—	753,305	—	—	—	753,305	742,545
Educational activities	27,139	251	27,390	—	112	112	27,502	24,715
Auxiliary enterprises	393,119	9,679	402,798	62	—	62	402,860	386,767
Other	41,777	45,275	87,052	3,613	7,230	10,843	97,895	84,242
Total revenues	2,234,066	538,248	2,772,314	492,996	279,225	772,221	3,544,535	3,447,961
Expenditures and mandatory transfers:								
Educational and general:								
Instruction	1,049,915	496,400	1,546,315	75,606	53,391	128,997	1,675,312	1,619,910
Research	132,432	9,282	141,714	225,188	44,749	269,937	411,651	394,462
Public service	76,793	17,456	94,249	65,180	1,094	66,274	160,523	150,451
Academic support	222,234	42,853	265,087	3,020	29,012	32,032	297,119	298,100
Student services	151,016	82,467	233,483	1,644	15,613	17,257	250,740	231,615
Institutional support	363,951	187,228	551,179	19,117	26,744	45,861	597,040	554,814
Operation and maintenance of plant	297,944	141,500	439,444	655	2,150	2,805	442,249	429,811
Scholarships and fellowships	37,159	20,810	57,969	206,678	116,765	323,443	381,412	361,308
Educational and general expenditures	2,331,444	997,996	3,329,440	597,088	289,518	886,606	4,216,046	4,040,471
Mandatory transfers:								
Debt service	307,712	—	307,712	—	—	—	307,712	298,998
Loan fund matching grant	237	650	887	—	—	—	887	557
Total educational and general	2,639,393	998,646	3,638,039	597,088	289,518	886,606	4,524,645	4,340,026
Hospitals and clinics:								
Expenditures	780,150	—	780,150	52	—	52	780,202	739,974
Mandatory transfers for debt service	20,441	—	20,441	—	—	—	20,441	18,683
Total hospital and clinics	800,591	—	800,591	52	—	52	800,643	758,657

College and University Funds

Combining Statement of Current Funds Revenues, Expenditures, and Other Changes (cont'd)

Year Ended March 31, 1999

(Amounts in thousands)

	Unrestricted			Restricted			Totals	
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total	1999	1998
Auxiliary enterprises:								
Expenditures	\$ 343,542	\$ 10,143	\$ 353,685	\$ 417	\$ —	\$ 417	\$ 354,102	\$ 334,607
Mandatory transfers for debt service	41,877	—	41,877	—	—	—	41,877	34,600
Total auxiliary enterprises ..	385,419	10,143	395,562	417	—	417	395,979	369,207
Total expenditures and mandatory transfers	3,825,403	1,008,789	4,834,192	597,557	289,518	887,075	5,721,267	5,467,890
Other transfers and additions (deductions):								
Excess of restricted additions over expenditures	—	—	—	2,622	9,155	11,777	11,777	14,645
Transfer from (to):								
Endowment and similar funds ...	(2,567)	—	(2,567)	(198)	—	(198)	(2,765)	(4,977)
Loan funds	156	—	156	(37)	—	(37)	119	(289)
Plant funds	(44,872)	(4,640)	(49,512)	(811)	—	(811)	(50,323)	(42,164)
State appropriations	1,645,533	491,723	2,137,256	104,561	10,293	114,854	2,252,110	2,074,908
Other	2,640	125	2,765	(2,640)	688	(1,952)	813	1,455
Total other transfers and additions (deductions)	1,600,890	487,208	2,088,098	103,497	20,136	123,633	2,211,731	2,043,578
Net increase (decrease) in fund balances	\$ 9,553	\$ 16,667	\$ 26,220	\$ (1,064)	\$ 9,843	\$ 8,779	\$ 34,999	\$ 23,649

Trust & Agency Funds

Trust and Agency Funds are used to account for assets held by the State in a fiduciary capacity or as an agent for individuals, private organizations or other governments and include Expendable Trust Funds, the State and Local Retirement System Fund and Agency Funds.

Expendable Trust Funds:

Unemployment Insurance Benefit Fund—accounts for the transfers from the Federal Unemployment Trust Fund in the U.S. Treasury to the State for the payment of unemployment compensation benefits.

Other Expendable Trust Funds—include several funds which account for various gifts, bequests or contributions made to the State to be expended for purposes specified by the donor, such as for the benefit of mental hygiene patients.

Nonexpendable Trust Funds—account for various loan programs administered by State agencies, such as non-interest temporary loans to non-profit housing development companies administered by the Division of Housing and Community Renewal or for various gifts and bequests; the principal of which must be preserved intact with only the interest income available for expenditures for purposes specified by the donor; such as an annual award to an outstanding State trooper.

State and Local Retirement System—accounts for the payment of retirement, disability and death benefits to members of the New York State and Local Employees' Retirement System and the New York State Police and Fire Retirement System and their beneficiaries.

Agency Funds:

Employee Benefit and Payroll Related Funds—account for various employee benefit programs, such as the NYS employee health insurance programs, or for the disposition of various payroll related deductions, such as for social security contributions.

Lottery Prize Fund—accounts for the payment of lottery prizes by the Division of the Lottery.

MMIS Statewide Escrow Fund—accounts for the transfer from other funds of the federal, state and local shares of Medicaid program expenditures to a paying agent for ultimate payment to health care providers.

Other Agency Funds—account for various escrow, revenue collection and agency accounts for which the State acts in an agent's capacity until the proper disposition of the assets can be made. This includes accounting for advances from New York for paying CUNY operating costs and for constructing New York City correctional facilities.

Trust and Agency Funds — Combining Balance Sheet

March 31, 1999

(Amounts in thousands)

	Expendable Trust Funds			
	Combined Expendable Trust	Milk Producers Security	Unemployment Insurance Benefit	Miscellaneous
ASSETS:				
Cash and investments	\$ 18,495	\$ 5,474	\$ 643,761	\$ 1,938,636
Retirement system investments	—	—	—	—
Receivables, net of allowances for uncollectibles:				
Taxes	—	—	913,318	—
Due from Federal government	—	—	339	—
Other	—	—	59,696	158,795
Due from other funds	701	—	—	121,545
Other assets	8	2	—	—
Total assets	\$ 19,204	\$ 5,476	\$ 1,617,114	\$ 2,218,976
LIABILITIES:				
Payable to local governments	\$ 25	\$ —	\$ —	\$ —
Accrued liabilities	77	9	141,507	416,143
Accounts payable	305	—	—	22
Due to other funds	593	—	—	27
Deferred revenues	—	—	—	6,678
Total liabilities	1,000	9	141,507	422,870
EQUITY:				
Fund balances:				
Reserved for:				
Employees' pension benefits	—	—	—	—
Unemployment benefits	—	—	1,475,607	—
Other specified purposes	18,204	5,467	—	1,796,106
Total equity	18,204	5,467	1,475,607	1,796,106
Total liabilities and equity	\$ 19,204	\$ 5,476	\$ 1,617,114	\$ 2,218,976

Nonexpendable Trust Funds

Combined Trusts, Gifts, Bequests	Arts Capital Revolving	Housing Development	Miscellaneous	State and Local Retirement System
\$ 8,053	\$ 447	\$ 8,569	\$ 2,705	\$ —
—	—	—	—	111,008,692
—	—	—	—	—
—	—	—	—	2,227,309
—	—	—	—	—
—	—	—	—	8,658,362
<u>\$ 8,053</u>	<u>\$ 447</u>	<u>\$ 8,569</u>	<u>\$ 2,705</u>	<u>\$ 121,894,363</u>
\$ —	\$ 100	\$ —	\$ —	\$ —
3	—	—	—	9,171,221
87	—	—	4	—
17	—	—	—	—
—	—	—	—	—
<u>107</u>	<u>100</u>	<u>—</u>	<u>4</u>	<u>9,171,221</u>
—	—	—	—	112,723,142
—	—	—	—	—
7,946	347	8,569	2,701	—
<u>7,946</u>	<u>347</u>	<u>8,569</u>	<u>2,701</u>	<u>112,723,142</u>
<u>\$ 8,053</u>	<u>\$ 447</u>	<u>\$ 8,569</u>	<u>\$ 2,705</u>	<u>\$ 121,894,363</u>

(Continued)

Trust and Agency Funds — Combining Balance Sheet (cont'd)

March 31, 1999

(Amounts in thousands)

	Agency Funds						
	Employees Health Insurance	Social Security Contribution	NYS Employee Payroll Withholding	Employees Dental Insurance	Management Confidential Group Insurance	Lottery Prize	Fringe Benefit Escrow
ASSETS:							
Cash and investments	\$ 158,411	\$ 24,779	\$ 50,939	\$ 5,438	\$ 541	\$ 1,991,647	\$ —
Retirement system investments	—	—	—	—	—	—	—
Receivables, net of allowances for uncollectibles:							
Taxes	—	—	—	—	—	—	—
Due from Federal government	—	—	—	—	—	—	—
Other	7,747	—	—	117	—	64,260	9,055
Due from other funds	1	167	300	107	—	—	192,270
Other assets	122,940	—	—	—	—	—	—
Total assets	\$ 289,099	\$ 24,946	\$ 51,239	\$ 5,662	\$ 541	\$ 2,055,907	\$ 201,325
LIABILITIES:							
Payable to local governments	\$ 67,118	\$ —	\$ —	\$ 117	\$ —	\$ —	\$ —
Accrued liabilities	123,865	7,022	19,650	5,533	541	2,055,907	201,051
Accounts payable	96,767	17,924	31,526	12	—	—	—
Due to other funds	1,349	—	63	—	—	—	274
Deferred revenues	—	—	—	—	—	—	—
Total liabilities	289,099	24,946	51,239	5,662	541	2,055,907	201,325
EQUITY:							
Fund balances:							
Reserved for:							
Employees' pension benefits	—	—	—	—	—	—	—
Unemployment benefits	—	—	—	—	—	—	—
Other specified purposes	—	—	—	—	—	—	—
Total equity	—	—	—	—	—	—	—
Total liabilities and equity	\$ 289,099	\$ 24,946	\$ 51,239	\$ 5,662	\$ 541	\$ 2,055,907	\$ 201,325

Agency Funds

CUNY Senior College Operating	MMIS Statewide Escrow	Sole Custody	Miscellaneous	Totals	
				1999	1998
\$ 20,442	\$ 711,005	\$ 1,823,796	\$ 443,461	\$ 7,856,599	\$ 7,970,188
—	—	—	—	111,008,692	104,921,773
—	—	—	—	913,318	958,517
—	—	—	—	339	1,281
—	—	15,709	9	2,542,697	2,192,829
623	7,717	9,896	27,666	360,993	335,710
7	—	—	—	8,781,319	7,488,739
\$ 21,072	\$ 718,722	\$ 1,849,401	\$ 471,136	\$ 131,463,957	\$ 123,869,037
\$ —	\$ 1,652	\$ 1,390,930	\$ 9	\$ 1,459,951	\$ 2,134,797
20,040	700,966	458,471	447,363	13,769,369	12,065,010
736	—	—	8,081	155,464	161,483
296	16,104	—	15,683	34,406	13,193
—	—	—	—	6,678	21,564
21,072	718,722	1,849,401	471,136	15,425,868	14,396,047
—	—	—	—	112,723,142	106,319,176
—	—	—	—	1,475,607	1,530,666
—	—	—	—	1,839,340	1,623,148
—	—	—	—	116,038,089	109,472,990
\$ 21,072	\$ 718,722	\$ 1,849,401	\$ 471,136	\$ 131,463,957	\$ 123,869,037

Expendable Trust Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended March 31, 1999

(Amounts in thousands)

	Combined Expendable Trust	Milk Producers Security	Unemployment Insurance Benefit	Miscellaneous	Totals	
					1999	1998
REVENUES:						
Unemployment taxes	\$ —	\$ —	\$ 1,616,662	\$ —	\$ 1,616,662	\$ 1,829,920
Federal grants	—	—	25,039	—	25,039	27,333
Miscellaneous	7,940	144	67,568	2,680,504	2,756,156	2,847,935
Total revenues	7,940	144	1,709,269	2,680,504	4,397,857	4,705,188
EXPENDITURES:						
Local assistance grants— miscellaneous	2,767	—	—	—	2,767	2,915
Departmental operations:						
Personal service	501	161	—	229	891	786
Non-personal service	2,875	9	—	2,168,207	2,171,091	2,084,450
Other fringe benefits	577	51	—	58	686	1,895
Unemployment benefits	—	—	1,764,328	—	1,764,328	1,762,991
Total expenditures	6,720	221	1,764,328	2,168,494	3,939,763	3,853,037
Excess (deficiency) of revenues over expenditures	1,220	(77)	(55,059)	512,010	458,094	852,151
OTHER FINANCING SOURCES (USES):						
Operating transfers from other funds .	3,000	—	—	625,428	628,428	569,239
Operating transfers to other funds . . .	(1)	—	—	(930,323)	(930,324)	(875,730)
Operating transfers to public benefit corporations	—	—	—	(100)	(100)	(100)
Net other financing sources (uses)	2,999	—	—	(304,995)	(301,996)	(306,591)
Excess of revenues and other financing sources over expenditures and other financing uses	4,219	(77)	(55,059)	207,015	156,098	545,560
Fund balances at April 1, 1998	13,985	5,544	1,530,666	1,589,091	3,139,286	2,593,726
Fund balances at March 31, 1999	\$ 18,204	\$ 5,467	\$ 1,475,607	\$ 1,796,106	\$ 3,295,384	\$ 3,139,286

Nonexpendable Trust Funds — Combining Statement of Revenues, Expenses and Changes in Fund Balances

Year Ended March 31, 1999

(Amounts in thousands)

	Combined Trusts, Gifts, Bequests	Arts Capital Revolving	Housing Development	Miscellaneous	Totals	
					1999	1998
OPERATING REVENUES:						
Investment income	\$ 386	\$ 29	\$ 399	\$ 2,314	\$ 3,128	\$ 685
Miscellaneous revenues	508	99	2,418	96	3,121	3,080
Total operating revenues	894	128	2,817	2,410	6,249	3,765
OPERATING EXPENSES	232	150	390	442	1,214	1,019
Operating income (loss)	662	(22)	2,427	1,968	5,035	2,746
Fund balances at April 1, 1998	7,284	369	6,142	733	14,528	11,782
Fund balances at March 31, 1999	\$ 7,946	\$ 347	\$ 8,569	\$ 2,701	\$ 19,563	\$ 14,528

Nonexpendable Trust Funds — Combining Statement Of Cash Flows

Year Ended March 31, 1999

(Amounts in thousands)

	Combined				Totals	
	Trusts, Gifts, Bequests	Arts Capital Revolving	Housing Development	Miscellaneous	1999	1998
SOURCES OF CASH AND INVESTMENTS:						
Cash flows from operating activities:						
Operating income (loss)	\$ 662	\$ (22)	\$ 2,427	\$ 1,968	\$ 5,035	\$ 2,746
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Interest and dividends on investments	(386)	(29)	(399)	(2,314)	(3,128)	(685)
Change in assets and liabilities:						
Change in due from	—	—	—	—	—	49
Change in payable to local governments	—	100	—	—	100	—
Change in accrued liabilities	(7)	—	—	—	(7)	4
Change in accounts payable	76	—	—	(5)	71	(95)
Change in due to	(47)	—	—	—	(47)	—
Total adjustments to operating income	(364)	71	(399)	(2,319)	(3,011)	(727)
Net cash provided by (used for) operating activities	298	49	2,028	(351)	2,024	2,019
Cash flows from investing activities:						
Interest and dividends on investments	386	29	399	2,314	3,128	685
Net cash provided for investing activities	386	29	399	2,314	3,128	685
Net increase in cash and cash equivalents	684	78	2,427	1,963	5,152	2,704
Cash and cash equivalents at beginning of year	7,369	369	6,142	742	14,622	11,918
Cash and cash equivalents at end of year	\$ 8,053	\$ 447	\$ 8,569	\$ 2,705	\$ 19,774	\$ 14,622

Agency Funds — Combining Statement of Changes in Assets and Liabilities

Year Ended March 31, 1999

(Amounts in thousands)

	Balance April 1, 1998	Additions	Deductions	Balance March 31, 1999
Employees Health Insurance				
ASSETS:				
Cash and investments	\$ 228,520	\$ 2,123,781	\$ 2,193,890	\$ 158,411
Receivables, net of allowances for uncollectibles:				
Other	2,167	7,747	2,167	7,747
Due from other funds	1	9,719	9,719	1
Other assets	103,150	131,544	111,754	122,940
Total assets	\$ 333,838	\$ 2,272,791	\$ 2,317,530	\$ 289,099
LIABILITIES:				
Payable to local governments	\$ 103,151	\$ 75,721	\$ 111,754	\$ 67,118
Accrued liabilities	105,649	2,211,618	2,193,402	123,865
Accounts payable	124,325	2,204,588	2,232,146	96,767
Due to other funds	713	17,290	16,654	1,349
Total liabilities	\$ 333,838	\$ 4,509,217	\$ 4,553,956	\$ 289,099
Social Security Contribution				
ASSETS:				
Cash and investments	\$ 7,165	\$ 736,875	\$ 719,261	\$ 24,779
Due from other funds	385	2,149	2,367	167
Total assets	\$ 7,550	\$ 739,024	\$ 721,628	\$ 24,946
LIABILITIES:				
Accrued liabilities	\$ 7,549	\$ 738,316	\$ 738,843	\$ 7,022
Accounts payable	1	728,061	710,138	17,924
Due to other funds	—	22	22	—
Total liabilities	\$ 7,550	\$ 1,466,399	\$ 1,449,003	\$ 24,946
NYS Employee Payroll Withholding				
ASSETS:				
Cash and investments	\$ 6,141	\$ 3,100,358	\$ 3,055,560	\$ 50,939
Due from other funds	915	5,761	6,376	300
Total assets	\$ 7,056	\$ 3,106,119	\$ 3,061,936	\$ 51,239
LIABILITIES:				
Accrued liabilities	\$ 3,434	\$ 3,107,121	\$ 3,090,905	\$ 19,650
Accounts payable	3,622	2,507,664	2,479,760	31,526
Due to other funds	—	23,128	23,065	63
Total liabilities	\$ 7,056	\$ 5,637,913	\$ 5,593,730	\$ 51,239

(Continued)

Agency Funds — Combining Statement of Changes in Assets and Liabilities (cont'd)

Year Ended March 31, 1999

(Amounts in thousands)

	Balance April 1, 1998	Additions	Deductions	Balance March 31, 1999
Employees Dental Insurance Fund				
ASSETS:				
Cash and investments	\$ 4,922	\$ 57,765	\$ 57,249	\$ 5,438
Receivables, net of allowances for uncollectibles:				
Other	156	117	156	117
Due from other funds	2	405	300	107
Total assets	\$ 5,080	\$ 58,287	\$ 57,705	\$ 5,662
LIABILITIES:				
Payable to local governments	\$ 156	\$ 117	\$ 156	\$ 117
Accrued liabilities	4,789	57,850	57,106	5,533
Accounts payable	135	56,806	56,929	12
Total liabilities	\$ 5,080	\$ 114,773	\$ 114,191	\$ 5,662
Management Confidential Group Insurance				
ASSETS:				
Cash and investments	\$ 462	\$ 7,549	\$ 7,470	\$ 541
Due from other funds	—	42	42	—
Total assets	\$ 462	\$ 7,591	\$ 7,512	\$ 541
LIABILITIES:				
Accrued liabilities	\$ 462	\$ 7,547	\$ 7,468	\$ 541
Accounts payable	—	7,038	7,038	—
Due to other funds	—	21	21	—
Total liabilities	\$ 462	\$ 14,606	\$ 14,527	\$ 541
Lottery Prize				
ASSETS:				
Cash and investments	\$ 1,788,236	\$ 2,375,802	\$ 2,172,391	\$ 1,991,647
Receivables, net of allowances for uncollectibles:				
Other	77,924	64,260	77,924	64,260
Due from other funds	—	27,908	27,908	—
Total assets	\$ 1,866,160	\$ 2,467,970	\$ 2,278,223	\$ 2,055,907
LIABILITIES:				
Accrued liabilities	\$ 1,866,160	\$ 2,280,091	\$ 2,090,344	\$ 2,055,907
Accounts payable	—	714,314	714,314	—
Due to other funds	—	18,058	18,058	—
Total liabilities	\$ 1,866,160	\$ 3,012,463	\$ 2,822,716	\$ 2,055,907

Agency Funds — Combining Statement of Changes in Assets and Liabilities (cont'd)

Year Ended March 31, 1999
(Amounts in thousands)

	Balance April 1, 1998	Additions	Deductions	Balance March 31, 1999
Fringe Benefit Escrow				
ASSETS:				
Cash and investments	\$ 88	\$ 735,352	\$ 735,440	\$ —
Receivables, net of allowances for uncollectibles:				
Other	—	9,055	—	9,055
Due from other funds	131,169	491,211	430,110	192,270
Total assets	\$ 131,257	\$ 1,235,618	\$ 1,165,550	\$ 201,325
LIABILITIES:				
Accrued liabilities	\$ 129,882	\$ 921,828	\$ 850,659	\$ 201,051
Accounts payable	—	9,439	9,439	—
Due to other funds	1,375	6,719	7,820	274
Total liabilities	\$ 131,257	\$ 937,986	\$ 867,918	\$ 201,325
CUNY Senior College Operating				
ASSETS:				
Cash and investments	\$ 56,835	\$ 874,601	\$ 910,994	\$ 20,442
Due from other funds	280	37,777	37,434	623
Other assets	10	7	10	7
Total assets	\$ 57,125	\$ 912,385	\$ 948,438	\$ 21,072
LIABILITIES:				
Accrued liabilities	\$ 30,923	\$ 917,460	\$ 928,343	\$ 20,040
Accounts payable	25,845	871,225	896,334	736
Due to other funds	357	28,334	28,395	296
Total liabilities	\$ 57,125	\$ 1,817,019	\$ 1,853,072	\$ 21,072
MMIS Statewide Escrow				
ASSETS:				
Cash and investments	\$ 618,775	\$ 24,841,992	\$ 24,749,762	\$ 711,005
Due from other funds	19,861	728,892	741,036	7,717
Total assets	\$ 638,636	\$ 25,570,884	\$ 25,490,798	\$ 718,722
LIABILITIES:				
Payable to local governments	\$ 295	\$ 1,076,275	\$ 1,074,918	\$ 1,652
Accrued liabilities	638,341	25,175,197	25,112,572	700,966
Accounts payable	—	21,752,671	21,752,671	—
Due to other funds	—	371,259	355,155	16,104
Total liabilities	\$ 638,636	\$ 48,375,402	\$ 48,295,316	\$ 718,722

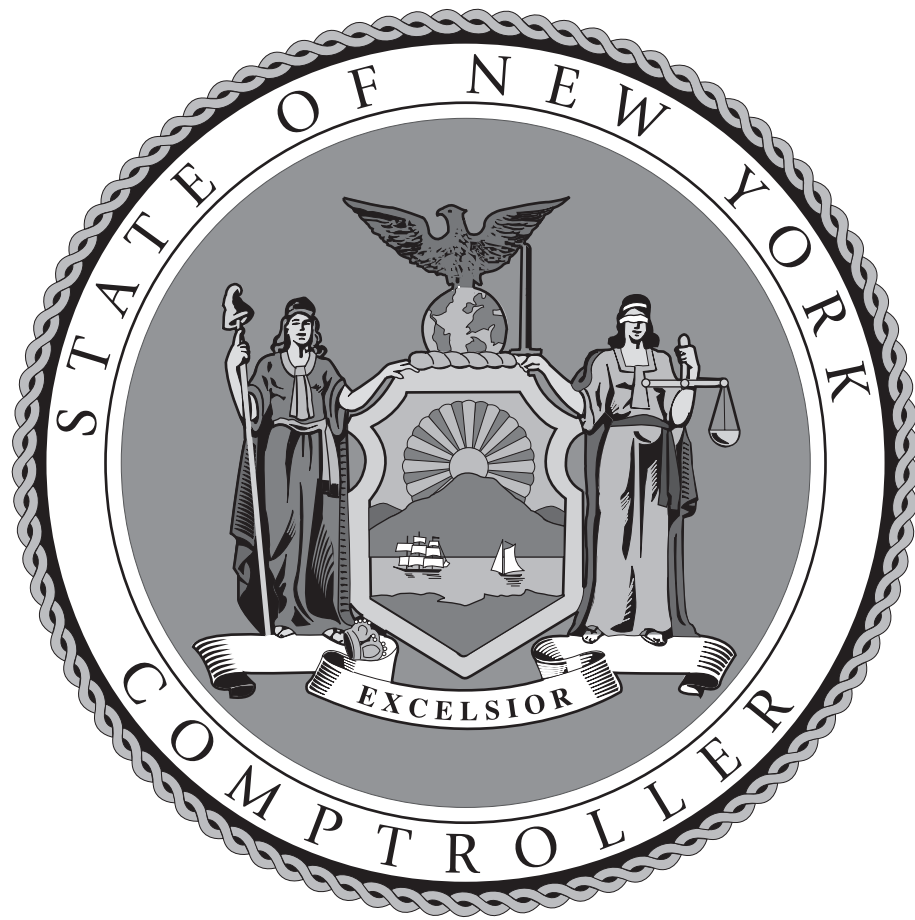
(Continued)

Agency Funds — Combining Statement of Changes in Assets and Liabilities (cont'd)

Year Ended March 31, 1999

(Amounts in thousands)

	Balance April 1, 1998	Additions	Deductions	Balance March 31, 1999
Sole Custody				
ASSETS:				
Cash and investments	\$ 2,267,051	\$ 1,823,796	\$ 2,267,051	\$ 1,823,796
Receivables, net of allowances for uncollectibles:				
Other	19,427	15,709	19,427	15,709
Due from other funds	9,838	9,896	9,838	9,896
Total assets	\$ 2,296,316	\$ 1,849,401	\$ 2,296,316	\$ 1,849,401
LIABILITIES:				
Payable to local governments	\$ 2,031,186	\$ 1,390,930	\$ 2,031,186	\$ 1,390,930
Accrued liabilities	265,130	458,471	265,130	458,471
Total liabilities	\$ 2,296,316	\$ 1,849,401	\$ 2,296,316	\$ 1,849,401
Miscellaneous				
ASSETS:				
Cash and investments	\$ 434,532	\$ 1,145,684	\$ 1,136,755	\$ 443,461
Receivables, net of allowances for uncollectibles:				
Other	9	9	9	9
Due from other funds	14,391	232,352	219,077	27,666
Total assets	\$ 448,932	\$ 1,378,045	\$ 1,355,841	\$ 471,136
LIABILITIES:				
Payable to local governments	\$ 9	\$ 75,921	\$ 75,921	\$ 9
Accrued liabilities	431,536	1,205,194	1,189,367	447,363
Accounts payable	7,072	256,329	255,320	8,081
Due to other funds	10,315	179,983	174,615	15,683
Total liabilities	\$ 448,932	\$ 1,717,427	\$ 1,695,223	\$ 471,136
Total Assets and Liabilities — All Agency Funds				
ASSETS:				
Cash and investments	\$ 5,412,727	\$ 37,823,555	\$ 38,005,823	\$ 5,230,459
Receivables, net of allowances for uncollectibles:				
Other	99,683	96,897	99,683	96,897
Due from other funds	176,842	1,546,112	1,484,207	238,747
Other assets	103,160	131,551	111,764	122,947
Total assets	\$ 5,792,412	\$ 39,598,115	\$ 39,701,477	\$ 5,689,050
LIABILITIES:				
Payable to local governments	\$ 2,134,797	\$ 2,618,964	\$ 3,293,935	\$ 1,459,826
Accrued liabilities	3,483,855	37,080,693	36,524,139	4,040,409
Accounts payable	161,000	29,108,135	29,114,089	155,046
Due to other funds	12,760	644,792	623,783	33,769
Total liabilities	\$ 5,792,412	\$ 69,452,584	\$ 69,555,946	\$ 5,689,050



Public Benefit Corporations

Public benefit corporations (corporations) are legally separate entities that are not operating departments of the State. The corporations are managed independently, outside the appropriated budget process and their powers generally are vested in a governing board. Corporations are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts. The Governor, with the approval of the State Senate, appoints most members of the Board of most corporations and either the Governor or the Board selects the Chairman and chief operating officer.

Component Units — Public Benefit Corporations — Combining Balance Sheet

March 31, 1999

(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority	Urban Development Corporation
ASSETS:						
Cash and investments	\$ 1,318,705	\$ 335,845	\$ 5,573,161	\$ 7,436,832	\$ 712,236	\$ 880,156
Receivables, net of allowances for uncollectibles:						
Loans and leases	—	—	—	21,868,735	—	4,655,155
Other	152,505	59,188	2,260,728	582,299	207,671	21,028
Fixed assets	3,308,236	2,856,991	20,571,457	29,212	2,072,304	36,066
Other assets	398,279	12,904	1,479,888	—	5,198,565	54,781
Total assets	\$ 5,177,725	\$ 3,264,928	\$ 29,885,234	\$ 29,917,078	\$ 8,190,776	\$ 5,647,186
LIABILITIES:						
Accrued liabilities	\$ 238,326	\$ 63,186	\$ 1,436,458	\$ 990,713	\$ 300,874	\$ 339,014
Pension contributions payable	—	—	339,274	—	—	—
Accounts payable	—	—	429,349	—	—	—
Deferred revenues	177,347	19,800	268,103	37,766	—	14,671
Notes payable	1,105,773	—	—	—	—	84,681
Bonds payable	1,263,455	1,211,921	11,799,042	27,982,081	7,955,898	4,730,829
Other long-term liabilities	747,836	—	1,665,459	—	34,059	440,920
Total liabilities	3,532,737	1,294,907	15,937,685	29,010,560	8,290,831	5,610,115
EQUITY (DEFICIT):						
Contributed capital	—	—	9,331,608	—	—	—
Retained earnings	1,644,988	1,970,021	4,615,941	906,518	(100,055)	37,071
Total equity (deficit)	1,644,988	1,970,021	13,947,549	906,518	(100,055)	37,071
Total liabilities and equity (deficit)	\$ 5,177,725	\$ 3,264,928	\$ 29,885,234	\$ 29,917,078	\$ 8,190,776	\$ 5,647,186

State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Other Entities	Total	Eliminations	Totals	
						1999	1998
\$ 7,130,237	\$ 1,468,079	\$ 1,829,002	\$ 3,001,497	\$ 29,685,750	\$ (3,472,971)	\$ 26,212,779	\$ 23,429,608
—	3,465,096	3,571,667	4,242,064	37,802,717	(15,254,818)	22,547,899	21,550,957
687,379	31,523	78,446	4,323,774	8,404,541	(5,926,430)	2,478,111	2,346,931
9,482	—	39	1,718,847	30,602,634	(273,285)	30,329,349	26,535,335
20,304	64,835	—	106,140	7,335,696	(403)	7,335,293	1,928,886
\$ 7,847,402	\$ 5,029,533	\$ 5,479,154	\$ 13,392,322	\$ 113,831,338	\$ (24,927,907)	\$ 88,903,431	\$ 75,791,717
\$ 7,654,995	\$ 162,911	\$ 127,953	\$ 803,046	\$ 12,117,476	\$ (52,784)	\$ 12,064,692	\$ 11,137,475
—	—	—	122	339,396	—	339,396	322,887
—	—	—	95,754	525,103	(1,615)	523,488	544,886
192,407	—	—	337,266	1,047,360	(9,838)	1,037,522	981,997
—	—	—	5,155	1,195,609	(84,681)	1,110,928	987,663
—	4,030,019	3,421,079	10,160,842	72,555,166	(24,713,676)	47,841,490	37,729,498
—	—	7,566	115,435	3,011,275	(57,500)	2,953,775	3,087,059
7,847,402	4,192,930	3,556,598	11,517,620	90,791,385	(24,920,094)	65,871,291	54,791,465
—	—	1,799,752	724,680	11,856,040	—	11,856,040	10,990,203
—	836,603	122,804	1,150,022	11,183,913	(7,813)	11,176,100	10,010,049
—	836,603	1,922,556	1,874,702	23,039,953	(7,813)	23,032,140	21,000,252
\$ 7,847,402	\$ 5,029,533	\$ 5,479,154	\$ 13,392,322	\$ 113,831,338	\$ (24,927,907)	\$ 88,903,431	\$ 75,791,717

Component Units — Public Benefit Corporations — Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits)

Year Ended March 31, 1999

(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority	Urban Development Corporation
OPERATING REVENUES:						
Charges for services	\$ 1,483,939	\$ 373,931	\$ 3,627,782	\$ 62,038	\$ 1,377,605	\$ —
Financing income	—	—	—	1,333,099	—	75,642
Investment earnings	—	—	—	184,077	—	44,310
Miscellaneous	13,246	20,160	104,883	100,987	—	10,936
Total operating revenues	1,497,185	394,091	3,732,665	1,680,201	1,377,605	130,888
OPERATING EXPENSES:						
Operations	1,119,766	235,594	4,524,014	272,480	1,201,465	299,180
Depreciation and amortization	248,421	—	781,495	2,777	53,256	2,204
Interest	—	—	—	1,399,117	—	267,121
Total operating expenses	1,368,187	235,594	5,305,509	1,674,374	1,254,721	568,505
Operating income (loss)	128,998	158,497	(1,572,844)	5,827	122,884	(437,617)
NONOPERATING REVENUES (EXPENSES):						
Non-State subsidies and grants	—	41,123	636,294	—	—	27,066
Interest revenues	99,690	23,501	60,476	—	35,021	—
Interest expenses	(145,025)	(68,308)	(381,485)	—	(233,785)	—
Other, net	(2,209)	(39,486)	1,348	—	(978)	—
Net nonoperating revenues (expenses)	(47,544)	(43,170)	316,633	—	(199,742)	27,066
Income (loss) before operating transfers	81,454	115,327	(1,256,211)	5,827	(76,858)	(410,551)
Operating transfers from primary government	—	—	1,249,180	—	—	452,072
Operating transfers to primary government	—	—	—	(6,770)	—	—
Income (loss) before extraordinary items	81,454	115,327	(7,031)	(943)	(76,858)	41,521
Extraordinary item— refinancing charges	(18,487)	—	—	—	—	—
Net income (loss)	62,967	115,327	(7,031)	(943)	(76,858)	41,521
Depreciation charged to contributed capital	—	—	533,924	—	—	—
Increase (decrease) in retained earnings	62,967	115,327	526,893	(943)	(76,858)	41,521
Retained earnings (deficits) at beginning of year, as restated	1,582,021	1,854,694	4,089,048	907,461	(23,197)	(4,450)
Retained earnings (deficits) at end of year	\$ 1,644,988	\$ 1,970,021	\$ 4,615,941	\$ 906,518	\$ (100,055)	\$ 37,071

State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Other Entities	Total	Eliminations	Totals	
						1999	1998
\$ 985,835	\$ —	\$ 3,369	\$ 286,093	\$ 8,200,592	\$ —	\$ 8,200,592	\$ 6,975,059
—	257,259	187,308	401,455	2,254,763	(982,721)	1,272,042	1,371,604
566,583	71,912	97,567	63,237	1,027,686	—	1,027,686	992,183
35,452	114,781	40	181,863	582,348	(2,291)	580,057	682,018
1,587,870	443,952	288,284	932,648	12,065,389	(985,012)	11,080,377	10,020,864
1,502,973	72,886	103,307	1,140,296	10,471,961	(36,689)	10,435,272	9,117,606
282	2,367	13	82,983	1,173,798	(41)	1,173,757	959,981
—	251,133	182,453	272,032	2,371,856	(982,721)	1,389,135	1,471,803
1,503,255	326,386	285,773	1,495,311	14,017,615	(1,019,451)	12,998,164	11,549,390
84,615	117,566	2,511	(562,663)	(1,952,226)	34,439	(1,917,787)	(1,528,526)
—	—	4,066	366,778	1,075,327	(34,851)	1,040,476	834,967
—	—	—	37,671	256,359	(1,055)	255,304	170,494
—	—	—	(53,476)	(882,079)	113,873	(768,206)	(448,731)
(84,615)	—	—	31,616	(94,324)	—	(94,324)	(94,104)
(84,615)	—	4,066	382,589	355,283	77,967	433,250	462,626
—	117,566	6,577	(180,074)	(1,596,943)	112,406	(1,484,537)	(1,065,900)
—	—	22,171	357,366	2,080,789	(113,350)	1,967,439	1,441,240
—	—	—	(24,395)	(31,165)	—	(31,165)	(35,662)
—	117,566	28,748	152,897	452,681	(944)	451,737	339,678
—	(6,622)	—	(6,643)	(31,752)	—	(31,752)	(4,796)
—	110,944	28,748	146,254	420,929	(944)	419,985	334,882
—	—	—	42,998	576,922	—	576,922	519,146
—	110,944	28,748	189,252	997,851	(944)	996,907	854,028
—	725,659	94,056	960,770	10,186,062	(6,869)	10,179,193	9,156,021
\$ —	\$ 836,603	\$ 122,804	\$ 1,150,022	\$ 11,183,913	\$ (7,813)	\$ 11,176,100	\$ 10,010,049

Component Units — Public Benefit Corporations — Combining Statement of Cash Flows

Year Ended March 31, 1999

(Amounts in thousands)

	Power Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority
SOURCES OF CASH AND INVESTMENTS:				
Cash flows from operating activities:				
Operating income (loss)	\$ 128,998	\$ (1,572,844)	\$ 5,827	\$ 122,884
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	248,421	781,495	2,777	53,256
Interest paid on operating debt	—	—	1,399,117	—
Interest and dividends on investments	—	—	(184,077)	—
Component units using governmental fund accounting	—	—	—	—
Other	—	(84,540)	—	(978)
Change in assets and liabilities:				
Change in loans and leases receivables	—	—	(780,870)	—
Change in other receivables	18,064	(12,205)	(25,815)	(207,671)
Change in other assets	46,110	(223,410)	—	(5,198,548)
Change in accrued liabilities	47,650	245,251	128,129	299,473
Change in pension contributions payable	—	16,523	—	—
Change in accounts payable	—	(28,699)	—	—
Change in deferred revenue	(18,498)	45,578	(660)	—
Total adjustments to operating income (loss)	341,747	739,993	538,601	(5,054,468)
Net cash provided by (used for) operating activities	470,745	(832,851)	544,428	(4,931,584)
Cash flows from noncapital financing activities:				
Borrowing of operating debt	35,000	—	4,618,527	—
Repayment of operating debt	(173,700)	—	(2,961,741)	—
Interest paid on operating debt	—	—	(1,399,117)	—
Operating grants received	—	636,294	—	—
Operating transfers from	—	1,249,180	—	—
Operating transfers (to)	—	—	(6,770)	—
Repayment of other long-term liabilities	—	—	—	—
Proceeds from other long-term liabilities	70,919	—	—	9,352
Net cash provided by (used for) noncapital financing activities	(67,781)	1,885,474	250,899	9,352
Cash flows from capital and related financing activities:				
Proceeds from issuance of bonds	1,381,895	2,726,454	—	11,107,605
Proceeds from issuance of notes	271,578	—	—	—
Repayment of bonds	(1,977,360)	(1,726,341)	—	(3,135,264)
Repayment of notes	(7,275)	—	—	—
Interest paid on bonds and notes	(145,025)	(381,485)	—	(233,785)
Capital contributions	—	1,216,226	—	—
Acquisition and construction of capital assets	(127,999)	(2,798,134)	(1,921)	(2,123,928)
Other	(68,589)	461,046	—	(18,031)
Net cash provided by (used for) capital and related financing activities	(672,775)	(502,234)	(1,921)	5,596,597
Cash flows from investing activities:				
Purchase of investment securities	(10,606,882)	(4,057,938)	(15,693,778)	—
Proceeds from sale and maturities of investment securities	10,777,511	3,452,066	14,729,832	2,675
Interest and dividends on investments	99,690	60,476	184,077	35,021
Net cash provided by (used for) investing activities	270,319	(545,396)	(779,869)	37,696
Net increase (decrease) in cash and cash equivalents	508	4,993	13,537	712,061
Cash and cash equivalents at beginning of year	682	41,249	99,317	175
Cash and cash equivalents at end of year	\$ 1,190	\$ 46,242	\$ 112,854	\$ 712,236

Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Other Entities	Total	Eliminations	Totals	
							1999	1998
\$ (437,617)	\$ 84,615	\$ 117,566	\$ 2,511	\$ (511,570)	\$ (2,059,630)	\$ 141,843	\$ (1,917,787)	\$ (1,528,526)
2,204	282	2,367	13	82,983	1,173,798	—	1,173,798	959,981
267,121	—	251,133	182,453	279,853	2,379,677	—	2,379,677	2,302,622
(44,310)	(566,583)	(71,912)	(97,567)	(63,237)	(1,027,686)	—	(1,027,686)	(992,183)
—	—	—	—	—	—	(141,843)	(141,843)	(76,141)
—	(84,615)	498	—	14,945	(154,690)	—	(154,690)	370,344
(391,644)	—	(45,062)	(296,328)	(203,181)	(1,717,085)	720,921	(996,164)	(1,288,838)
(3,887)	131,698	1,935	(4,494)	(995,004)	(1,097,379)	915,415	(181,964)	(7,006)
(6,351)	2,805	(3,645)	—	(24,152)	(5,407,191)	(2,087)	(5,409,278)	(483,969)
136,459	36,413	32,769	16,593	43,465	986,202	(16,364)	969,838	104,577
—	—	—	—	(14)	16,509	—	16,509	(45,006)
—	—	—	—	9,721	(18,978)	(811)	(19,789)	(29,851)
(775)	(791)	—	(21)	34,099	58,932	(9,838)	49,094	66,232
(41,183)	(480,791)	168,083	(199,351)	(820,522)	(4,807,891)	1,465,393	(3,342,498)	880,762
(478,800)	(396,176)	285,649	(196,840)	(1,332,092)	(6,867,521)	1,607,236	(5,260,285)	(647,764)
587,623	—	625,251	463,525	870,336	7,200,262	(3,227,147)	3,973,115	4,324,532
(109,443)	—	(485,433)	(166,236)	(676,395)	(4,572,948)	1,927,881	(2,645,067)	(3,452,262)
(267,121)	—	(251,133)	(182,453)	(286,934)	(2,386,758)	—	(2,386,758)	(2,308,788)
27,066	—	—	4,066	345,525	1,012,951	—	1,012,951	789,155
452,072	—	—	22,171	274,788	1,998,211	—	1,998,211	1,530,985
—	—	—	—	(9,678)	(16,448)	—	(16,448)	(21,225)
(24,817)	—	—	—	(9,108)	(33,925)	—	(33,925)	(27,349)
3,807	—	—	—	3,698	87,776	—	87,776	114,337
669,187	—	(111,315)	141,073	512,232	3,289,121	(1,299,266)	1,989,855	949,385
—	—	—	—	1,355,268	16,571,222	(1,457,550)	15,113,672	1,959,395
—	—	—	—	2,027	273,605	—	273,605	536,300
—	—	—	—	(677,099)	(7,516,064)	737,345	(6,778,719)	(1,895,325)
—	—	—	—	(4,364)	(11,639)	—	(11,639)	(3,792)
—	—	—	—	(39,342)	(799,637)	—	(799,637)	(517,133)
—	—	—	160,122	70,595	1,446,943	—	1,446,943	1,622,607
(620)	—	—	(28)	(168,182)	(5,220,812)	273,285	(4,947,527)	(3,065,429)
—	515	—	—	(6,833)	368,108	(7,813)	360,295	689,403
(620)	515	—	160,094	532,070	5,111,726	(454,733)	4,656,993	(673,974)
(8,517,828)	(3,822,991)	(243,353)	(193,006)	(7,130,536)	(50,266,312)	48,363	(50,217,949)	(35,651,774)
8,291,330	3,698,324	—	—	7,464,598	48,416,336	—	48,416,336	34,814,632
44,310	535,916	71,912	97,567	92,120	1,221,089	—	1,221,089	1,104,964
(182,188)	411,249	(171,441)	(95,439)	426,182	(628,887)	48,363	(580,524)	267,822
7,579	15,588	2,893	8,888	138,392	904,439	(98,400)	806,039	(104,531)
15,246	9,194	7,065	28,606	369,390	570,924	(180,372)	390,552	495,083
\$ 22,825	\$ 24,782	\$ 9,958	\$ 37,494	\$ 507,782	\$ 1,475,363	\$ (278,772)	\$ 1,196,591	\$ 390,552

Statistical Section

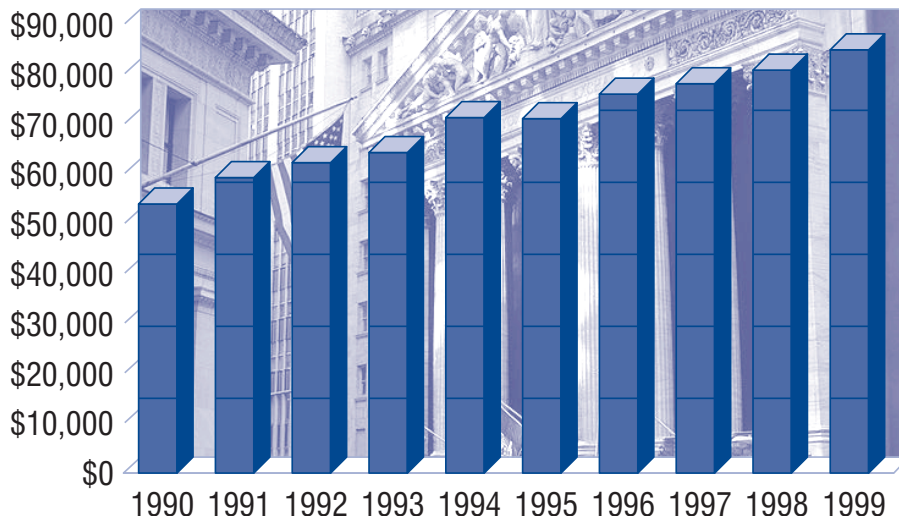
Schedule of Revenues, Expenditures and Other Financing Sources (Uses)

ALL GOVERNMENTAL FUNDS
FOR THE PAST TEN FISCAL YEARS
(Amounts in millions)

	1989-90	1990-91	1991-92
REVENUES:			
Taxes	\$ 27,858	\$ 28,019	\$ 29,698
Miscellaneous revenues	5,971	6,232	4,830
Federal grants	11,535	13,162	15,743
Total revenues	45,364	47,413	50,271
EXPENDITURES:			
Grants to local governments	28,190	31,012	34,043
Operations of state departments and agencies	14,626	15,358	11,495
Debt service	1,716	1,848	1,716
Capital projects	2,178	2,701	2,292
Total expenditures	46,710	50,919	49,546
Excess (deficiency) revenues over expenditures	(1,346)	(3,506)	725
OTHER FINANCING SOURCES (USES):			
Bond proceeds	659	753	723
Proceeds from financing arrangements	2,303	3,603	3,610
Transfers from other funds	5,727	7,619	7,790
Transfers to other funds	(6,788)	(8,314)	(10,492)
Payments on advance refundings	(1,728)	(1,555)	(415)
Net other financing sources (uses)	173	2,106	1,216
Excess (deficiency) of operating revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,173)	\$ (1,400)	\$ 1,941

Source: Office of the State Comptroller

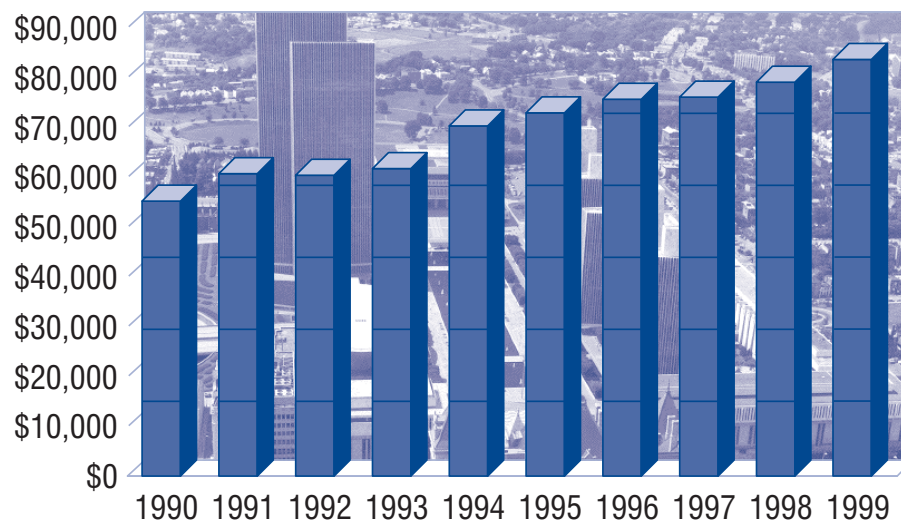
REVENUES & OTHER FINANCING SOURCES
(AMOUNTS IN MILLIONS)



1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
\$ 31,333	\$ 32,974	\$ 32,994	\$ 33,507	\$ 35,000	\$ 36,374	\$ 38,985
5,401	5,158	5,997	6,942	8,084	7,698	7,700
16,934	18,627	21,481	22,272	22,329	23,268	24,133
53,668	56,759	60,472	62,721	65,413	67,340	70,818
35,016	37,716	42,551	43,219	43,463	44,667	47,548
11,641	12,074	13,082	13,221	14,055	13,730	13,929
2,076	2,039	2,132	2,334	2,387	2,728	2,889
2,299	2,523	3,122	3,004	2,773	2,983	3,393
51,032	54,352	60,887	61,778	62,678	64,108	67,759
2,636	2,407	(415)	943	2,735	3,232	3,059
801	458	325	188	439	485	358
2,706	6,301	2,352	3,326	3,446	3,354	3,875
7,238	7,909	8,051	9,588	8,912	9,773	9,972
(10,571)	(11,317)	(11,495)	(12,865)	(12,193)	(13,223)	(13,964)
(176)	(4,707)	(609)	(747)	(1,279)	(1,821)	(1,977)
(2)	(1,356)	(1,376)	(510)	(675)	(1,432)	(1,736)
\$ 2,634	\$ 1,051	\$ (1,791)	\$ 433	\$ 2,060	\$ 1,800	\$ 1,323

EXPENDITURES & OTHER FINANCING USES

(AMOUNTS IN MILLIONS)



Schedule of Collections of Principal State Taxes

(Amounts in millions)

Fiscal Year	Personal Income	Sales and Use	Motor Fuel	Corporate Franchise	Cigarette	Corporate & Utility	Other Miscellaneous	Total Taxes Collected By Year
1989-90	\$ 15,252	\$ 5,963	\$ 543	\$ 1,413	\$ 541	\$ 1,137	\$ 3,153	\$ 28,002
1990-91	14,516	5,642	505	1,660	606	1,402	3,536	27,867
1991-92	14,913	6,025	492	1,866	596	1,620	4,306	29,818
1992-93	15,319	6,232	516	1,886	555	1,749	4,763	31,020
1993-94	16,034	6,322	500	2,163	708	1,823	5,007	32,557
1994-95	17,589	6,789	485	2,198	727	1,705	4,420	33,913
1995-96	16,998	6,954	502	2,002	693	1,756	4,623	33,528
1996-97	16,371	7,261	472	2,306	667	1,789	4,573	33,439
1997-98	17,759	7,562	492	2,343	676	1,745	4,814	35,391
1998-99	20,662	7,912	502	2,262	667	1,728	4,848	38,581

Source: Office of the State Comptroller & State Division of the Budget

Schedule of State-Related Debt Per Capita

Fiscal Year	General Obligation Debt	State Guaranteed Authority Debt	Lease/Purchase and Contractual Obligation Debt	Moral Obligation Debt	Certificates Of Participation	Local Government Assistance Corporation	Total Debt
1989-90	\$ 222	\$ 31	\$ 468	\$ 614	\$ 37	\$ —	\$ 1,372
1990-91	244	30	583	549	36	50	1,492
1991-92	262	28	682	467	37	149	1,625
1992-93	282	26	741	434	35	202	1,720
1993-94	283	23	828	399	32	245	1,810
1994-95	277	20	914	386	30	262	1,889
1995-96	262	17	1,051	355	27	290	2,002
1996-97	260	15	1,164	180	28	288	1,935
1997-98	258	14	1,259	76	26	284	1,917
1998-99	255	10	1,360	35	30	281	1,972

Source: Office of the State Comptroller

Schedule of Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures

LAST TEN FISCAL YEARS

(Amounts in millions)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1990	\$ 292	\$ 232	\$ 524	\$ 46,710	1.12%
1991	338	266	604	50,919	1.19%
1992	381	291	672	49,546	1.36%
1993	412	316	728	51,032	1.43%
1994	444	317	761	54,352	1.40%
1995	467	312	779	60,887	1.28%
1996	483	281	764	61,778	1.24%
1997	475	265	740	62,678	1.18%
1998	481	258	739	64,108	1.15%
1999	487	252	739	67,759	1.09%

Source: Office of the State Comptroller

Schedule of Demographic Statistics

Years	Population (1000s)	% of U.S. Population	Per Capita Personal Income	Unemployment (1000s)	Unemployment %
1989	17,950	7.2	\$20,880	442	5.1
1990	17,990	7.2	22,322	459	5.2
1991	18,047	7.2	22,595	626	7.3
1992	18,109	7.1	23,874	734	8.6
1993	18,153	7.0	24,824	663	7.8
1994	18,169	7.0	25,276	593	6.9
1995	18,178	6.9	26,782	498	6.3
1996	18,185	6.9	27,264	495	6.3
1997	18,137	6.8	30,909	514	6.4
1998*	18,175	6.7	31,796	461	5.6

*Projected Data

Source: U.S. Department of Commerce, Census Bureau, N.Y.S. Department of Labor

Schedule of City Populations Within New York State

City	1930	1940	1950	1960	1970	1980	1990
New York City	6,930,446	7,454,995	7,891,957	7,781,984	7,895,563	7,071,639	7,322,564
Buffalo	573,076	575,901	580,132	532,759	462,768	357,370	328,123
Rochester	328,132	324,975	332,488	318,611	295,011	241,741	231,636
Yonkers	134,646	142,598	152,798	190,634	204,297	195,351	188,082
Syracuse	209,326	205,967	220,583	216,038	197,297	170,105	163,860
Albany	127,412	130,577	134,995	129,726	115,781	101,727	101,082
Utica	101,740	100,518	101,531	100,410	91,373	75,632	68,637
Niagara Falls	75,460	78,029	90,872	102,394	85,615	71,384	61,840
Schenectady	95,692	87,549	91,785	81,682	77,859	67,972	65,566
Other Areas	4,012,136	4,378,033	5,233,051	7,328,066	8,816,394	9,205,244	9,459,065
Total State Population	12,588,066	13,479,142	14,830,192	16,782,304	18,241,958	17,558,165	17,990,455

Source: U.S. Department of Commerce — Bureau of Census

Schedule of Ten Largest Industrial & Commercial Employers

Firm	Location
Bank of New York	New York City
Bell Atlantic (NY Telephone)	Various
The Chase Manhattan Bank	New York City
Citicorp (now Citigroup)	New York City
Consolidated Edison	New York City
Eastman Kodak Company	Rochester
General Electric Corporation	Various
General Motors Corporation	Various
International Business Machines Corporation	Various
JC Penney	Various

Source: New York State Empire State Development Corporation

Schedule of Nonagricultural Employment by Categories

	Percentage Composition of Employment (1998)	
	United States	New York
Construction	4.8%	3.4%
Finance, Insurance and Real Estate	5.9%	8.9%
Government	15.8%	17.2%
Manufacturing and Mining	15.4%	11.2%
Services and Other	29.8%	34.0%
Transportation, Communication and Other Utilities	5.2%	5.1%
Wholesale and Retail	23.1%	20.2%
Total	100.0%	100.0%

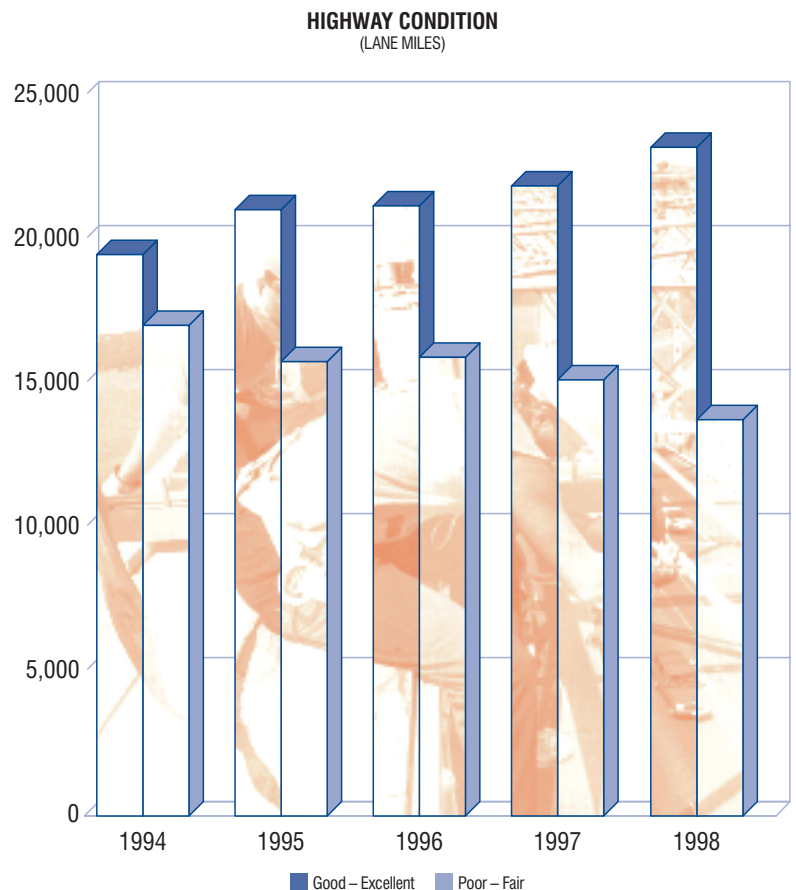
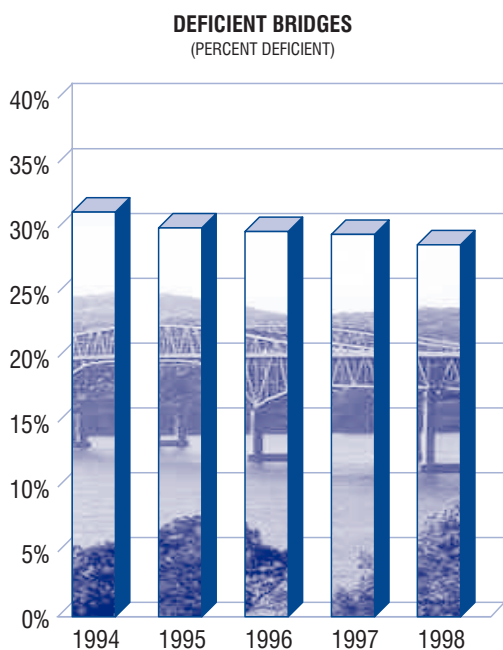
Source: U.S. & N.Y.S. Departments of Labor; U.S. Department of Commerce

Schedule of Miscellaneous Statistics

March 31, 1998

Date Entered Union	July 26, 1788
Form of Government	Legislative—Executive—Judicial
Land Area	49,576 square miles
Miles of State Highways	40,000
Number of State Bridges	7,500
State Police Protection:	
Number of Troops	11
Number of State Police Employees	4,945
State University of New York (All Campuses):	
Number of Campuses in State	64
Annual Salaried Positions	34,150
Number of Students	367,000
Recreation:	
State Park Regions	11
Number of State Parks & Historic Sites	187
Expected Visitors 1998-99	65 million
Annual Salaried Positions	1,699

Source: *New York State Statistical Yearbook*
 1998-99 N.Y.S. Executive Budget



Revenue and Other Financing Sources by Type as Percent of Total

COMBINED GOVERNMENTAL FUNDS
FOR THE PERIOD 1990-1999

Type	1990	1991	1992	1993
Taxes:				
Personal income	27.71%	24.14%	23.77%	24.32%
Consumption and use	14.46%	13.37%	12.88%	12.79%
General business	6.99%	7.78%	9.19%	9.66%
Other	2.38%	1.89%	1.76%	1.88%
Total taxes	51.54%	47.18%	47.60%	48.65%
Federal grants	21.34%	22.16%	25.23%	26.29%
Lottery	3.60%	3.59%	3.31%	3.66%
Tuition and fees	1.00%	0.91%	—	—
Patient fees	1.27%	1.25%	0.54%	0.52%
Miscellaneous	5.17%	4.75%	3.89%	4.20%
Total other than taxes	32.38%	32.66%	32.97%	34.67%
Total financing sources	16.08%	20.16%	19.43%	16.68%
Total revenue and financing sources	100.00%	100.00%	100.00%	100.00%

Source: Office of the State Comptroller

Expenditures and Other Financing Uses by Type as Percent of Total

COMBINED GOVERNMENTAL FUNDS
FOR THE PERIOD 1990-1999

Type	1990	1991	1992	1993
Local assistance grants:				
Social services	24.41%	25.62%	29.64%	30.87%
Education	19.35%	18.62%	19.57%	19.16%
General purpose	2.05%	1.75%	1.54%	1.05%
Mental hygiene	1.72%	1.74%	1.84%	1.80%
Health and environment.....	1.09%	1.14%	1.38%	1.34%
Transportation	0.72%	0.55%	0.56%	0.58%
Criminal justice	0.45%	0.36%	0.52%	0.43%
Other programs	1.25%	1.24%	1.27%	1.44%
Total local assistance grants	51.04%	51.02%	56.32%	56.67%
Personal service	14.91%	14.39%	10.51%	10.23%
Non-personal service	7.80%	7.58%	5.69%	6.05%
Pension and other fringe benefits	3.78%	3.30%	2.82%	2.57%
Capital construction	3.94%	4.44%	3.79%	3.72%
Debt service	3.11%	3.03%	2.84%	3.36%
Total other than grants	33.54%	32.74%	25.65%	25.93%
Total financing uses	15.42%	16.24%	18.03%	17.40%
Total expenditures and financing uses	100.00%	100.00%	100.00%	100.00%

Source: Office of the State Comptroller

State Supported Long-Term Debt By Type Principal and Interest

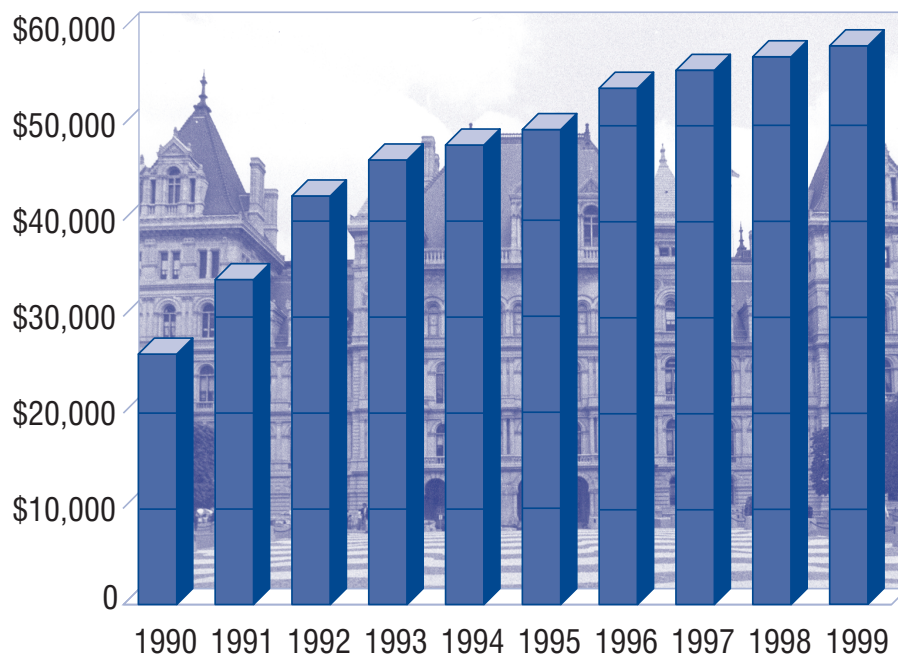
FOR THE PERIOD 1990-1999

(Amounts in thousands)

Type	1990	1991	1992	1993
General Obligation				
Total Debt	\$ 6,306,441	\$ 6,867,728	\$ 7,331,755	\$ 7,696,041
Percent of Total	24.17%	20.30%	17.23%	16.62%
Change from Prior Year	8.42%	8.90%	6.76%	4.97%
Lease/Purchase and Other Financing Arrangements				
Total Debt	\$ 18,823,147	\$ 23,892,330	\$ 27,913,331	\$ 29,454,598
Percent of Total	72.14%	70.61%	65.58%	63.60%
Change from Prior Year	15.51%	26.93%	16.83%	5.52%
Certificates of Participation				
Total Debt	\$ 962,889	\$ 935,530	\$ 953,650	\$ 893,958
Percent of Total	3.69%	2.76%	2.24%	1.93%
Change from Prior Year	-0.39%	-2.84%	1.94%	-6.26%
Local Government Assistance Corporation				
Total Debt	—	\$ 2,143,044	\$ 6,364,834	\$ 8,264,946
Percent of Total	—	6.33%	14.95%	17.85%
Change from Prior Year	—	—	197.00%	29.85%
Total Debt				
Total Debt	\$ 26,092,477	\$ 33,838,632	\$ 42,563,570	\$ 46,309,543
Percent of Total	100.00%	100.00%	100.00%	100.00%
Change from Prior Year	13.06%	29.69%	25.78%	8.80%

Source: Office of the State Comptroller

**STATE SUPPORTED LONG-TERM DEBT
PRINCIPAL & INTEREST**
(AMOUNTS IN MILLIONS)



1994		1995		1996		1997		1998		1999	
\$	7,603,646	\$	7,263,212	\$	6,780,333	\$	6,725,722	\$	6,743,107	\$	6,487,508
	15.88%		14.68%		12.60%		12.09%		11.82%		11.15%
	-1.20%		-4.48%		-6.65%		-0.81%		0.26%		-3.79%
\$	30,283,071	\$	31,859,912	\$	35,797,477	\$	38,144,723	\$	40,048,913	\$	41,747,961
	63.27%		64.39%		66.55%		68.56%		70.19%		71.76%
	2.81%		5.21%		12.36%		6.56%		4.99%		4.24%
\$	797,222	\$	738,090	\$	658,183	\$	635,111	\$	573,213	\$	647,610
	1.67%		1.49%		1.22%		1.14%		1.00%		1.11%
	-10.82%		-7.42%		-10.83%		-3.51%		-9.75%		12.98%
\$	9,182,946	\$	9,619,181	\$	10,555,071	\$	10,128,774	\$	9,692,778	\$	9,293,368
	19.18%		19.44%		19.62%		18.21%		16.99%		15.97%
	11.11%		4.75%		9.73%		-4.04%		-4.30%		-4.12%
\$	47,866,885	\$	49,480,395	\$	53,791,064	\$	55,634,330	\$	57,058,011	\$	58,176,447
	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
	3.36%		3.37%		8.71%		3.43%		2.56%		1.96%

STATE OF NEW YORK

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