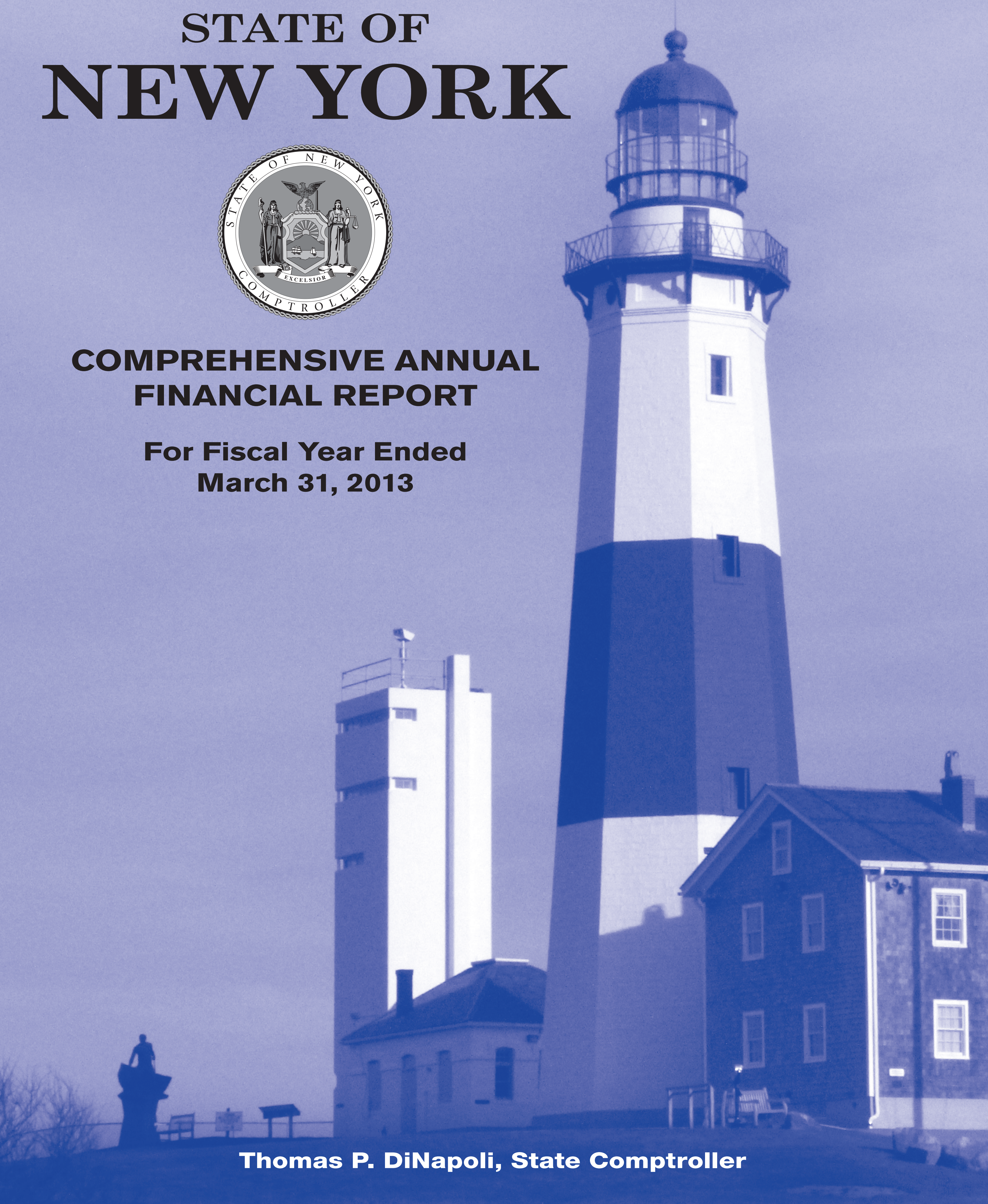
STATE OF NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended March 31, 2013

Thomas P. DiNapoli, State Comptroller

STATE OF NEW YORK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended
March 31, 2013

Prepared by the Office of the State Comptroller

Thomas P. DiNapoli

Table of Contents

INTRODUCTORY SECTION

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

Fiduciary Funds

Non-Major Component Units

STATISTICAL SECTION

Introductory Section

THOMAS P. DINAPOLI
State Comptroller

THOMAS P. DINAPOLI
COMPTROLLER

110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 3, 2013

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

I hereby present the Comprehensive Annual Financial Report for the State of New York, for the fiscal year ended March 31, 2013.

New York State has made strides toward achieving equilibrium between recurring revenues and ongoing expenditures. The last three enacted budgets have contained actions that have significantly reduced projected out-year gaps. However, the progress that has been made toward achieving long-term structural balance, while positive, remains incomplete.

While the SFY 2013-14 Enacted Budget reflects many important decisions needed to address these issues and continue the progress of the recent past, it depends on nearly $5 billion in non-recurring resources to sustain recurring expenses, representing 8 percent of General Fund spending. As these temporary resources phase out, the State's remaining structural imbalance reappears in projections for the years ahead.

Significant budget challenges remain and the State continues to face fiscal issues that could increase these gaps further. Tax receipts may be lower than expected and the enacted budget makes no provisions for potential cuts in federal aid due to sequestration or other federal deficit-reduction measures. While the economy continues to show signs of improvement, any level of slowdown or stall will negatively affect State finances.

I renew my call for a comprehensive plan for New York to solidify its fiscal position by truly aligning revenues and expenses. The Executive should identify actions to close out-year projected budget gaps and work with the Legislature to enact real debt reform to ban backdoor borrowing by public authorities and restore voter control over debt.

New York State continues to transform its fiscal and programmatic policies. The ways in which these changes affect the people of New York, and the services that are delivered by our State, require close attention. The Office of the State Comptroller will continue to provide oversight of these important issues in an independent and impartial manner, in an effort to ensure that the public's interest is always protected.

Sincerely,

Thomas P. DiNapoli
State Comptroller

STATE OF NEW YORK

EXCELSIOR

COMPTROLLER

FINANCIAL OVERVIEW

This report has been prepared by the Office of the State Comptroller, as required by Chapter 405, Laws of 1981, in accordance with generally accepted accounting principles (GAAP) for governments as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, included within this Comprehensive Annual Financial Report rests with the Office of the State Comptroller.

The basic financial statements contained in this report have been audited by KPMG LLP. Their audit was conducted in accordance with generally accepted governmental auditing standards (GAGAS) and their auditors' report precedes the basic financial statements. An independent audit provides reasonable assurance that the State's basic financial statements for the year ended March 31, 2013 are free of material misstatement. Independent audit procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. An audit also includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal controls over financial reporting. Accordingly, the independent auditor expressed no opinion with respect to internal controls over financial reporting. The independent auditor believed that their audit provided a reasonable basis for rendering an unmodified opinion that the State's basic financial statements for the fiscal year ended March 31, 2013 are fairly presented in conformity with GAAP.

The basic financial statements include a narrative introduction, overview, and analysis that is required by GAAP and referred to as Management's Discussion and Analysis (MD&A). This transmittal letter is intended to complement the MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the independent auditors' report.

Profile of New York State

New York State was one of the original 13 states, ratifying the United States Constitution and entering the Union on July 26, 1788. The State has a land area of 49,576 square miles and the largest park system (home of the Adirondack Park) in the nation. Geographically, New York State is divided into 62 counties (five of which are boroughs of New York City). Within these counties are 62 cities (including New York City), 932 towns, 549 villages and 695 school districts. The State's major economic sectors are the industrial-commercial, service, financial and agricultural sectors.

New York's government comprises three branches—executive, legislative and judicial. The executive branch includes the Executive (including 20 State departments), the Department of Audit and Control, and the Department of Law, which are headed respectively by the Governor, Comptroller and Attorney General. With the exception of the departments of Audit and Control and Law, which report to their respective elected officials, the departments of the State report to the Governor. The legislative branch comprises two houses, the Senate with 62 senators and the Assembly with 150 members. Members of the Legislature are elected to two-year terms.

The Chief Judge of the Court of Appeals, which is the highest court of the State, heads the judicial branch. The Governor, with the advice and consent of the Senate, appoints the Chief Judge and six Associate Judges to 14-year terms. In New York State, the courts of original jurisdiction, or trial courts, hear cases in the first instance and the appellate courts hear appeals from the decisions of other courts.

Economic Condition and Outlook

In 2012, the national and State economies continued their slow recovery from the most serious recession since the Great Depression. The nation's Gross Domestic Product grew by 2.2 percent, which was higher than the rate in 2011 but remained well below the prerecession pace. Economic growth in New York was weaker than in the nation, with the Gross State Product rising by 1.3 percent, only marginally faster than the gain in 2011. New York's job recovery since the end of the recession, however, has been stronger than the nation's. Through March 2013, the State had recovered 116 percent of the jobs lost during the recession while the nation had regained 69 percent of its recessionary job losses. Although by March 2013, New York State had added more jobs during the recovery than it lost in the recession, job gains were uneven across the employment sectors and among the State's metropolitan areas. More recently, the pace of job growth in New York State had begun to ease, and the State's unemployment rate remained high by historical standards.

Even as Wall Street continued to work its way through the fallout from the financial crisis and a new regulatory environment, the securities industry remained an important component of the State's economy, providing 12 percent of all wages paid in the State and generating about 14 percent of State tax revenues. While profitability in the industry rebounded in 2012, with the broker/dealer operations of New York Stock Exchange member firms reporting $23.9 billion in profits (three times the level in 2011), the industry regained slightly less than 20 percent of the jobs it lost during the financial crisis, a much weaker recovery than at comparable points after earlier downturns. The Office of the State Comptroller estimated that the industry's cash bonuses for the 2012 bonus season grew by 8 percent, driven in part by bonuses deferred from prior years.

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 GASB. The criteria include: legal standing, fiscal dependency and financial accountability. Based on these criteria, the various funds and entities shown in this report are considered as part of the reporting entity (see Notes 1 and 14 of the Notes to the Basic Financial Statements).

The State provides a range of governmental services in such areas as education, public health, public welfare, public safety, and transportation, among others, and also administers the New York State and Local Retirement System.

Component Units

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 on their operations and finances accompanied by an independent auditors' report to the Governor, the Legislature and the State Comptroller. 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 reported net position of $38.7 billion. For further information, refer to Note 14 of the Notes to the Basic Financial Statements.

Budgetary and Other Control Systems

The State Constitution requires the Governor to submit a cash basis balanced Executive Budget that 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 five-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 level (e.g., personal service, grants to local governments) within each program or project of each State agency in accordance with the underlying approved appropriation bills.

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. The State's internal accounting controls are periodically tested to ensure 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.

General Governmental Results

An operating surplus of $ 1.1 billion is reported in the General Fund for the fiscal year ended March 31, 2013. As a result, the General Fund now has an accumulated fund deficit of $739 million. The State completed its fiscal year ended March 31, 2013 with a combined Governmental Funds operating surplus of $136 million as compared to a combined Governmental Funds operating surplus in the preceding fiscal year of $619 million. The combined operating surplus of $136 million for the fiscal year ended March 31, 2013 included an operating surplus in the General Fund of $1.1 billion and in the General Debt Service Fund of $40 million, offset by an operating deficit in the Federal Special Revenue Fund of $27 million and $1 billion in Other Governmental Funds. For further information, refer to the MD&A which immediately follows the independent auditors' report.

The State's financial position as shown in its Governmental Funds Balance Sheet as of March 31, 2013 includes a fund balance of $6.5 billion comprised of $33.2 billion of assets available to liquidate liabilities of $26.7 billion. The Governmental Funds fund balance includes a $739 million accumulated deficit General Fund balance.

Certificate of Achievement

The Office of the State Comptroller was honored for the 24th consecutive year to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the State's 2012 Comprehensive Annual Financial Report. This prestigious award represents the highest form of recognition in the area of governmental financial reporting, and reflects a commitment by the Office of the State Comptroller to communicate the State's financial results and position clearly to the taxpayers through public disclosure.

Acknowledgments

This report could not have been prepared without the cooperation of all State agencies, the Legislature, and the Judiciary. I especially appreciate the professionalism and dedication demonstrated by my staff in the preparation of this report.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

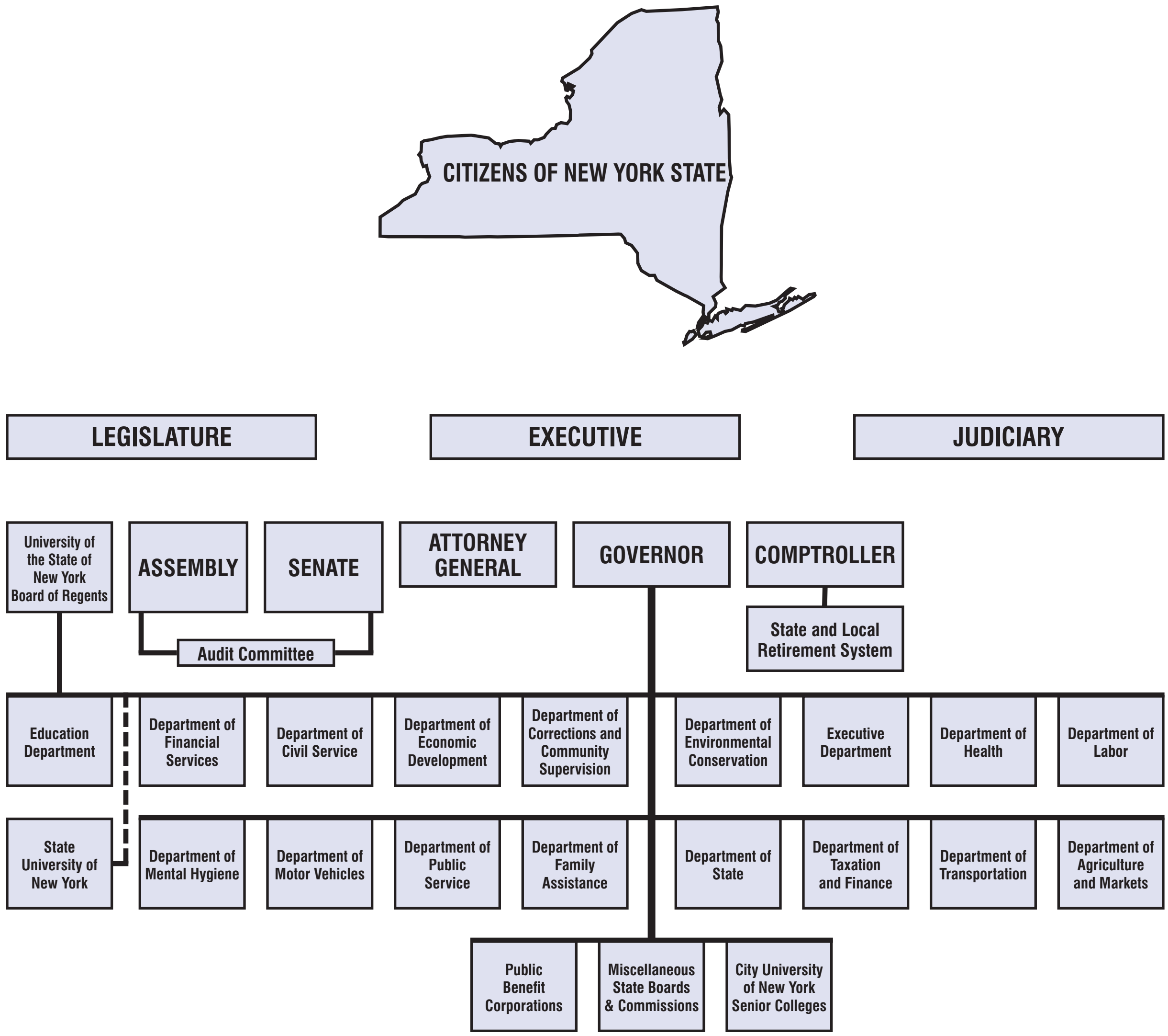
Presented to

State of New York

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

March 31, 2012

Executive Director/CEO



STATE OF NEW YORK
Selected State Officials

Executive

Andrew M. Cuomo, Governor • **Robert J. Duffy,** Lieutenant Governor • **Thomas P. DiNapoli,** State Comptroller
Eric T. Schneiderman, Attorney General

Judicial

Jonathan Lippman, Chief Judge of the Court of Appeals of New York

Legislative

Dean G. Skelos, Senate Republican Conference Leader • **Sheldon Silver,** Speaker of the Assembly
Andrea Stewart-Cousins, Senate Democratic Conference Leader
Jeffrey D. Klein, Senate Independent Democratic Conference Leader • **Brian M. Kolb,** Assembly Minority Leader

STATE OF NEW YORK COMPTROLLER

EXCELSIOR

Financial Section

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Audit Committee
New York State Legislature:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New York (the State), as of and for the year ended March 31, 2013, and the related notes to the basic financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the New York Local Government Assistance Corporation, the Tuition Savings Program, and certain organizations included within the SUNY enterprise fund and certain of the discretely presented component units as identified in note 14 to the basic financial statements. The New York Local Government Assistance Corporation represents less than 1 percent of the assets of the governmental activities and the aggregate remaining fund information, and 2 percent and 6 percent, respectively, of the revenues of the governmental activities and the aggregate remaining fund information. The Tuition Savings Program represents 7 percent of the assets and the revenues of the aggregate remaining fund information. The certain organizations included within the SUNY enterprise fund identified in note 14 of the basic financial statements represent 8 percent and 14 percent, respectively, of the assets of the business-type activities and the SUNY enterprise fund, and 5 percent and 18 percent, respectively, of the revenues of the business-type activities and the SUNY enterprise fund. The certain discretely presented component units identified in note 14 of the basic financial statements represent 59 percent and 66 percent, respectively, of the assets and the revenues of the aggregate discretely presented component units. The financial statements of these entities were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the New York Local Government Assistance Corporation, the Tuition Savings Program, and the certain organizations included within the SUNY enterprise fund and certain discretely presented component units identified in note 14 of the basic financial statements, are based solely on the reports of the other auditors.

KPMG

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement. The financial statements of the Lottery enterprise fund and of certain discretely presented component units as identified in note 14 of the basic financial statements were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New York, as of March 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 1(s) to the basic financial statements, the State has elected to change its method of accounting for escheat property in the fiscal year ended March 31, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The other supplementary information listed in the accompanying table of contents, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2013 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York
July 25, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

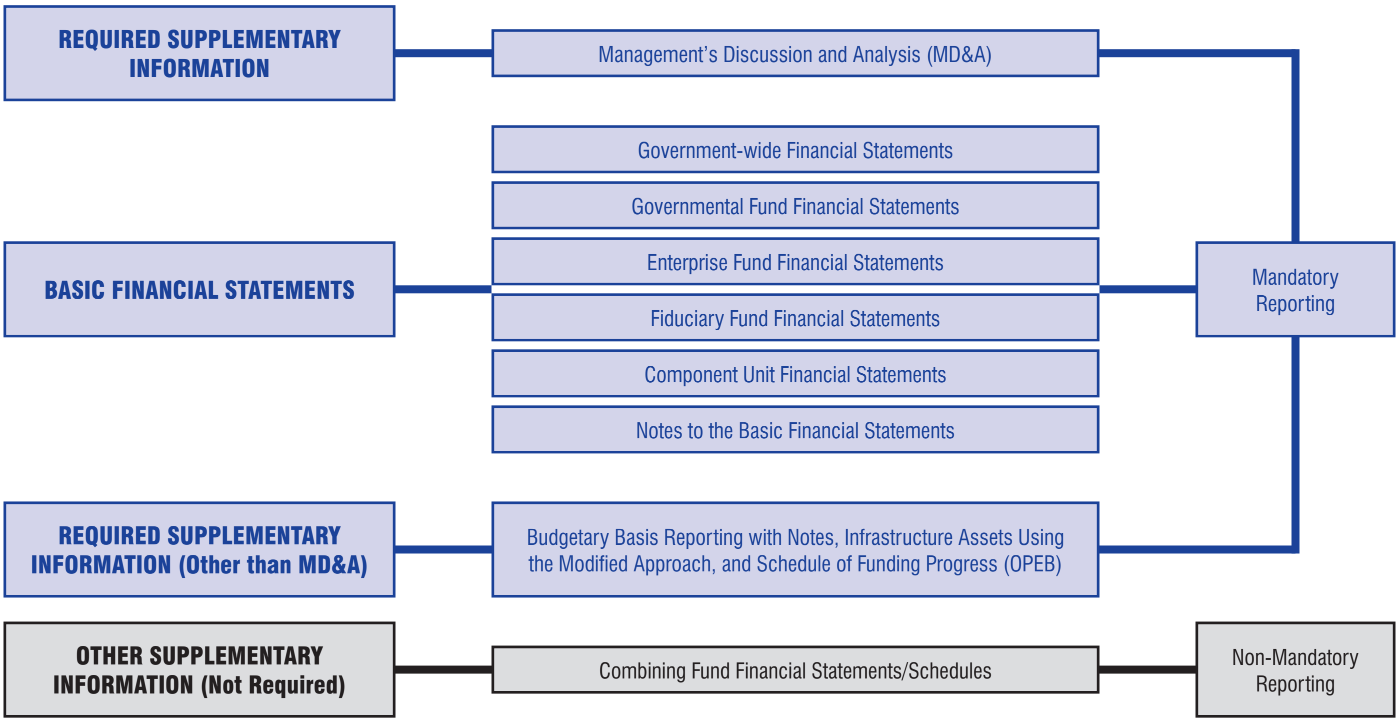
Management's discussion and analysis (MD&A) provides a narrative overview and analysis of the financial activities of the State of New York (State) for the fiscal year ended March 31, 2013. The MD&A is intended to serve as an introduction to the State's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The MD&A is designed to (a) assist the reader in focusing on significant financial matters, (b) provide an overview of the State's financial activities, (c) identify any material changes from the original budget, and (d) highlight individual fund matters. The following presentation is by necessity highly summarized, and in order to gain a thorough understanding of the State's financial condition, the following financial statements, notes and required supplementary information should be reviewed in their entirety.

FINANCIAL HIGHLIGHTS

- New York State reported net position of $25.3 billion, comprised of $143 billion in total assets, plus $256 million in deferred outflows of resources, less $117.9 billion in total liabilities (Table 1).
- The State's net position decreased by $326 million as a result of this year's operations. The net position for governmental activities decreased by $62 million (0.2 percent) and net position for business-type activities decreased by $264 million (40.1 percent) (Table 2).
- The State's governmental activities had total revenues of $133.3 billion, which exceeded total expenses of $131.3 billion, excluding transfers to business-type activities of $2.1 billion, by $2 billion (Table 2).
- The total cost of all the State's programs, which includes $25.6 billion in business-type activities, was $156.9 billion (Table 2).
- The General Fund reported a surplus this year of $1.1 billion, which decreased the accumulated fund deficit to $739 million.
- The State reported additional Federal funding of $4.2 billion for Medicaid, unemployment benefits, education and other programs from the American Recovery and Reinvestment Act (Federal Stimulus) as of March 31, 2013.
- Total debt outstanding at year-end was $57.6 billion, comprised of $45.3 billion in governmental activities and $12.4 billion in business-type activities (Table 5).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and supplementary information. The Statement of Net Position and the Statement of Activities (on pages 31 and 32, respectively) provide information about the activities of the State as a whole and present a longer-term view of the State's finances. Fund financial statements start on page 34. For governmental activities, these statements show how services were financed in the short-term, as well as how much may remain for future spending. Fund financial statements also report the State's operations in more detail than the government-wide statements by providing information about the State's most significant funds. The remaining statements provide financial information about activities for which the State acts solely as a trustee for the benefit of those outside the government and about public benefit corporations for which the State is accountable. The layout and relationship of the financial statements and supplementary information is visually illustrated as follows:



Reporting the State as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the State, as a whole, begins on page 22. One of the most important questions asked about the State's finances is: "Is the State, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the State as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources, using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash was received or paid.

These two statements report the State's net position and changes in it. One can think of the State's net position—the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources—as one way to measure the State's financial health, or financial position. Over time, increases or decreases in the State's net position are one indicator of whether its financial health is improving or deteriorating. One may need to consider other non-financial factors, such as changes in the State's tax structure, population, employment, and the condition of the State's roads, bridges and buildings, in order to assess the overall health of the State.

In the Statement of Net Position and the Statement of Activities, operations of the State are divided into three kinds of activities:

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

- ***Business-type Activities***—The State charges a fee to customers to help it cover all or part of the cost of certain services it provides. The State's Lottery Fund, Unemployment Insurance Benefit Fund, the State University of New York (SUNY) and the City University of New York (CUNY) Senior Colleges are reported here.
- ***Component Units***—The State includes 42 separate legal entities in its report, as disclosed in Notes 1 and 14 of the Notes to the Basic Financial Statements. Although legally separate, these "component units" are important because the State is financially accountable for them and may be affected by their financial well-being. In addition, the State blends two other component units in the governmental activities because they provide services exclusively to the State.

Reporting the State's Most Significant Funds

Fund Financial Statements

Financial statements prepared at the fund level provide additional details about the State's financial position and activities. By definition, funds are accounting entities with a self-balancing set of accounts created for the purpose of carrying on specific activities or achieving specific goals. Information presented in the fund financial statements differs from the information presented in the government-wide statements because the perspective and basis of accounting used to prepare the fund financial statements are different than the perspective and basis of accounting used to prepare the government-wide statements. The State's governmental and proprietary fund types use different perspectives and accounting bases. The funds presented in the fund financial statements are categorized as either major or non-major funds as required by generally accepted accounting principles (GAAP). The State uses three fund types for operations—governmental, proprietary and fiduciary. The analysis of the State's major funds begins on page 24. The fund financial statements begin on page 34 and provide detailed information about the most significant funds, not the State as a whole.

- ***Governmental Funds***—Most of the State's basic services and expenditures are reported in governmental funds, which focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Assets and liabilities that do not impact current financial resources within 12 months after fiscal year-end, such as capital assets and long-term liabilities, are not recognized in the governmental funds statements. The governmental funds statements provide a detailed short-term view of the State's general government operations and the basic services the State provides. Governmental funds information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. The relationships (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds are presented in the reconciliations following the fund financial statements.
- ***Proprietary Funds***—These funds are utilized when the State charges customers to recover its costs of providing services. Proprietary funds report on business-type activities, which include enterprise type funds and internal service type funds. The State has no internal service type funds on a GAAP basis and, therefore, has only one proprietary fund type—Enterprise. The State's enterprise funds are the same as the business-type activities reported in the government-wide statements. Proprietary Funds statements are prepared using the economic resources measurement focus and the accrual basis of accounting. In addition to a Statement of Net Position and a Statement of Revenues, Expenses and Changes in Fund Net Position, Proprietary Funds are also required to report a Statement of Cash Flows (page 42).

Reporting the State's Fiduciary Responsibilities

The State is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the State's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 44 and 45, respectively. We exclude these activities from the State's government-wide financial statements because the State cannot use these assets to finance its operations. The State is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Component Units of the State

The State has created numerous public benefit corporations—two of which provide services exclusively to the State government itself, the New York Local Government Assistance Corporation (LGAC) and the Tobacco Settlement Financing Corporation (TSFC), and the rest of which also provide services directly to citizens. The financial position and activities of the LGAC and the TSFC have been blended within the Statement of Net Position and Statement of Activities in the governmental activities column and in the governmental funds. The financial position and activities of the public benefit corporations that provide services directly to citizens have been presented in the Statement of Net Position and Statement of Activities under the component units' column and also in more detail in the component units' Combining Statement of Net Position and component units' Combining Statement of Activities. These component units have been discretely presented in the State's financial statements because their nature and significance to the State cause them to have an effect on the fiscal condition of the State and the State is accountable for them.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental entities are required by GAAP to report on their net position. The Statement of Net Position presents the value of all of New York State's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in a government's financial position. The State reported net position of $25.3 billion, comprised of $68.5 billion in capital assets net of related debt, and $4.7 billion in restricted net position, offset by an unrestricted net position deficit of $47.9 billion.

Net position reported for governmental activities decreased by $62 million from last fiscal year. Unrestricted net position for governmental activities—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—had a deficit of $44.4 billion at March 31, 2013. The following table (Table 1) was derived from the current and prior year government-wide Statements of Net Position:

Table 1
Net Position as of March 31, 2013 and 2012
(Amounts in millions)

	Governmental Activities		Business-type Activities*		Total Primary Government	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Assets:						
Non-capital assets:						
Cash and investments	$ 9,319	$ 9,388	$ 6,857	$ 6,977	$ 16,176	$ 16,365
Receivables, net	22,916	19,314	4,951	4,687	27,867	24,001
Other	719	745	301	294	1,020	1,039
Total non-capital assets	**32,954**	**29,447**	**12,109**	**11,958**	**45,063**	**41,405**
Capital assets	84,822	83,696	13,087	11,746	97,909	95,442
Total assets	**117,776**	**113,143**	**25,196**	**23,704**	**142,972**	**136,847**
Deferred outflows of resources:						
Deferred outflows of resources from derivative activities	153	146	103	58	256	204
Total deferred outflows of resources	**153**	**146**	**103**	**58**	**256**	**204**
Liabilities:						
Liabilities due within one year	28,686	26,107	6,810	5,768	35,496	31,875
Liabilities due in more than one year	62,972	60,849	19,411	18,652	82,383	79,501
Total liabilities	**91,658**	**86,956**	**26,221**	**24,420**	**117,879**	**111,376**
Net position:						
Net investment in capital assets	67,162	65,875	1,390	920	68,552	66,795
Restricted	3,489	3,151	1,222	1,345	4,711	4,496
Unrestricted deficits	(44,380)	(42,693)	(3,534)	(2,923)	(47,914)	(45,616)
Total net position	**$ 26,271**	**$ 26,333**	**$ (922)**	**$ (658)**	**$ 25,349**	**$ 25,675**

**As of June 30, 2012 and 2011 for SUNY and CUNY activities*

The deficit in unrestricted governmental net position, which increased by $1.7 billion in 2013, exists primarily because the State has issued debt for purposes not resulting in a capital asset related to State governmental activities and the obligation related to other postemployment benefits ($10.1 billion). Such outstanding debt included: securitizing the State's future tobacco settlement receipts ($2.4 billion); eliminating the need for seasonal borrowing by the LGAC ($2.8 billion); and borrowing for local highway and bridge projects ($3.9 billion), local mass transit projects ($1.8 billion), and a wide variety of grants and other expenditures not resulting in State capital assets ($13.7 billion). This deficit in unrestricted net position of governmental activities can be expected to continue for as long as the State continues to have obligations outstanding for purposes other than the acquisition of State governmental capital assets.

The net position for business-type activities decreased by $264 million (40.1 percent) to a deficit of $922 million in 2013 as compared to a deficit of $658 million in 2012. The decrease in net position for business-type activities was caused primarily by SUNY and CUNY Senior Colleges expenses exceeding revenues and State support ($375 million and $33 million, respectively). This was partially offset by increases in net position reported by Lottery and the Unemployment Insurance Fund. Lottery revenues exceeded expenses, including education aid transfers ($82 million); and employer contributions and other income for the Unemployment Insurance Fund exceeded unemployment benefit payments ($62 million).

The following table (Table 2) was derived from the current and prior year government-wide Statements of Activities:

Table 2
Changes in Net Position for the Fiscal Years Ended March 31, 2013 and 2012
(Amounts in millions)

	Governmental Activities		Business-type Activities*		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	$ 13,531	$ 12,762	$ 13,733	$ 13,065	$ 27,264	$ 25,827
Operating grants and contributions	48,337	46,627	9,066	10,020	57,403	56,647
Capital grants and contributions	1,370	1,429	64	95	1,434	1,524
General revenues:						
Taxes	67,931	63,731	—	—	67,931	63,731
Other	2,157	3,682	750	841	2,907	4,523
Total revenues	**133,326**	**128,231**	**23,613**	**24,021**	**156,939**	**152,252**
Expenses:						
Education	31,125	30,828	—	—	31,125	30,828
Public health	55,042	58,817	—	—	55,042	58,817
Public welfare	15,931	12,703	—	—	15,931	12,703
Public safety	8,264	6,264	—	—	8,264	6,264
Transportation	8,928	8,347	—	—	8,928	8,347
Other	12,016	10,841	—	—	12,016	10,841
Lottery	—	—	5,914	5,587	5,914	5,587
Unemployment insurance	—	—	6,718	7,363	6,718	7,363
State University of New York	—	—	9,940	9,709	9,940	9,709
City University of New York	—	—	3,022	2,937	3,022	2,937
Total expenses	**131,306**	**127,800**	**25,594**	**25,596**	**156,900**	**153,396**
Increase (decrease) in net position before transfers	**2,020**	**431**	**(1,981)**	**(1,575)**	**39**	**(1,144)**
Transfers	(2,082)	(1,746)	1,717	1,535	(365)	(211)
Changes in net position	**(62)**	**(1,315)**	**(264)**	**(40)**	**(326)**	**(1,355)**
Net position, beginning of year	**26,333**	**27,648**	**(658)**	**(618)**	**25,675**	**27,030**
Net position, end of year	**$ 26,271**	**$ 26,333**	**$ (922)**	**$ (658)**	**$ 25,349**	**$ 25,675**

**As of June 30, 2012 and 2011 for SUNY and CUNY activities*

Governmental Activities

The State's total revenues for governmental activities of $133.3 billion exceeded its total expenses of $131.3 billion by $2 billion (Table 2). However, as shown in the Statement of Activities on page 32, the amount that State taxpayers ultimately financed for activities through State taxes and other State revenues was $70.1 billion. Overall, the State's governmental program revenues, including intergovernmental aid, fees for services and capital grants, were $63.2 billion in 2013. The State paid for the remaining "public benefit" portion of governmental activities with $67.9 billion in taxes and $2.2 billion in other revenues including investment earnings.

Table 3 presents the cost of State support for each of the State's five largest programs: education, public health, public welfare, public safety, and transportation, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial obligation that was placed upon the State's taxpayers by each of these functions.

Table 3
Governmental Activities for the Fiscal Years Ended March 31, 2013 and 2012

(Amounts in millions)

	2013			2012
	Total Cost of Services	Program Revenues	Net Cost of Services	Net Cost of Services
Education	$ 31,125	$ 3,709	$ 27,416	$ 26,607
Public health	55,042	34,972	20,070	23,833
Public welfare	15,931	12,689	3,242	692
Public safety	8,264	2,211	6,053	5,502
Transportation	8,928	3,248	5,680	4,982
All others	12,016	6,409	5,607	5,366
Totals	**$ 131,306**	**$ 63,238**	**$ 68,068**	**$ 66,982**

Business-type Activities

The cost of all business-type activities this year was $25.6 billion, unchanged overall as compared to $25.6 billion in 2012 (Table 2). A decrease in unemployment benefit payments for the Unemployment Insurance Fund was offset by increases in Lottery prizes and commissions and fees, SUNY hospital and clinic costs and CUNY Senior Colleges educational and general expenses. As shown in the Statement of Activities on page 32, the amount reported as transfers that General Fund tax revenues ultimately financed for business-type activities was $1.7 billion after activity costs were paid by those directly benefiting from the programs ($13.7 billion), and grants and contributions ($9.1 billion). The decrease in revenues from operating grants and contributions was primarily due to Federal reimbursable benefit programs that provide assistance for high unemployment benefit payments. The increase in revenues from charges for services was primarily caused by increases in Lottery ticket and video gaming sales, increases in SUNY and CUNY resident undergraduate student tuition rates, modest increases in SUNY room rates and occupancy levels, and increases in SUNY hospitals' inpatient and outpatient volume.

THE STATE'S FUNDS

The State uses fund accounting to ensure and demonstrate compliance with legal and finance-related requirements. As the State completed the year, its governmental funds (as presented in the balance sheet on page 34) reported a combined fund balance of $6.5 billion. Included in this year's total change in fund balance is a surplus of $1.1 billion in the State's General Fund, resulting from expenditures exceeding revenues by $9 billion, which was offset by other financing sources of $10.1 billion to the General Fund. The General Fund reported increases in personal income taxes ($2.8 billion) and business taxes ($428 million), offset by decreases in consumption and use taxes ($80 million), other taxes ($70 million), and miscellaneous revenues ($608 million). Personal income taxes and business taxes primarily increased due to the continued economic recovery. A decrease in miscellaneous revenues is due to a change in accounting principle resulting in lower revenue transfers from the Abandoned Property Fund. The increase in General Fund revenues was offset by a $1.9 billion increase in expenditures. Local assistance expenditures increased by nearly $2.5 billion, due primarily to increased Medicaid assistance. State operations decreased $581 million, due primarily to a reclassification of fringe benefit costs related to SUNY which are reported in the Enterprise Funds. The State ended the 2012-13 fiscal year with a General Fund accumulated deficit fund balance of $739 million.

The Enterprise Funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The change in net position of the Enterprise Funds has already been discussed in the preceding discussion of business-type activities.

General Fund Budgetary Highlights

The financial plan, which uses the cash basis of accounting, was updated quarterly throughout the year as required by the State Finance Law. The quarterly updates reflected revisions to the original financial plan based on actual operating results to date and an updated analysis of underlying economic, revenue and spending trends.

General Fund disbursements exceeded receipts by $177 million in 2012-13. The General Fund ended the fiscal year with a closing cash fund balance of $1.6 billion, which consisted of $1.3 billion in the State's rainy day reserve funds ($1.1 billion in the Tax Stabilization Reserve Account and $175 million in the Rainy Day Reserve Account), $93 million in the Community Projects Account, $21 million in the Contingency Reserve Account, and $190 million in refund reserves.

Actual net operating results, which reflect the difference between receipts and disbursements, were $209 million less favorable than anticipated in the original financial plan, but were above the projections in the final financial plan by $136 million. The original financial plan projected that receipts would exceed disbursements by $32 million in 2012-13. During the fiscal year, actual receipts were higher than forecasted in the original financial plan, while disbursements were higher than initially projected. The 2012-13 Enacted Budget plan assumed base tax growth of 6.2 percent. Actual base tax growth for 2012-13, at 5.8 percent, finished close to the initial estimate. Based on the financial plan, higher than anticipated business tax collections due to higher gross receipts and audit collections were nearly offset by lower than planned user taxes resulting from slower than expected growth in taxable consumption. The variance in non-tax receipts represents: a $340 million settlement payment to the State from Standard Chartered Bank based on claims that the bank did not comply with financial regulations; $75 million from the Manhattan District Attorney due to increased settlement activity; and lower than anticipated collections for abandoned property and licenses and fees. Total disbursements and transfers to other funds for 2012-13 were $91 million higher than projected in the original financial plan, attributable to higher local aid spending including health care, and education, and higher spending for personal service expenses through the use of budgetary reserves designated for prior-year labor agreements. This higher spending was partially offset by lower transfers to other funds for capital projects costs, and Mental Hygiene State share Medicaid costs.

The final financial plan (issued on February 28, 2013) projected an excess of General Fund disbursements to receipts of $313 million. Actual net operating results were $136 million above the projection primarily due to actual disbursements that were lower than the final financial plan forecast. Receipts and transfers from other funds were $280 million lower than the final forecast, including collections in user and other taxes, receipts and grants and lower transfers from other funds, most notably due to low collections in licenses and fees and the decision to delay certain transfers until FY 2014. These lower receipts were partially offset by higher than expected business and personal income tax receipts. Total disbursements and transfers to other funds for 2012-13 were $416 million lower than projected in the final financial plan, attributable to lower local aid, personal and non-personal service expenses, and lower than expected transfers to other funds for Mental Hygiene State share Medicaid costs.

The State's current year General Fund GAAP surplus of $1.1 billion reported on page 36 differs from the General Fund's budgetary basis excess of disbursements to receipts, funded from the operating balance, of $177 million reported in the reconciliation found under Budgetary Basis Reporting on page 104. This variation results from differences in basis of accounting, entity and perspective differences between budgetary reporting versus those established as GAAP and followed in preparation of this financial statement.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of 2013, the State has $97.9 billion invested in a broad range of capital assets, including equipment, buildings, construction in progress, land preparation, and infrastructure, which primarily includes roads and bridges (Table 4). This amount represents a net increase (including additions and deductions) of $2.5 billion over last year.

Table 4
Capital Assets as of March 31, 2013 and 2012
(Net of depreciation, amounts in millions)

	Governmental Activities		Business-type Activities*		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land and land improvements	$ 4,102	$ 4,036	$ 743	$ 620	$ 4,845	$ 4,656
Land preparation	3,517	3,430	—	—	3,517	3,430
Buildings	4,659	4,596	7,093	6,742	11,752	11,338
Equipment and library books	222	257	762	752	984	1,009
Construction in progress	5,467	5,006	3,932	3,109	9,399	8,115
Infrastructure	66,444	66,134	507	479	66,951	66,613
Artwork and historical treasures	—	—	37	36	37	36
Intangible assets	411	237	13	8	424	245
Totals	**$ 84,822**	**$ 83,696**	**$ 13,087**	**$ 11,746**	**$ 97,909**	**$ 95,442**

**As of June 30, 2012 and 2011 for SUNY and CUNY activities*

State-owned roads and bridges that are maintained by the Department of Transportation are being reported using the modified approach. As allowed by the reporting provisions in the Governmental Accounting Standards Board Statement (GASBS) No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* infrastructure assets that meet prescribed criteria do not have to be depreciated but must be maintained at levels defined by State policy. The State is responsible for maintaining more than 42,600 lane miles of highway and 7,887 bridges.

Highway condition is rated using a scale of 1 (very poor) to 10 (excellent) based on the prevalence of surface-related pavement distress. For bridges, a rating of 6 to 7 is excellent, which indicates that no repairs are necessary. A rating of 3 to 5 is fair to good, which indicates that minor repairs are required. A rating of 1 to 2 is deficient, which indicates major repairs or replacements are necessary. Refer to Required Supplementary Information (RSI) for additional information regarding infrastructure assets using the modified approach. Pavement condition rating parameters for the current year are between 6.7 and 7.2, while bridge pavement condition parameters are between 5.3 and 5.6. Capital spending for highway and bridge maintenance and preservation projects was approximately $1.3 billion in 2013.

The State's 2013-14 fiscal year capital budget calls for it to spend $9.4 billion for capital projects, of which $4.7 billion is for transportation projects. To pay for these capital projects, the State plans to use $300 million in general obligation bond proceeds, $5 billion in other financing arrangements with public authorities, $1.8 billion in Federal funds, and $2.3 billion in funds on hand or received during the year. More detailed information about the State's capitalization policy for capital assets is presented in Note 1 of the Notes to the Basic Financial Statements.

Debt Administration

The State has obtained long-term financing in the form of voter-approved General Obligation debt (voter-approved debt) and other obligations that are authorized by legislation but not approved by the voters (non-voter-approved debt), including lease purchase and contractual obligations where the State's legal obligation to make payments is subject to and paid from annual appropriations made by the Legislature or from assignment of revenue in the case of Tobacco Settlement Revenue Bonds. Equipment and Building Capital Leases, and Mortgage Loan Commitments, which represent $405 million as of March 31, 2013, do not require legislative or voter approval. Other obligations include certain bonds issued through State public authorities, certificates of participation, and capital leases obtained through vendors. The State administers its long-term financing needs as a single portfolio of State-supported debt that includes general obligation bonds and other obligations of both its governmental activities and business-type activities. Most of the debt reported under business-type activities, all of which was issued for capital assets used in those activities, is supported by payments from resources generated by the State's governmental activities—thus it is not expected to be repaid from resources generated by business-type activities. The State Finance Law allows the bonded portion of this single combined debt portfolio, which includes debt reported in both governmental and business-type activities, to include debt instruments which result in a net variable rate exposure in an amount that does not exceed 15 percent of total outstanding State-supported debt, and interest rate exchange agreements (swaps) that do not exceed 15 percent of total outstanding State-supported debt. At March 31, 2013, the State had $214 million in State-supported (net) variable rate bonds outstanding and $2.1 billion in interest rate exchange agreements, in which the State issues variable rate bonds and enters into a swap agreement that effectively converts the rate to a fixed rate. Risks related to these transactions are explained in Note 7.

In addition, the State has $258 million of convertible bonds due in fiscal year 2014 which are expected to be refunded with fixed rate bonds, instead of converting to a variable rate mode. This will eliminate all remaining convertible bonds from the State's portfolio.

At March 31, 2013, variable rate bonds, net of those subject to the fixed rate swaps, were equal to 0.4 percent of the State-supported debt portfolio. Variable rate bonds that were converted to a synthetic fixed rate through swap agreements of $2.1 billion were equal to 4 percent of the total State-supported debt portfolio.

At March 31, 2013, the State had $57.6 billion in bonds, notes, and other financing agreements outstanding compared with $58.1 billion last year, a decrease of $415 million as shown below in the table.

Table 5
Outstanding Debt as of March 31, 2013 and 2012
(Amounts in millions)

	Governmental Activities		Business-type Activities*		Total Primary Government	
	2013	2012	2013	2012	2013	2012
General obligation bonds (voter-approved)	$ 3,688	$ 3,611	$ —	$ —	$ 3,688	$ 3,611
Tobacco Settlement Financing Corporation bonds	2,411	2,690	—	—	2,411	2,690
MBBA Special Purpose School Aid bonds	294	369	—	—	294	369
Capital lease obligations	5	5	259	359	264	364
Mortgage loan commitments	—	—	141	144	141	144
Unamortized bond premiums (discounts)	2,463	2,056	54	43	2,517	2,099
Accumulated accretion on capital appreciation bonds	66	68	—	—	66	68
State-supported debt as defined by the State Finance Law	36,343	37,386	11,921	11,329	48,264	48,715
Totals	**$ 45,270**	**$ 46,185**	**$ 12,375**	**$ 11,875**	**$ 57,645**	**$ 58,060**

As of June 30, 2012 and 2011 for SUNY and CUNY activities

In addition to the debt outlined above, the State has $86 million in collateralized borrowing for which specific revenues have been pledged. See Note 7 for additional information.

During the 12 month period reported, the State issued $6.7 billion in bonds, of which $3.4 billion was for refunding and $3.3 billion was for new borrowing. See Note 16 for State debt issued subsequent to the reporting period.

Table 6
New Debt Issued During Prior 12 Month Period
(Amounts in millions)

	Governmental Activities		Business-type Activities*		Total Primary Government	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Voter-approved debt:						
General obligation:						
New issues	$ 396	$ 330	$ —	$ —	$ 396	$ 330
Refunding issues	171	—	—	—	171	—
Total voter-approved debt	**567**	**330**	**—**	**—**	**567**	**330**
Non-voter-approved debt:						
Other financing arrangements:						
New issues	1,835	2,945	1,126	1,891	2,961	4,836
Refunding issues	2,263	1,868	891	232	3,154	2,100
Total non-voter-approved debt	**4,098**	**4,813**	**2,017**	**2,123**	**6,115**	**6,936**
Totals	**$ 4,665**	**$ 5,143**	**$ 2,017**	**$ 2,123**	**$ 6,682**	**$ 7,266**

**As of June 30, 2012 and 2011 for SUNY and CUNY activities*

The State's assigned general obligation bond ratings on March 31, 2013 were as follows: AA by Standard & Poor's Investor Services (S&P), Aa2 by Moody's Investor Service, Inc., and AA by Fitch Investor Service. The State Constitution, with exceptions for emergencies, limits the amount of general obligation bonds that can be issued to that amount approved by the voters for a single work or purpose in a general election. Currently, the State has $908 million in authorized but unissued bond capacity that can be used to issue bonds for specifically approved purposes. The State may issue short-term debt without voter approval in anticipation of the receipt of taxes and revenues or proceeds from duly authorized but not issued general obligation bonds.

The State Finance Law, through the Debt Reform Act of 2000 (the Act), also imposes phased-in caps on the issuance of new State-supported debt and related debt service costs. The Act also limits the use of debt to capital works and purposes, and establishes a maximum length of term for repayment of 30 years. The Act applies to all State-supported debt. The Act does not apply to debt issued prior to April 1, 2000 or to other obligations issued by public authorities where the State is not the direct obligor.

ECONOMIC FACTORS AFFECTING THE STATE

In 2012, the national and State economies continued their slow recovery from the most serious recession since the Great Depression. The nation's Gross Domestic Product grew by 2.2 percent, which was higher than the rate in 2011 but remained well below the prerecession pace. A number of factors have contributed to the slow national recovery, including: a weak global economy (especially in Europe); domestic fiscal tightening; and uncertainty surrounding efforts to reduce the federal deficit that has weighed down consumer and business spending. Economic growth in New York was weaker than in the nation, with the Gross State Product (which accounts for 7.7 percent of the nation's economy) rising by 1.3 percent, only marginally faster than the gain in 2011.

Since the end of the recession, job recovery was stronger in New York than the nation as a whole and most other states. Between October 2009 (when employment reached a recessionary low) and March 2013, New York added 381,000 jobs, or 116 percent of the jobs lost during the recession. This was much stronger than job recovery in the nation (which regained 69 percent of its recessionary job losses), and New York ranked fifth among all 50 states. More recently, job growth in the nation has strengthened (to 1.7 percent in 2012) while the pace of gains in New York has eased slightly (to 1.3 percent).

Between October 2009 and March 2013, the State added 440,600 private sector jobs, most notably in business, educational and health care services, and leisure and hospitality (i.e., tourism-related); in these sectors, employment rose to exceed prerecession levels. Other sectors, including manufacturing, construction and finance, had not yet recovered all the jobs lost during the recession. The gains in the private sector were partially offset by the loss of nearly 60,000 government jobs during this period.

Although New York State has added more jobs during the recovery than it lost in the recession, employment gains have been uneven across the State's metropolitan areas. Through March 2013, New York City added nearly twice as many jobs as it lost in the recession. Long Island and the Ithaca metropolitan area also added more jobs than were lost in the recession, but the recovery has progressed more slowly in many upstate areas.

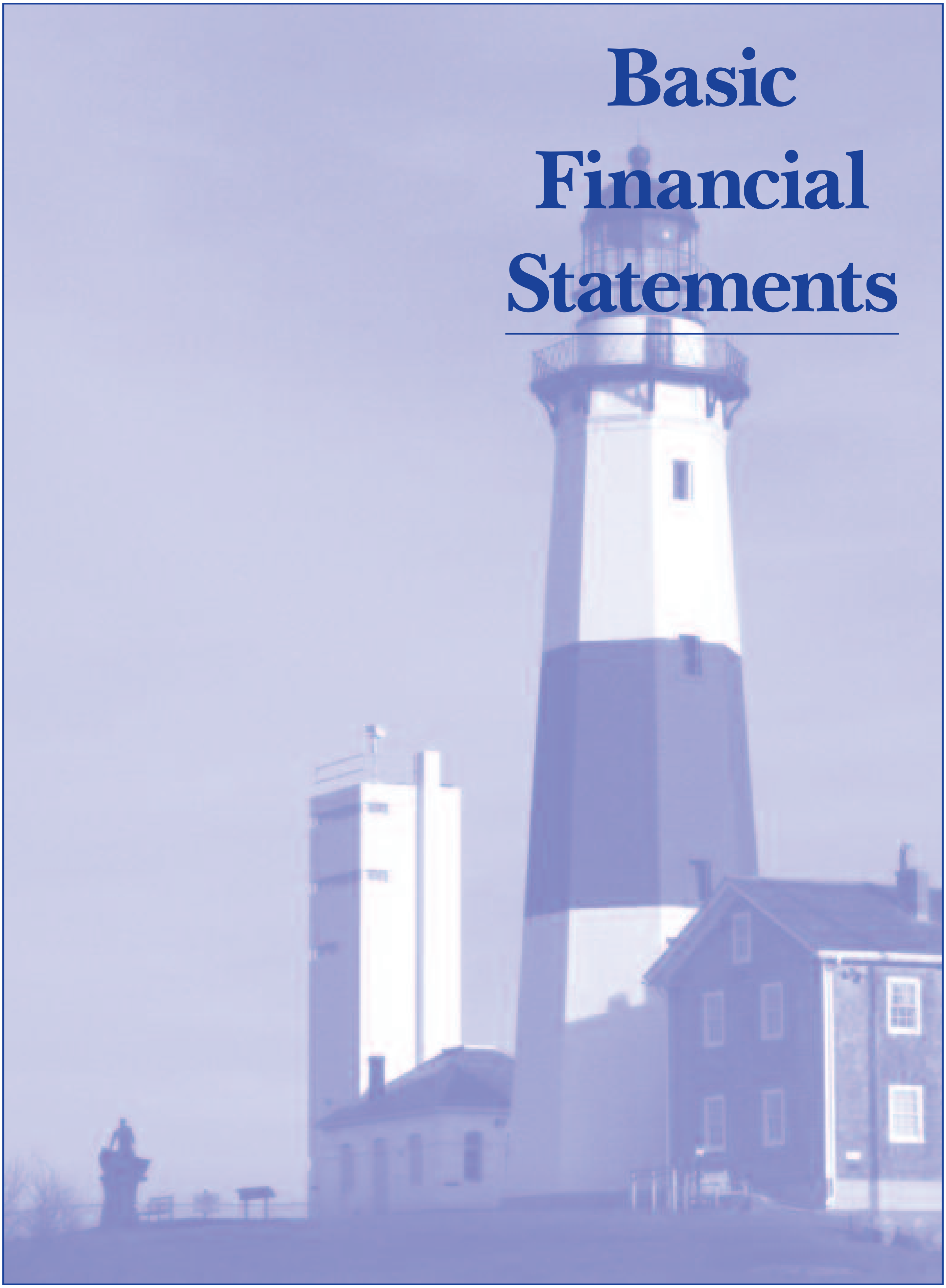
New York State's unemployment rate has also remained high by historical standards. The rate had initially begun to decline from the recessionary peak of 8.9 percent reached in December 2009, but then the rate began to rise again in late 2011 and early 2012 as more people began looking for work and the State's labor force expanded. The unemployment rate resumed its decline during the summer of 2012, and fell to 8.2 percent in March 2013.

The securities industry is an important component of the State's economy, providing 12 percent of all wages paid in the State (even though it accounts for less than 3 percent of all jobs) and generating about 14 percent of State tax revenues. Wall Street is also continuing to work its way through the fallout from the financial crisis and a new regulatory environment and as of March 2013 had regained slightly less than 20 percent of the jobs it lost during the financial crisis, a much weaker recovery than at comparable points after earlier downturns. In 2012, profitability in the industry rebounded, with the broker/dealer operations of New York Stock Exchange member firms reporting $23.9 billion in profits, which were three times the level in 2011 and made 2012 one of the most profitable years on record. Firms also recorded strong profits of $6.6 billion during the first quarter of 2013. The Office of the State Comptroller estimated that the industry's cash bonuses for the 2012 bonus season grew by 8 percent, driven in part by bonuses deferred from prior years.

CONTACTING THE STATE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to show the State's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the State Comptroller's Communications Office at 110 State Street, 15th Floor, Albany, New York 12236 or visit our website at *www.osc.state.ny.us*.

Basic Financial Statements



STATE OF NEW YORK

EXCELSIOR

COMPTROLLER

Statement of Net Position

March 31, 2013
(Amounts in millions)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS:				
Cash and investments	$ 9,319	$ 6,857	$ 16,176	$ 39,248
Receivables, net of allowances for uncollectibles:				
Taxes	13,905	—	13,905	—
Due from Federal government	6,185	—	6,185	—
Loans, leases and notes	—	—	—	40,915
Other	2,955	4,084	7,039	5,661
Internal balances	(129)	867	738	—
Other assets	719	301	1,020	4,776
Capital assets:				
Land, infrastructure and construction in progress	79,116	4,706	83,822	10,853
Buildings, equipment, land improvements and infrastructure, net of depreciation	5,295	8,368	13,663	63,798
Intangible assets, net of amortization	411	13	424	2,266
Derivative instruments	—	—	—	13
Total assets	**117,776**	**25,196**	**142,972**	**167,530**
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows of resources from derivative activities	153	103	256	1,152
Total deferred outflows of resources	**153**	**103**	**256**	**1,152**
LIABILITIES:				
Tax refunds payable	9,430	—	9,430	—
Accounts payable	614	1,126	1,740	674
Accrued liabilities	6,877	1,249	8,126	18,490
Payable to local governments	6,322	—	6,322	—
Interest payable	497	146	643	—
Pension contributions payable	261	—	261	215
Deferred revenues	587	460	1,047	1,388
Derivative instruments	—	—	—	114
Long-term liabilities:				
Due within one year	4,098	3,829	7,927	5,859
Due in more than one year:				
Tax refunds payable	1,123	—	1,123	—
Accrued liabilities	5,845	1,368	7,213	274
Payable to local governments	630	—	630	—
Due to Federal government	—	1,187	1,187	—
Lottery prizes payable	—	1,325	1,325	—
Pension contributions payable	1,547	—	1,547	73
Other postemployment benefits	11,518	3,681	15,199	9,399
Pollution remediation	729	—	729	100
Collateralized borrowing	70	—	70	—
Obligations under lease/purchase and other financing arrangements	38,583	11,744	50,327	—
Deferred loss on refunding	(680)	—	(680)	—
Notes payable	—	—	—	364
Bonds payable	3,344	—	3,344	81,127
Other long-term liabilities	—	—	—	10,578
Derivative instruments	263	106	369	1,243
Total liabilities	**91,658**	**26,221**	**117,879**	**129,898**
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows of resources from derivative activities	—	—	—	105
Total deferred inflows of resources	**—**	**—**	**—**	**105**
NET POSITION:				
Net investment in capital assets	67,162	1,390	68,552	28,312
Restricted for:				
Debt service	2,508	—	2,508	2,750
Higher education, research and patient care	—	1,037	1,037	2,191
Environmental projects and energy programs	—	—	—	6,660
Economic development, housing and transportation	—	—	—	998
Insurance and administrative requirements	—	—	—	1,820
Future lottery prizes	—	185	185	—
Other government programs	981	—	981	—
Unrestricted deficits	(44,380)	(3,534)	(47,914)	(4,052)
Total net position	**$ 26,271**	**$ (922)**	**$ 25,349**	**$ 38,679**

See accompanying notes to the basic financial statements.

Statement of Activities

For the Year Ended March 31, 2013

(Amounts in millions)

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government:				
Governmental activities:				
Education	$ 31,125	$ 94	$ 3,615	$ —
Public health	55,042	5,671	29,288	13
Public welfare	15,931	490	12,197	2
Public safety	8,264	141	2,061	9
Transportation	8,928	1,371	550	1,327
Environment and recreation	1,376	245	344	19
Support and regulate business	1,423	1,855	27	—
General government	7,394	3,664	212	—
Interest on long-term debt	1,823	—	43	—
Total governmental activities	**131,306**	**13,531**	**48,337**	**1,370**
Business-type activities:				
Lottery	5,914	8,934	—	—
Unemployment insurance	6,718	—	6,474	—
State University of New York	9,940	4,140	1,748	64
City University of New York	3,022	659	844	—
Total business-type activities	**25,594**	**13,733**	**9,066**	**64**
Total primary government	**$ 156,900**	**$ 27,264**	**$ 57,403**	**$ 1,434**
Total component units	**$ 35,063**	**$ 19,145**	**$ 8,157**	**$ 3,009**

General revenues:
Taxes:
Personal income
Consumption and use
Business
Other
Grants and contributions not restricted to specific programs
Investment earnings
Miscellaneous
Total general revenues
Transfers
Total general revenues and transfers
Change in net position
Net position—beginning of year, as restated
Net position—end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
$ (27,416)	$ —	$ (27,416)	$ —
(20,070)	—	(20,070)	—
(3,242)	—	(3,242)	—
(6,053)	—	(6,053)	—
(5,680)	—	(5,680)	—
(768)	—	(768)	—
459	—	459	—
(3,518)	—	(3,518)	—
(1,780)	—	(1,780)	—
(68,068)	**—**	**(68,068)**	**—**
—	3,020	3,020	—
—	(244)	(244)	—
—	(3,988)	(3,988)	—
—	(1,519)	(1,519)	—
—	**(2,731)**	**(2,731)**	**—**
(68,068)	**(2,731)**	**(70,799)**	**—**
			(4,752)
41,975	—	41,975	—
14,593	—	14,593	—
8,285	—	8,285	—
3,078	—	3,078	—
—	—	—	2,138
54	131	185	1,095
2,103	619	2,722	2,099
70,088	**750**	**70,838**	**5,332**
(2,082)	1,717	(365)	—
68,006	**2,467**	**70,473**	**5,332**
(62)	**(264)**	**(326)**	**580**
26,333	**(658)**	**25,675**	**38,099**
$ 26,271	**$ (922)**	**$ 25,349**	**$ 38,679**

Balance Sheet

GOVERNMENTAL FUNDS

March 31, 2013
(Amounts in millions)

	Major Funds					
	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Eliminations	Total
ASSETS:						
Cash and investments	$ 2,330	$ 56	$ 1,584	$ 5,349	$ —	$ 9,319
Receivables, net of allowances for uncollectibles:						
Taxes	10,321	—	3,003	581	—	13,905
Due from Federal government	—	5,991	2	309	—	6,302
Other	1,166	446	396	947	—	2,955
Due from other funds	2,389	5	—	948	(2,857)	485
Other assets	155	56	—	17	—	228
Total assets	**$ 16,361**	**$ 6,554**	**$ 4,985**	**$ 8,151**	**$ (2,857)**	**$ 33,194**
LIABILITIES:						
Tax refunds payable	$ 7,349	$ —	$ 1,801	$ 280	$ —	$ 9,430
Accounts payable	252	34	—	328	—	614
Accrued liabilities	2,936	2,454	7	300	—	5,697
Payable to local governments	3,252	2,341	151	578	—	6,322
Due to other funds	1,860	609	955	1,166	(2,857)	1,733
Pension contributions payable	261	—	—	—	—	261
Deferred revenues	1,190	1,112	89	215	—	2,606
Total liabilities	**17,100**	**6,550**	**3,003**	**2,867**	**(2,857)**	**26,663**
FUND BALANCES (DEFICITS):						
Restricted	—	4	1,958	1,139	—	3,101
Committed	398	—	24	2,922	—	3,344
Assigned	1,240	—	—	2,045	—	3,285
Unassigned	(2,377)	—	—	(822)	—	(3,199)
Total fund balances (deficits)	**(739)**	**4**	**1,982**	**5,284**	**—**	**6,531**
Total liabilities and fund balances (deficits)	**$ 16,361**	**$ 6,554**	**$ 4,985**	**$ 8,151**	**$ (2,857)**	**$ 33,194**

See accompanying notes to the basic financial statements.

Reconciliation of the Balance Sheet

GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

March 31, 2013
(Amounts in millions)

Total fund balances—governmental funds	**$ 6,531**
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	84,822
Some of the State's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds	2,019
Medicaid cost recoveries not available soon enough to reduce current period expenditures that are due to the Federal government	(116)
Deferred charges related to bond issuance costs are not financial resources and therefore are not reported in the funds	491
Deferred outflows of resources related to derivative instruments that are not reported in the funds	153
Some liabilities (listed below) are not due and payable in the current period and therefore are not reported in the funds:	
Interest payable	(497)
Due to business-type activities	(62)
Long-term liabilities due within one year	(4,098)
Tax refunds payable	(1,123)
Accrued liabilities	(5,845)
Payable to local governments	(630)
Pension contributions payable	(1,547)
Other postemployment benefits	(11,518)
Pollution remediation	(729)
Collateralized borrowing	(70)
Lease/purchase and other financing arrangements	(38,583)
Deferred loss on refunding	680
Bonds payable	(3,344)
Derivative instruments	(263)
Total net position—governmental activities	**$ 26,271**

See accompanying notes to the basic financial statements.

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

GOVERNMENTAL FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Major Funds: General	Major Funds: Federal Special Revenue	Major Funds: General Debt Service	Other Governmental Funds	Eliminations	Total
REVENUES:						
Taxes:						
Personal income	$ 27,807	$ —	$ 10,859	$ 3,296	$ —	**$ 41,962**
Consumption and use	8,795	—	152	5,651	—	**14,598**
Business	6,072	—	—	2,203	—	**8,275**
Other	1,021	—	—	1,952	—	**2,973**
Federal grants	61	46,909	37	2,256	—	**49,263**
Public health/patient fees	—	—	—	4,574	—	**4,574**
Tobacco settlement	—	—	395	52	—	**447**
Miscellaneous	7,042	60	13	4,323	(693)	**10,745**
Total revenues	**50,798**	**46,969**	**11,456**	**24,307**	**(693)**	**132,837**
EXPENDITURES:						
Local assistance grants:						
Education	20,890	3,246	—	6,581	—	**30,717**
Public health	16,717	25,842	—	5,804	—	**48,363**
Public welfare	3,017	10,695	—	258	—	**13,970**
Public safety	314	1,620	—	69	—	**2,003**
Transportation	557	48	—	5,028	—	**5,633**
Environment and recreation	7	1	—	443	—	**451**
Support and regulate business	360	5	—	335	—	**700**
General government	962	49	—	178	—	**1,189**
State operations:						
Personal service	8,792	605	—	200	—	**9,597**
Non-personal service	3,177	621	50	2,315	(658)	**5,505**
Pension contributions	1,365	66	—	26	—	**1,457**
Other fringe benefits	3,638	215	—	60	(35)	**3,878**
Capital construction	—	—	—	4,528	—	**4,528**
Debt service, including payments on financing arrangements	—	—	4,565	758	—	**5,323**
Total expenditures	**59,796**	**43,013**	**4,615**	**26,583**	**(693)**	**133,314**
Excess (deficiency) of revenues over expenditures	**(8,998)**	**3,956**	**6,841**	**(2,276)**	**—**	**(477)**

(Continued)

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (cont'd)

GOVERNMENTAL FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Major Funds					
	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Eliminations	Total
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	16,618	—	3,462	7,520	(24,469)	**3,131**
Transfers to other funds	(6,906)	(3,983)	(10,334)	(8,392)	24,469	**(5,146)**
General obligation bonds issued	—	—	—	396	—	**396**
Financing arrangements issued	355	—	—	1,481	—	**1,836**
Refunding debt issued	—	—	2,264	170	—	**2,434**
Payments to escrow agents for refundings	—	—	(2,596)	(188)	—	**(2,784)**
Premiums on bonds issued	60	—	403	283	—	**746**
Net other financing sources (uses)	**10,127**	**(3,983)**	**(6,801)**	**1,270**	**—**	**613**
Net change in fund balances	**1,129**	**(27)**	**40**	**(1,006)**	**—**	**136**
Fund balances (deficits) at April 1, 2012	**(1,868)**	**31**	**1,942**	**6,290**	**—**	**6,395**
Fund balances (deficits) at March 31, 2013	**$ (739)**	**$ 4**	**$ 1,982**	**$ 5,284**	**$ —**	**$ 6,531**

See accompanying notes to the basic financial statements.

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

GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended March 31, 2013
(Amounts in millions)

Net change in fund balances—total governmental funds		**$ 136**
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds and the sale of capital assets is recorded as revenue in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Depreciation expense, net of asset disposal	$ (384)	
Disposal of assets	(373)	
Purchase of assets	1,883	
		1,126
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of proceeds and repayments:		
Repayment of principal	$ 3,507	
Long-term debt proceeds	(5,412)	
Payments to refunding agent	2,784	
		879
Increase in revenues in the statement of activities that do not reduce current financial resources and are not reported in the funds		564
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Local assistance grants	$ (447)	
State operations	(4,072)	
Capital construction	1,813	
Transfers to business-type activities	(62)	
Other	1	
		(2,767)
Change in net position of governmental activities		**$ (62)**

See accompanying notes to the basic financial statements.

Statement of Net Position

ENTERPRISE FUNDS

March 31, 2013
(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2012 SUNY	June 30, 2012 CUNY	Total
ASSETS:					
Current assets:					
Cash and cash equivalents	$ 445	$ 68	$ 1,378	$ 570	$ 2,461
Investments	136	—	315	21	472
Deposits with trustees and DASNY	—	—	265	172	437
Receivables, net of allowance for uncollectibles	441	2,188	1,111	191	3,931
Due from other funds	—	—	325	344	669
Other assets	8	—	105	14	127
Total current assets	**1,030**	**2,256**	**3,499**	**1,312**	**8,097**
Noncurrent assets:					
Restricted cash and cash equivalents	—	—	111	26	137
Long-term investments	1,559	—	715	209	2,483
Deposits with trustees	—	—	646	221	867
Receivables, net of allowance for uncollectibles	—	—	133	20	153
Due from other funds	—	—	458	—	458
Capital assets:					
Land, construction in progress and artwork	—	—	3,030	1,676	4,706
Buildings and equipment, net of depreciation	—	—	6,057	2,311	8,368
Intangible assets, net of amortization	—	—	—	13	13
Other assets	—	—	131	43	174
Total noncurrent assets	**1,559**	**—**	**11,281**	**4,519**	**17,359**
Total assets	**2,589**	**2,256**	**14,780**	**5,831**	**25,456**
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflows of resources from derivative activities	—	—	—	103	103
Total deferred outflows of resources	**—**	**—**	**—**	**103**	**103**
LIABILITIES:					
Current liabilities:					
Accounts payable	26	—	815	285	1,126
Accrued liabilities	347	110	767	342	1,566
Due to Federal government	—	2,711	—	—	2,711
Lottery prizes payable	170	—	—	—	170
Due to other funds	260	—	—	—	260
Interest payable	—	—	76	70	146
Deferred revenues	8	—	301	151	460
Obligations under lease/purchase and other financing arrangements	—	—	445	186	631
Total current liabilities	**811**	**2,821**	**2,404**	**1,034**	**7,070**

(Continued)

Statement of Net Position (cont'd)

ENTERPRISE FUNDS

March 31, 2013
(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2012 SUNY	June 30, 2012 CUNY	Total
Noncurrent liabilities:					
Accrued liabilities	—	—	1,309	59	**1,368**
Due to Federal government	—	1,187	—	—	**1,187**
Other postemployment benefits	—	—	3,261	420	**3,681**
Lottery prizes payable	1,325	—	—	—	**1,325**
Obligations under lease/purchase and other financing arrangements	—	—	7,945	3,799	**11,744**
Derivative instruments	—	—	—	106	**106**
Total noncurrent liabilities	**1,325**	**1,187**	**12,515**	**4,384**	**19,411**
Total liabilities	**2,136**	**4,008**	**14,919**	**5,418**	**26,481**
NET POSITION:					
Net investment in capital assets	—	—	1,143	247	**1,390**
Restricted for:					
Nonexpendable purposes:					
Instruction and departmental research	—	—	108	—	**108**
Scholarships, fellowships and general education support	—	—	88	—	**88**
Investments	—	—	—	36	**36**
General operations and other	—	—	113	9	**122**
Expendable purposes:					
Instruction and departmental research	—	—	161	—	**161**
Scholarships, fellowships and general education support	—	—	54	95	**149**
Loans	—	—	16	14	**30**
Debt service	—	—	—	73	**73**
General operations and other	—	—	219	51	**270**
Future prizes	185	—	—	—	**185**
Unrestricted (deficit)	268	(1,752)	(2,041)	(9)	**(3,534)**
Total net position	**$ 453**	**$ (1,752)**	**$ (139)**	**$ 516**	**$ (922)**

See accompanying notes to the basic financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position

ENTERPRISE FUNDS

Year Ended March 31, 2013

(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2012 SUNY	June 30, 2012 CUNY	Total
OPERATING REVENUES:					
Ticket and video gaming sales	$ 8,934	$ —	$ —	$ —	$ 8,934
Employer contributions	—	6,474	—	—	6,474
Tuition and fees, net	—	—	1,228	637	1,865
Government grants and contracts	—	—	881	734	1,615
Private gifts, grants and contracts	—	—	333	73	406
Hospitals and clinics	—	—	2,035	—	2,035
Auxiliary enterprises	—	—	877	22	899
Other	—	—	182	42	224
Total operating revenues	**8,934**	**6,474**	**5,536**	**1,508**	**22,452**
OPERATING EXPENSES:					
Benefits paid	—	6,718	—	—	6,718
Prizes	4,219	—	—	—	4,219
Commissions and fees	1,446	—	—	—	1,446
Educational and general	—	—	5,533	2,668	8,201
Hospitals and clinics	—	—	2,653	—	2,653
Auxiliary enterprises	—	—	870	32	902
Instant game ticket costs	21	—	—	—	21
Depreciation and amortization	—	—	501	180	681
Other	159	—	6	—	165
Total operating expenses	**5,845**	**6,718**	**9,563**	**2,880**	**25,006**
Operating income (loss)	**3,089**	**(244)**	**(4,027)**	**(1,372)**	**(2,554)**
NONOPERATING REVENUES (EXPENSES):					
Investment earnings	108	—	18	5	131
Other income (expenses)	—	306	(39)	3	270
Private gifts, grants, and contracts	—	—	70	26	96
Federal and city appropriations	—	—	19	37	56
Federal and state nonoperating grants	—	—	515	—	515
Net increase (decrease) in the fair value of investments	—	—	(14)	(4)	(18)
Plant and equipment write-off	—	—	(1)	—	(1)
Gain on acquisition	—	—	10	—	10
Interest expense	(69)	—	(362)	(138)	(569)
Total nonoperating revenues (expenses)	**39**	**306**	**216**	**(71)**	**490**
Income (loss) before other revenues and transfers	**3,128**	**62**	**(3,811)**	**(1,443)**	**(2,064)**
TRANSFERS, CAPITAL CONTRIBUTIONS & ADDITIONS TO PERMANENT ENDOWMENTS:					
State transfers	—	—	2,930	1,045	3,975
Federal and State hospital support transfers	—	—	425	—	425
Education aid transfer	(3,046)	—	—	—	(3,046)
Capital transfers	—	—	—	363	363
Capital gifts and grants	—	—	64	—	64
Additions to permanent endowments	—	—	17	2	19
Increase (decrease) in net position	**82**	**62**	**(375)**	**(33)**	**(264)**
Net position—beginning of year	**371**	**(1,814)**	**236**	**549**	**(658)**
Net position—end of year	**$ 453**	**$ (1,752)**	**$ (139)**	**$ 516**	**$ (922)**

See accompanying notes to the basic financial statements.

Statement of Cash Flows

ENTERPRISE FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2012 SUNY	June 30, 2012 CUNY	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from:					
Contributions	$ —	$ 6,461	$ —	$ —	$ 6,461
Ticket sales	9,000	—	—	—	9,000
Tuition and fees	—	—	1,235	630	1,865
Government grants and contracts	—	—	842	736	1,578
Private grants and contracts	—	—	338	67	405
Hospitals and clinics	—	—	1,889	—	1,889
Auxiliary enterprises	—	—	868	22	890
Other	—	—	142	57	199
Payments for:					
Claims	—	(6,642)	—	—	(6,642)
Prizes	(4,306)	—	—	—	(4,306)
Commissions and fees	(1,488)	—	—	—	(1,488)
Operating expenses	(132)	—	(6,974)	(2,371)	(9,477)
Other	—	—	(118)	(230)	(348)
Net cash provided (used) by operating activities	**3,074**	**(181)**	**(1,778)**	**(1,089)**	**26**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer to education	(3,053)	—	—	—	(3,053)
Temporary loan from Federal government	—	2,598	—	—	2,598
Repayment of temporary loan from Federal government	—	(2,418)	—	—	(2,418)
Transfers from governmental activities	40	—	2,187	1,006	3,233
Federal and state nonoperating grants	—	—	515	—	515
Private gifts and grants	—	—	65	—	65
Gifts and grants	—	—	—	28	28
Proceeds from short-term loans	—	—	115	—	115
Repayment of short-term loans	—	—	(121)	—	(121)
Direct loan receipts	—	—	1,146	—	1,146
Direct loan disbursements	—	—	(1,146)	—	(1,146)
Enterprise fund transactions	—	—	(29)	16	(13)
Net cash (used) provided by noncapital financing activities	**(3,013)**	**180**	**2,732**	**1,050**	**949**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Proceeds from capital debt	—	—	2,220	129	2,349
Capital transfers	—	—	—	363	363
Purchase of capital assets	—	—	(1,328)	(368)	(1,696)
Principal payments on capital leases	—	—	(1,415)	(208)	(1,623)
Principal payments on refunded bonds	—	—	—	(51)	(51)
Interest payments on capital leases	—	—	(450)	(138)	(588)
Capital gifts and grants received	—	—	41	—	41
Bond issuance cost	—	—	—	(3)	(3)
Deposits held by bond trustees and DASNY	—	—	(128)	318	190
Decrease in amounts held by DASNY	—	—	—	6	6
Net cash (used) provided by capital financing activities	**—**	**—**	**(1,060)**	**48**	**(1,012)**

(Continued)

Statement of Cash Flows (cont'd)

ENTERPRISE FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2012 SUNY	June 30, 2012 CUNY	Total
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest, dividends and realized gains on investments	25	—	27	5	57
Proceeds from sales and maturities of investments	144	—	1,388	400	1,932
Purchases of investments	(171)	—	(1,375)	(389)	(1,935)
Net cash (used) provided by investing activities	**(2)**	**—**	**40**	**16**	**54**
Net increase (decrease) in cash and cash equivalents	**59**	**(1)**	**(66)**	**25**	**17**
Cash and cash equivalents—beginning of year	386	69	1,555	571	2,581
Cash and cash equivalents—end of year	**$ 445**	**$ 68**	**$ 1,489**	**$ 596**	**$ 2,598**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ 3,089	$ (244)	$ (4,027)	$ (1,372)	$ (2,554)
Adjustments to reconcile operating income (loss) to net cash provided (used) by nonoperating and noncash activities:					
Depreciation and amortization	—	—	501	180	681
Bad debt expense	—	—	—	1	1
Other nonoperating and noncash items	—	—	1,158	—	1,158
Change in assets and liabilities:					
Receivables, net	28	(13)	(120)	(26)	(131)
Other assets	—	—	(15)	2	(13)
Lottery prizes payable	(52)	—	—	—	(52)
Unclaimed and future prizes	10	—	—	—	10
Accrued liabilities	—	—	232	43	275
Other postemployment benefits	—	—	516	66	582
Deferred revenues	(1)	—	(23)	17	(7)
Other payables	—	76	—	—	76
Net cash provided (used) by operating activities	**$ 3,074**	**$ (181)**	**$ (1,778)**	**$ (1,089)**	**$ 26**
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
New capital leases / debt agreements	$ —	$ —	$ 2,220	$ —	$ 2,220
Fringe benefits provided by the State	$ —	$ —	$ 1,145	$ —	$ 1,145
Litigation costs provided by the State	$ —	$ —	$ 12	$ —	$ 12
Noncash gifts	$ —	$ —	$ 5	$ —	$ 5
Increase in unrealized gains on investments	$ 38	$ —	$ —	$ —	$ 38
Amortization of investment discount	$ 45	$ —	$ —	$ —	$ 45
Assets from hospital acquisitions	$ —	$ —	$ 29	$ —	$ 29
Liabilities from hospital acquisitions	$ —	$ —	$ 19	$ —	$ 19

See accompanying notes to the basic financial statements.

Statement of Fiduciary Net Position

FIDUCIARY FUNDS

March 31, 2013
(Amounts in millions)

	Pension Trusts	Private Purpose Trusts	Agency
ASSETS:			
Cash and investments	$ —	$ 14,576	$ 2,784
Retirement system investments:			
Short-term investments	6,461	—	—
Government bonds	27,131	—	—
Corporate bonds	10,991	—	—
Exchange traded fixed income funds	437	—	—
Domestic equities	56,949	—	—
International equities	26,101	—	—
Private equities	14,073	—	—
Absolute return strategy investments	6,125	—	—
Opportunistic funds	385	—	—
Real estate and mortgage loans	12,008	—	—
Securities lending collateral, invested	8,372	—	—
Forward foreign exchange contracts	1,275	—	—
Receivables, net of allowances for uncollectibles:			
Employer contributions	2,579	—	—
Member contributions	5	—	—
Member loans	1,084	—	—
Accrued interest and dividends	418	—	—
Investment sales	207	—	—
Other	92	255	147
Due from other funds	—	1,180	—
Other assets	44	—	152
Total assets	**174,737**	**16,011**	**$ 3,083**
LIABILITIES:			
Securities lending obligations	8,385	—	$ —
Forward foreign exchange contracts	1,282	—	—
Accounts payable	—	—	47
Accounts payable-investments	526	—	—
Accounts payable-benefits	181	—	—
Other liabilities	141	53	1,380
Payable to local governments	—	—	1,656
Total liabilities	**10,515**	**53**	**$ 3,083**
NET POSITION:			
Restricted for pension benefits and other purposes	**$ 164,222**	**$ 15,958**	

See accompanying notes to the basic financial statements.

Statement of Changes in Fiduciary Net Position

FIDUCIARY FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Pension Trusts	Private Purpose Trusts
Additions:		
Investment earnings:		
Interest income	$ 1,394	$ 32
Dividend income	1,513	284
Securities lending income	33	—
Other income	658	—
Net increase in the fair value of investments	11,592	1,014
Total investment earnings	**15,190**	**1,330**
Less:		
Securities lending expenses	(3)	—
Investment expenses	(470)	(34)
Net investment earnings	**14,717**	**1,296**
Contributions:		
College savings	—	1,861
Employers	5,336	—
Members	269	—
Interest on accounts receivable	58	—
Other	74	337
Total contributions	**5,737**	**2,198**
Total additions	**20,454**	**3,494**
Deductions:		
College aid redemptions	—	975
Benefits paid:		
Retirement allowances	9,256	—
Death benefits	194	—
Other benefits	71	—
Administrative expenses	105	—
Claims paid	—	203
Total deductions	**9,626**	**1,178**
Net increase	**10,828**	**2,316**
Net position restricted for pension benefits and other purposes at April 1, 2012, as restated	**153,394**	**13,642**
Net position restricted for pension benefits and other purposes at March 31, 2013	**$ 164,222**	**$ 15,958**

See accompanying notes to the basic financial statements.

Combining Statement of Net Position

DISCRETELY PRESENTED COMPONENT UNITS

March 31, 2013
(Amounts in millions)

	Major Component Units				
	Power Authority	Housing Finance Agency	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority
ASSETS:					
Cash and investments	$ 2,670	$ 1,666	$ 692	$ 4,488	$ 4,652
Receivables, net of allowances for uncollectibles:					
Loans, leases, and notes	355	9,841	—	—	41,755
Other	229	33	87	1,931	675
Other assets	941	—	26	2,116	—
Capital assets:					
Construction in progress	178	—	678	9,592	—
Land and buildings, net of depreciation	4,641	—	4,273	44,324	30
Intangible assets	—	—	—	—	—
Derivative instruments	—	—	—	13	—
Total assets	**9,014**	**11,540**	**5,756**	**62,464**	**47,112**
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflows of resources from derivative activities	107	46	25	630	—
Total deferred outflows of resources	**107**	**46**	**25**	**630**	**—**
LIABILITIES:					
Accounts payable	—	7	—	533	—
Accrued liabilities	442	80	233	2,248	1,010
Pension contributions payable	—	—	—	213	—
Deferred revenues	—	201	59	462	103
Notes payable	474	—	—	—	—
Bonds payable	48	149	70	792	4,110
Current portion of other long-term liabilities	8	—	3	56	2
Derivative instruments	58	—	—	—	—
Due in more than one year:					
Accrued liabilities	—	—	—	—	171
Pension contributions payable	—	—	—	37	—
Other postemployment benefits	—	37	298	8,154	69
Pollution remediation	—	—	—	82	—
Deferred revenues	671	24	—	—	—
Notes payable	232	—	9	—	—
Bonds payable	1,012	10,653	3,397	31,025	41,224
Other long-term liabilities	2,619	—	11	3,155	110
Derivative instruments	87	46	—	658	—
Total liabilities	**5,651**	**11,197**	**4,080**	**47,415**	**46,799**
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows of resources from derivative activities	—	—	—	—	—
Total deferred inflows of resources	**—**	**—**	**—**	**—**	**—**
NET POSITION:					
Net investment in capital assets	1,893	—	1,568	22,023	12
Restricted for:					
Debt service	—	335	202	1,231	235
Higher education, research and patient care	—	—	—	—	—
Environmental projects and energy programs	27	—	—	—	—
Economic development, housing and transportation	—	—	76	—	—
Insurance and administrative requirements	—	—	—	176	—
Unrestricted	1,550	54	(145)	(7,751)	66
Total net position	**$ 3,470**	**$ 389**	**$ 1,701**	**$ 15,679**	**$ 313**

See accompanying notes to the basic financial statements.

Major Component Units

Long Island Power Authority	Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Non-Major Component Units	Eliminations	Total
$ 335	$ 2,335	$ 13,386	$ 2,306	$ 3,363	$ 6,119	$ (2,764)	**$ 39,248**
155	8,236	—	2,964	9,464	683	(32,538)	**40,915**
1,423	193	421	33	139	898	(401)	**5,661**
1,286	109	19	77	—	228	(26)	**4,776**
301	—	—	—	—	104	—	**10,853**
6,295	1,546	—	—	—	2,689	—	**63,798**
2,265	—	—	—	—	1	—	**2,266**
—	—	—	—	—	—	—	**13**
12,060	**12,419**	**13,826**	**5,380**	**12,966**	**10,722**	**(35,729)**	**167,530**
113	98	—	58	—	121	(46)	**1,152**
113	**98**	**—**	**58**	**—**	**121**	**(46)**	**1,152**
—	—	—	—	—	134	—	**674**
1,460	331	11,419	71	215	1,046	(65)	**18,490**
—	—	—	—	—	2	—	**215**
—	—	445	—	—	118	—	**1,388**
200	60	—	—	—	13	(2)	**745**
176	691	—	218	418	160	(2,035)	**4,797**
157	71	—	—	—	20	—	**317**
56	—	—	—	—	—	—	**114**
22	—	—	—	—	81	—	**274**
—	—	—	—	—	36	—	**73**
25	21	—	35	12	748	—	**9,399**
—	17	—	—	—	1	—	**100**
—	—	—	—	6	575	—	**1,276**
—	102	—	—	—	36	(15)	**364**
6,473	9,035	—	2,812	6,825	2,520	(33,849)	**81,127**
2,954	283	—	—	—	170	—	**9,302**
319	—	—	65	—	114	(46)	**1,243**
11,842	**10,611**	**11,864**	**3,201**	**7,476**	**5,774**	**(36,012)**	**129,898**
—	98	—	—	—	7	—	**105**
—	**98**	**—**	**—**	**—**	**7**	**—**	**105**
(38)	1,388	—	—	—	1,466	—	**28,312**
—	—	—	648	—	83	16	**2,750**
—	—	—	—	—	2,191	—	**2,191**
—	—	—	—	5,482	1,151	—	**6,660**
—	420	—	—	—	502	—	**998**
—	—	—	1,607	—	37	—	**1,820**
369	—	1,962	(18)	8	(368)	221	**(4,052)**
$ 331	**$ 1,808**	**$ 1,962**	**$ 2,237**	**$ 5,490**	**$ 5,062**	**$ 237**	**$ 38,679**

Combining Statement of Activities

DISCRETELY PRESENTED COMPONENT UNITS

Year Ended March 31, 2013

(Amounts in millions)

	Major Component Units				
	Power Authority	Housing Finance Agency	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority
EXPENSES:					
Program operations	$ 2,128	$ 75	$ 473	$ 11,951	$ 108
Interest on long-term debt	59	94	131	1,340	2,026
Other interest	120	—	—	—	—
Depreciation and amortization	226	—	310	2,150	—
Other expenses	85	4	—	193	124
Total expenses	**2,618**	**173**	**914**	**15,634**	**2,258**
PROGRAM REVENUES:					
Charges for services	2,673	135	673	6,570	2,094
Operating grants and contributions	—	16	14	4,333	—
Capital grants and contributions	—	—	64	2,392	—
Total program revenues	**2,673**	**151**	**751**	**13,295**	**2,094**
Net program revenue (expenses)	**55**	**(22)**	**(163)**	**(2,339)**	**(164)**
GENERAL REVENUES:					
Non-State grants and contributions not restricted to specific programs	—	—	—	1,372	—
Investment earnings:					
Restricted	—	4	—	—	16
Unrestricted	27	—	1	—	—
Miscellaneous	93	4	—	630	66
Total general revenues	**120**	**8**	**1**	**2,002**	**82**
Change in net position	**175**	**(14)**	**(162)**	**(337)**	**(82)**
Net position—beginning of year, as restated	**3,295**	**403**	**1,863**	**16,016**	**395**
Net position—end of year	**$ 3,470**	**$ 389**	**$ 1,701**	**$ 15,679**	**$ 313**

See accompanying notes to the basic financial statements.

Major Component Units							
Long Island Power Authority	Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Non-Major Component Units	Eliminations	Total
$ 3,654	$ 529	$ 2,364	$ 53	$ 291	$ 6,008	$ (2)	$ 27,632
318	418	—	125	289	102	(1,597)	3,305
16	—	—	—	—	9	—	145
272	14	—	3	—	175	—	3,150
—	141	—	105	—	196	(17)	831
4,260	**1,102**	**2,364**	**286**	**580**	**6,490**	**(1,616)**	**35,063**
3,546	33	1,892	163	16	2,478	(1,128)	19,145
—	906	—	1	12	3,333	(458)	8,157
—	—	—	—	400	153	—	3,009
3,546	**939**	**1,892**	**164**	**428**	**5,964**	**(1,586)**	**30,311**
(714)	**(163)**	**(472)**	**(122)**	**(152)**	**(526)**	**30**	**(4,752)**
612	—	—	—	—	154	—	2,138
—	—	786	23	120	65	—	1,014
7	1	—	—	—	45	—	81
30	97	27	112	323	759	(42)	2,099
649	**98**	**813**	**135**	**443**	**1,023**	**(42)**	**5,332**
(65)	**(65)**	**341**	**13**	**291**	**497**	**(12)**	**580**
396	**1,873**	**1,621**	**2,224**	**5,199**	**4,565**	**249**	**38,099**
$ 331	**$ 1,808**	**$ 1,962**	**$ 2,237**	**$ 5,490**	**$ 5,062**	**$ 237**	**$ 38,679**

STATE OF NEW YORK
EXCELSIOR
COMPTROLLER

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2013

Note 1 Summary of Significant Accounting Policies

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

The basic 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 basic financial statements include all funds 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 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.

Blended Component Units

The New York Local Government Assistance Corporation (LGAC) was created by Chapter 220 of the Laws of 1990. LGAC is administered by seven directors consisting of the State Comptroller and the Director of the Division of the Budget, serving ex-officio, and five directors appointed by the Governor. LGAC 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. LGAC is legally separate but provides services exclusively to the State and therefore is reported as part of the primary government as a blended component unit.

The Tobacco Settlement Financing Corporation (TSFC) was created by Part D3 of Chapter 62 of the Laws of 2003. TSFC was created as a subsidiary of the State of New York Municipal Bond Bank Agency (Agency). The directors of the Agency are members of TSFC. TSFC is governed by a seven member board, consisting of: the Chairman of the Agency, the Secretary of State, the Director of the Budget, the State Comptroller or his appointee, and three directors appointed by the Governor. TSFC was created to issue long-term debt on behalf of the State to finance State operations plus amounts necessary to fund a capital reserve fund and other issuance costs. TSFC is legally separate but provides services exclusively to the State and therefore is reported as part of the primary government as a blended component unit.

Discretely Presented Component Units

The public benefit corporations (Corporations) listed in Note 14 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 executive officer. Corporations generally submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances, accompanied by an independent auditors' 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, 2013 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 and Joint Ventures

The State's officials are also responsible for appointing the members of the boards of various related organizations (e.g., the Nassau County Interim Finance Authority), but the State's accountability for these organizations does not extend beyond making the appointments. As discussed in more detail in Note 15, the State participates in several joint ventures but only reports on one due to materiality.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity within governmental and business-type activities has been eliminated from these statements. However, balances due and resource flows between governmental and business-type activities have not been eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions or programs. Program revenues include: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

Separate financial statements are provided for Governmental Funds, Enterprise Funds and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the Enterprise Funds, Component Units and the Fiduciary Funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year in which they are earned. Grants, entitlements and donations are recognized as revenues as soon as all eligibility requirements have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or collectible within 12 months of the end of the current fiscal period. 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 generally recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 modified the recognition criteria of certain expenditures and liabilities. GASBI 6 requires that expenditures and liabilities such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met. Nonexchange grants and subsidies, such as local assistance grants and public benefit corporation subsidies, are recognized as expenditures when all requirements of the grant and/or subsidy have been satisfied.

Effective this reporting period is GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASBS 62). This statement brings the authoritative accounting and financial reporting literature for state and local governments together in a single source, with the FASB and AICPA guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. GASBS 62 will result in a more consistent application of applicable guidance in financial statements of state and local governments. This statement also supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting,* thereby eliminating the election provided in that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

In addition, the State Insurance Fund prepares financial statements in conformity with accounting practices prescribed or permitted by the New York State Department of Financial Services. The Department of

Financial Services recognizes only New York Statutory Accounting Practices for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under New York State Insurance Law.

The State reports the following major and other governmental funds:

General Fund—is the primary operating fund of the State and is used to account for all financial transactions not required to be accounted for in another fund.

Federal Special Revenue Fund—accounts for Federal grants received by the State that are earmarked for specific programs. In order to comply with Federal accounting and reporting requirements, certain Federal grants are accounted for in a number of accounts that are combined and reported as the Federal Special Revenue Fund. Accounts that are combined include the Federal USDA-Food and Nutrition Services Account, the Federal Health and Human Services Account, the Federal Education Account, the Federal Operating Grants Account, the Unemployment Insurance Administration Account, the Unemployment Insurance Occupational Training Account and the Federal Employment and Training Grants Account.

General Debt Service Fund—accounts for the payment of principal and interest on the State's general debt, the payments on certain lease/purchase or other contractual obligations, and transactions related to the Tobacco Settlement Financing Corporation.

Other Governmental Funds—is a summarization of all the non-major governmental funds.

The governmental fund financial statements include a reconciliation between the fund statements and the government-wide statements. Differences that make a reconciliation necessary include the differing measurement focuses and bases of accounting between the statements. The Statement of Activities reflects the net costs of each major function of State operations, which differs from the presentation of expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds, which closely matches the State's budgetary (financial plan) presentation.

The State reports the following major Enterprise Funds:

Lottery Fund—accounts for lottery revenues that are earmarked for education assistance to local school districts, lottery administrative costs of the New York State Gaming Commission and payment of lottery prizes.

Unemployment Insurance Benefit Fund—accounts for employer unemployment contributions utilized for the payment of unemployment compensation benefits.

SUNY Fund—accounts for the operation of the State University of New York (SUNY). Information reported in this fund is obtained from the audited financial statements prepared by SUNY for the fiscal year ended June 30, 2012.

CUNY Fund—accounts for the operation of the City University of New York (CUNY) Senior Colleges. Information reported in this fund is obtained from the audited financial statements prepared by CUNY for the fiscal year ended June 30, 2012.

Enterprise Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with an Enterprise Fund's principal ongoing operations. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The Fiduciary Fund types of the State consist of the following:

Pension Trust Fund—accounts for the activities of the New York State and Local Retirement System, which accumulates resources for pension benefit payments to qualified public employees.

Private Purpose Trust Funds—are used to account for resources legally held in trust as escheat property and resources held in trust to facilitate savings for higher education expenses, pursuant to the New York State tuition savings program. There is no requirement that any portion of these resources be preserved as capital. Information reported for the tuition savings program is obtained from the audited financial statements prepared by the program for the fiscal year ended December 31, 2012.

Agency Funds—report those resources held by the State in a purely custodial capacity (assets equal liabilities).

Additionally, the State includes discretely presented component units:

Component Units—the public benefit corporations' financial statements, except for the State Insurance Fund, are prepared using the economic resources measurement focus and are accounted for on the accrual basis of accounting.

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, including accrued interest, which approximates fair value. Non-interest-bearing compensating balances of $2.3 billion are included in cash and investments at March 31, 2013. 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. Additional information about the State's cash and investments is provided in Note 2.

Generally, for purposes of reporting cash flows, cash includes cash and cash equivalents. Cash equivalents are composed of liquid assets with maturities of 90 days or less. The Enterprise Funds Statement of Cash Flows uses the direct method of reporting cash flows.

All investments with a maturity of more than a year are recorded on the Statement of Net Position and the balance sheet at fair value and all investment income, including changes in the fair value of investments, is reported as revenue. Investments of the short-term investment pool have a maturity of one year or less and are recorded at cost. Fair values were determined using market values at the applicable entities' year-end.

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, Medicaid drug rebates, student loans, tobacco settlements, and patient fees of SUNY and Health Department hospitals and various mental hygiene facilities. Additional information about receivables is provided in Note 4.

f. Internal Balances

All outstanding balances between funds at the end of the fiscal year are referred to as "due to/from other funds" on the governmental fund financial statements. Generally, the effect of interfund activity within the governmental funds has been removed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." For the most part, the remaining difference is a result of different year-ends between the State and SUNY and CUNY.

g. Other Assets

Other assets in governmental activities include payments for costs applicable to future accounting periods, and other types of assets not reported on other lines. Inventories reported by the governmental funds are recorded as expenditures when they are purchased. Inventories reported by the Enterprise Funds are valued at cost using the first-in/first-out (FIFO) method.

h. Capital Assets

Capital assets are reported in the government-wide Statement of Net Position and further disclosed in Note 5. Capital assets include: land in urban centers, rural areas and forest preserves; land improvements; land preparation-roads; buildings which house State offices, correctional facilities, hospitals and educational facilities; equipment used in construction work, hospitals, offices, etc.; construction in progress; intangible assets (i.e., easements and internally generated software); and infrastructure assets such as roads and bridges. Capital assets are reported at historical cost or estimated historical cost and donated capital assets are valued at their estimated fair market value at the date of donation.

Equipment that has a cost in excess of $40 thousand at the date of acquisition and has an expected useful life of two or more years is capitalized. All initial building costs and building improvements and land and land improvements in excess of $100 thousand are capitalized. Infrastructure assets in excess of $1 million are also capitalized. Software is capitalized when the costs exceed $1 million. The State chose the option in GASBS No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* of not recording non-major infrastructure assets at transition except for Department of Transportation (DOT) infrastructure assets. Therefore, non-DOT infrastructure assets acquired prior to April 1, 2002 were deemed to be non-major relative to total infrastructure and are not reported. However, prospective reporting of non-DOT depreciable infrastructure acquired subsequent to April 1, 2002 is included in the capital asset balances at March 31, 2013.

The costs of normal repairs and maintenance that do not add to the value or extend lives of assets materially are not capitalized, but are reported as expenses in the year incurred. Expenses relating to roads and bridges that add to the capacity and efficiency of the road and bridge networks are not expensed but are capitalized. All maintenance and preservation costs relating to roads and bridges will be expensed and not capitalized.

Buildings, land improvements, equipment and intangible assets of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities (Years)	Business-type Activities (Years)
Buildings and building improvements	12-60	3-50
Equipment and vehicles	4-30	3-50
Land improvements	12-30	3-50
Intangibles—easements	20	3-50
Intangibles—computer software	10-12	3-50

Land preparation reflects the costs of preparing the land for the construction of roads. Since land preparation has an indefinite life, associated costs are not depreciated.

The State has elected to use the modified approach for reporting and accounting for its highways and bridges reported by DOT. The modified approach requires the State to commit to preserving and maintaining these infrastructure assets at levels established by DOT. No depreciation expense is reported for these assets and no amounts are capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. DOT maintains an inventory of these assets and performs periodic condition assessments to ensure that the predetermined condition level is maintained. Refer to the Required Supplementary Information (RSI) for additional information regarding infrastructure using the modified approach.

Capital asset reporting does not include historical artifacts, artwork and collections that are maintained by various State agencies, the State Archives, State Museum and State Library. These items are protected and preserved, held for public exhibition and educational purposes, and the proceeds from the sale of items are used to acquire new items for the collection.

Capital assets in business-type activities and Enterprise Funds are from SUNY and CUNY. These capital assets are stated at cost, or in the case of gifts, fair value at the date of receipt. SUNY capitalizes building renovations and additions costing over $100 thousand, equipment items with a unit cost of $5 thousand or more, intangible assets for internally generated computer software costing $1 million or more and other intangible assets costing over $100 thousand. SUNY reports all artwork, historical treasures and library books. CUNY capitalizes renovations and improvements that significantly increase the value or extends the useful lives of the structures and equipment with a cost of more than $5 thousand and useful lives of two or more years. CUNY reports intangible assets, artwork, historical treasures and library books with a unit cost of more than $5 thousand. SUNY and CUNY capital assets, with the exception of land, construction in progress and works of art and historical treasures, are depreciated or amortized on a straight-line basis over their estimated useful lives ranging from 3 to 50 years.

i. Long-Term Obligations

In the government-wide financial statements and Enterprise Funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities' or business-type activities' Statement of Net Position. Bond premiums, discounts, issuance costs and deferred losses on refunding are deferred and amortized over the life of the bonds using the straight-line method for governmental activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as non-personal service expenditures.

j. Compensated Absences

The estimated vacation leave liability for State employees at March 31, 2013 is $905 million and represents an increase of $44 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 per 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 $261 million and $72 million for SUNY and CUNY, respectively, at June 30, 2012.

CUNY employees may receive payments of up to 50 percent of the value of their accumulated sick leave as of the date of retirement from CUNY. CUNY reported a liability of $24 million for sick leave credits in accrued liabilities as of June 30, 2012.

Lottery's employees, upon termination, may receive vacation pay benefits up to a maximum of 30 days. Lottery recognizes employees' compensated absence benefits when earned. The liability for employees' compensated absences was approximately $1.9 million as of March 31, 2013.

k. Accounting for Lease/Purchase and Other Financing Arrangements

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 pursuant to lease/purchase and other financing arrangements with the State. The State has also entered into financing arrangements with public benefit corporations that have issued bonds to finance past State budgetary deficits and grants to local governments for both capital and operating purposes (see Note 7).

These lease/purchase and other financing arrangements, which the State will repay 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. Reporting relative to capitalized interest is not included for leased capital assets.

l. State Lottery

The State Lottery is accounted for within an Enterprise Fund. The revenues, administrative costs, aid to education and expenses for amounts allocated to prizes are reported, and uncollected ticket sales at March 31, 2013 are accrued. Prize monies to meet long-term prize payments are invested in United States government-backed obligations, New York City Transitional Finance Authority municipal bonds and Agency for International Development (AID) Bonds, and are recorded at fair value. Lottery prize liabilities are recorded at a discounted value equivalent to the related investments. At March 31, 2013, the prize liabilities of approximately $2.3 billion were reported at a discounted value of approximately $1.5 billion (at interest rates ranging from 0.02 percent to 8.49 percent).

m. Net Position

Net position is reported as restricted when constraints placed on net position use are either:

a. Externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments; or

b. Imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge or otherwise mandate payment of resources (from resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups or the judiciary) can compel the government to honor. When both restricted and unrestricted resources are available for use, it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

At March 31, 2013, the Governmental Activities reported restricted net position of $3.5 billion due to restrictions externally imposed by creditors or enabling legislation. This included $2.5 billion restricted for debt service payments from various capital reserve funds, and $981 million restricted for other government programs (details of fund balance classification are available in section n of Note 1).

The following terms are used in the reporting of net position:

Net Investment in Capital Assets
Net investment in capital assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Debt Service
Net position restricted for the payment of future debt service payments from various capital reserve funds.

Higher Education, Research and Patient Care
Net position restricted for funding of various higher education instruction, research, scholarships, and operations, as well as medical research and patient care.

Environmental Projects and Energy Programs
Net position restricted for funding of various environmental projects and energy programs.

Economic Development, Housing and Transportation
Net position restricted for funding of various economic development, housing-related and transportation-related programs.

Insurance and Administrative Requirements
Net position restricted for funding certain insurance payments and administrative costs.

Future Lottery Prizes
Net position restricted for future lottery prize payments.

Other Government Programs
Net position restricted for the funding of various mass transportation projects, environmental remediation projects, and various other legally restricted funds.

Unrestricted Net Position
Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position described above.

n. Fund Balance

The difference between fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is "Net Position" on government-wide, proprietary fund, component units and fiduciary fund financial statements and "Fund Balance" on governmental fund financial statements.

Fund Balance Hierarchy

Fund balance for governmental funds is reported in the following classifications which describe the relative strength of the constraints that control how specific amounts in the funds can be spent:

The nonspendable fund balance includes amounts that cannot be spent because (a) they are either not in spendable form or (b) are legally or contractually required to remain intact.

Restricted fund balances have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can only be used for specific purposes pursuant to constraints imposed by formal action of the State's highest level of decision-making authority, which includes establishment of laws of the State, and by bills passed by the Legislature and approved by the Governor of the State of New York, or any contracts approved by authorized State Officials that are known to have their liability satisfied with the current fund balance. Commitments may be changed or lifted only by the State's highest level of decision-making authority taking the same formal action that originally imposed the constraint.

Assigned fund balances are constrained by the intent to use amounts for specific purposes, but are neither restricted nor committed. The Director of the Budget is authorized to assign amounts to a specific purpose through the approval of budget certificates as required by statute.

Unassigned fund balance is the residual classification for the General Fund. Other governmental funds cannot report a positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts restricted or committed to those purposes.

For classification of governmental fund balances, the State considers expenditures to be made from the most restricted resources first, then in the following order: committed, assigned, and unassigned resources.

Reserve Accounts

Tax Stabilization Reserve Account

The authority for establishing the Tax Stabilization Reserve Account is in State Finance Law Section 92. The account was established in 1984.

At the close of each fiscal year, any surplus funds up to 0.2 percent of one percent of the "norm" shall be transferred to the Tax Stabilization Reserve Account, up to 2 percent of the "norm". The norm is the aggregate amount disbursed from the State Purposes Account during the fiscal year.

In any given fiscal year, when receipts fall below the norm, funds shall be transferred from the Tax Stabilization Reserve Account to the State Purposes Account, in an amount equal to the difference between the norm and the receipts, to the extent that funds are available in the Tax Stabilization Reserve Account. Money in the Tax Stabilization Reserve Account may be temporarily loaned to the State Purposes Account during the year in anticipation of the receipt of revenues, but these funds must be repaid within the same fiscal year.

The balance in the Tax Stabilization Reserve Account at March 31, 2013 is $1.1 billion, and is included in the unassigned fund balance of the General Fund.

Rainy Day Reserve Account

The authority for establishing the Rainy Day Reserve Account is in State Finance Law Section 92-cc. The account was established in 2007.

Funds deposited to this account are transferred from the State Purposes Account. The maximum balance in this account will not exceed 3 percent of the aggregate amount projected to be disbursed from the State Purposes Account during the fiscal year immediately following the current fiscal year.

The amounts in this account can be spent for two reasons:

a. In the event of an economic downturn, as evidenced by a composite index of business cycle indicators prepared by the Commissioner of Labor. If the index declines for five consecutive months, the Commissioner of Labor shall notify the Governor, the Speaker of the Assembly, the Temporary President of the Senate and the minority leaders of the Assembly and the Senate. Upon such notification, the Director of Budget may authorize the Comptroller to transfer funds from the Rainy Day Reserve Account.

b. A catastrophic event, i.e. the need to repel invasion, suppress insurrection, defend the State in war, or to respond to any other emergency resulting from a disaster, including but not limited to a disaster caused by an act of terrorism.

The balance in the Rainy Day Reserve Account at March 31, 2013 is $175 million, and is included in the committed fund balance of the General Fund.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. These amounts generally will become liabilities in future periods as the construction work is performed by the contractors.

Significant encumbrances at March 31, 2013 include (in millions):

Fund Type	Amount
General	$ 923
Federal Special Revenue	1,291
General Debt Service	0
Other Special Revenue	157
Other Debt Service	6
Other Capital Projects	4,215

Fund balances at March 31, 2013 are as follows (amounts in millions):

	Major Funds			
	General Fund	Federal Special Revenue	General Debt Service	Other Funds
Restricted for:				
Public health	$ —	$ 4	$ —	$ 18
Environment and recreation	—	—	—	29
Transportation	—	—	—	292
General government	—	—	—	67
Debt	—	—	1,958	569
Capital purposes	—	—	—	164
Committed to:				
Public health	—	—	—	370
Mental hygiene	6	—	—	—
Medical assistance	—	—	—	447
Public welfare	—	—	—	20
Environment and recreation	—	—	—	20
Public safety	—	—	—	248
Transportation	—	—	—	54
General government	7	—	—	72
Debt	—	—	24	356
Capital purposes	—	—	—	1,335
Fund reserves	385	—	—	—
Assigned to:				
Mental hygiene	3	—	—	—
Environment and recreation	—	—	—	17
Public welfare	—	—	—	16
General government	1,237	—	—	2,012
Unassigned	(2,377)	—	—	(822)
Total fund balance	**$ (739)**	**$ 4**	**$ 1,982**	**$ 5,284**

o. Post-Retirement Benefits

Other postemployment costs are measured and disclosed using the accrual basis of accounting in the government-wide statements (see Note 13). 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, including the Lottery, recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the respective 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 $10.3 million was paid on behalf of 3,453 retirees and recorded as an expenditure in the General Fund.

p. Deficit Fund Balances

As of March 31, 2013, fund deficits were reported in the following Capital Projects Funds: the Dedicated Highway and Bridge Trust Fund ($297 million), the Hazardous Waste Remedial Fund ($115 million), and the Housing Program Fund ($110 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 and contractual commitments from bond proceeds, and are routinely resolved during subsequent fiscal years. The ENCON Special Revenue Fund ($34 million) and the Mass Transportation Operating Assistance Fund ($87 million), both of which are Special Revenue Funds, also had fund deficits. The deficits are the result of timing differences between the receipt of cash and the transfer of funds to finance operating expenditures.

q. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

r. Adoption of New Accounting Pronouncements

During the fiscal year ended March 31, 2013, the State adopted the following new accounting standards issued by the GASB:

GASBS No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,* (GASBS 57) amends GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* and GASBS No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* GASBS 57 clarifies actuarially determined OPEB measures reported by an agent multiple-employer OPEB plan and its participating employers. Those measures should be determined by a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirement. Adoption of GASBS 57 did not require modification to the financial statements.

GASBS No. 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCAs),* (GASBS 60) establishes recognition, measurement and disclosure requirements for SCAs for both transferors and governmental operators. GASBS 60 requires governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. The implementation of GASBS 60 did not have an impact on the financial statements.

GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA (American Institute of Certified Public Accountants) Pronouncements,* (GASBS 62) improves financial reporting by incorporating into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements. GASBS 62 superseded GASBS No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting.* Adoption of GASBS 62 did not require modification to the financial statements.

GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* (GASBS 63) provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. Amounts required to be reported as deferred outflows of resources should be reported in a statement of financial position in a separate section following assets. Similarly, amounts required to be reported as deferred inflows of resources should be reported in a separate section following liabilities. The statement of net position should report the residual amount as net position, rather than net assets. The provisions of GASBS 63 required these changes and replaces the statement of net assets with the statement of net position for accrual basis financial statements.

GASBS No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions,* (GASBS 64) clarifies the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider, is replaced. Adoption of GASBS 64 did not require modification to the financial statements.

s. Restatements

During the fiscal year ended March 31, 2013, the State made a change in accounting principle related to the presentation of liabilities in the Abandoned Property Trust Fund which is included in the Private Purpose Trust Fund financial statements. This necessitated a restatement of beginning net position in the Abandoned Property Trust Fund as follows (amounts in millions):

Net position at March 31, 2012	$	—
Claimant liability		1,542
Total net position at April 1, 2012	**$**	**1,542**

Note 2 Cash and Investments

Information on cash and investments of the Pension Trust Fund is presented in Note 12.

Governmental Activities, Private Purpose and Agency Funds

Deposits

The State maintains approximately 3,000 bank accounts for various purposes at locations throughout the State. Cash deposits in the State Treasury are under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance. Cash balances not required for immediate use are invested in a short-term investment pool (STIP) administered by the State Comptroller or by the fund custodian to maximize interest earnings. Cash is invested in repurchase agreements involving United States Treasury obligations, United States Treasury bills, commercial paper, government sponsored agencies, and certificates of deposit. Cash deposits not held in the State Treasury are under the sole custody of a specified State official and are generally held in interest-bearing accounts. Both the State Comptroller and the Commissioner of Taxation and Finance are sole custodians of certain accounts.

The custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

For demand accounts, checking accounts and certificates of deposit, the State requires that its depository banks pledge collateral or provide a surety bond based on actual and average daily available bank balances. All securities pledged as collateral are held by the State's fiscal agent in the name of the State and are valued on a monthly basis. Surety bonds will be accepted only from AAA rated insurance companies. The use of average daily available balances to determine collateral requirements may result 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 cash deposits with financial institutions had a book and bank balance of $6.3 billion and were fully collateralized at fiscal year-end. Included in these balances were certificates of deposit held in the STIP with a book and bank balance of $3.1 billion. Additional deposits, with a book and bank balance of $9.5 million, were held by the State's fiscal agent and were fully collateralized except for $8.7 million in deposits that were exposed to custodial credit risk because they were uninsured and uncollateralized.

For the fiscal year ended March 31, 2013, the average daily balance of the STIP was $6.5 billion, with an average yield of 0.2 percent and total investment income of $10.9 million.

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, and sole custody funds administered by the Department of Taxation and Finance.

Investments are made in accordance with State Finance Law and vary by fund but generally include: obligations of, or guaranteed by, the United States; obligations of New York State and its political subdivisions; certificates of deposit; savings bank trust company notes; bankers' acceptances; repurchase agreements; corporate bonds; and commercial paper.

As of March 31, 2013 (except for the Tuition Savings Program, which is as of December 31, 2012), the State had the following investments and maturities (amounts in millions):

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1-5	6-10	More than 10
U.S. Treasury bills	$ 2,279	$ 2,279	$ —	$ —	$ —
U.S. Treasury notes/bonds	658	503	155	—	—
U.S. Treasury strips	350	315	35	—	—
Government sponsored agencies	759	735	24	—	—
Repurchase agreements	366	366	—	—	—
Commercial paper	595	595	—	—	—
Certificates of deposit	128	128	—	—	—
Money market funds	109	109	—	—	—
Forward purchase agreements	57	—	—	—	57
Other	543	543	—	—	—
Subtotal	**5,844**	**$ 5,573**	**$ 214**	**$ —**	**$ 57**
Mutual fund equities	14,236				
Investments held in an agent or trust capacity	339				
Total	**$ 20,419**				

Included in the table are securities which either were not acquired for investment purposes or cannot be classified or categorized, and are being held by the State in an agent or trust capacity. Employers seeking self-insurer status for workers' compensation purposes may deposit securities specified by Section 235 of the New York State Banking Law with the Chairman of the Workers' Compensation Board. Acting as an agent for the employers, the State holds these securities (carrying amount $33 million, which approximates fair value) only as an agent for the employers. Securities that are unclaimed at financial institutions are transferred periodically to the State and are held temporarily by the State until they can be liquidated. The securities or proceeds can be claimed by the owners under established procedures. These securities had a carrying amount and fair value of $272 million at March 31, 2013. The State holds cash and securities deposited by contractors in lieu of retainage on contract payments (carrying amount and fair value of $34 million).

In addition to the securities held by the Workers' Compensation Board noted above, the State holds $3.3 billion in surety bonds and letters of credit that are not included in the table above.

Credit Risk

State law limits investments in commercial paper, repurchase agreements and corporate bonds to the highest ratings issued by two nationally recognized statistical rating organizations (NRSROs). Investments in commercial paper and repurchase agreements are limited to a rating of A-1 by Standard & Poor's Corporation (S&P) and P-1 by Moody's Investors Service, Inc. (Moody's). If an investment in commercial paper drops in rating below the legal requirements during the year, the State investment staff would consult with appropriate advisors to determine what action, if any, should be taken. Repurchase agreements are collateralized with U.S. Treasury obligations. Investments in money market funds are unrated.

The Tuition Savings Program, a Private Purpose Trust Fund, has certain underlying mutual funds invested in fixed income securities which are subject to classification of risk under GASBS No. 40, *Deposit and Investment Risk Disclosures.* Investing in fixed income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields, and share price fluctuations due to changes in interest rates. The underlying mutual funds in which the Tuition Savings Program invests are not rated by any NRSRO. Certain mutual funds in the Tuition Savings Program invest primarily in bonds rated Ba or B by Moody's, or BB or B by S&P. These lower rated bonds, commonly referred to as "junk bonds," are subject to greater credit risk, and are generally less liquid than higher-rated, lower yielding bonds.

Custodial Credit Risk

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held either by: (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. The risk is that the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty fails. The State's policy is to hold all of its investments in the State's name; however, the investments listed below are exposed to custodial credit risk because they are not held by the State but are held by a public benefit corporation in the public benefit corporation's name or administered by a fiscal agent on behalf of New

York State. The following table presents the fair value of investments by type (amounts in millions):

Investment Type	Fair Value
U.S. Treasury bills	$ 1,280
U.S. Treasury notes	608
Government sponsored agencies	759
Money market	109
Repurchase agreements	124
Forward purchase agreements	57
Other	539
Total	**$ 3,476**

Interest Rate Risk
The fair values of the State's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions.

The State manages its interest rate risk by limiting the majority of its investments to a maturity structure of one year or less. Additionally, the State holds its investments to maturity, which minimizes the occurrence of a loss on an investment.

The State's investments in mutual funds and equity securities have no stated maturity and have not been allocated on the preceding table to a time period.

Concentration of Credit Risk
Concentration of credit risk is the risk of loss attributed to the magnitude of the State's investment in a single issuer (five percent or more of total investments). To mitigate this risk, it is the policy of the State to maintain a diversified portfolio among a variety of investment instruments in which it is legally permitted to invest.

Foreign Currency Risk
The State Finance Law, Section 98-a, does not expressly permit investment in foreign currency and there is no formal policy related to foreign currency; however, the Tuition Savings Plan has certain underlying mutual funds which invest in foreign securities. There are certain additional risks involved when investing in foreign securities that are not inherent with investments in domestic securities. These risks may involve foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention of currency exchange or other foreign governmental laws or restrictions. In addition, the liquidity of foreign securities may be more limited than that of domestic securities.

Business-type Activities

Deposits
SUNY does not have a formal policy for collateral requirements for cash deposits. At June 30, 2012, SUNY had $1.3 billion in deposits held by the State Treasury, invested in the STIP, and $141 million held by other local depositories. Deposits not held in the State Treasury that are not covered by depository insurance are: uncollateralized ($67 million); collateralized with securities held by a pledging financial institution ($28 million); or collateralized with securities held by a pledging financial institution's trust department or agency, but not in SUNY's or an affiliate's name ($17 million). SUNY also has $68 million in cash and cash equivalents deposited with trustees, which are registered in SUNY's name and held by an agent or in trust accounts in SUNY's name.

CUNY's cash and cash equivalents were held by depositories and amounted to $613 million, of which $63 million was insured and $550 million was uninsured and uncollateralized, or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in CUNY's name. CUNY also held $2 million of restricted cash in escrow relating to loan agreement requirements and tenant security deposits.

Lottery deposits are made in accordance with State Finance Law and State Tax Law. At March 31, 2013, Lottery had $445 million in deposits held by the State Treasury, which were invested in the STIP.

The Unemployment Insurance Benefit Fund has a total of $68 million in a sole custody bank account, which is on deposit with the State Comptroller and invested in the STIP, and is subject to the same collateralization requirements as the State.

Investments
Generally, SUNY and CUNY are allowed to invest in a diverse investment portfolio. Permitted investments include, but are not limited to, obligations of the U.S. Government and its agencies, municipal debt securities, repurchase agreements, corporate bonds, commercial paper, equity securities, mutual funds, asset-backed securities, money market funds and security lending transactions.

The Lottery is authorized by State statute to invest in U.S. Government-backed obligations and New York City Transitional Finance Authority municipal bonds that provide for payment of prizes payable.

As of June 30, 2012 (except for the State Lottery which is as of March 31, 2013), the business-type activities had the following investments and maturities (amounts in millions):

		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
U.S. Treasury strips	$ 981	$ 370	$ 150	$ 170	$ 291
Municipal bonds	550	40	125	141	244
AID bonds	488	36	111	126	215
U.S. Treasury bills	409	407	2	—	—
U.S. Treasury notes/bonds	191	167	22	2	—
Government sponsored agencies	156	126	26	1	3
Corporate bonds	58	12	41	2	3
Mutual fund non-equities	36	4	7	11	14
U.S. agency mortgage-backed securities	30	30	—	—	—
International fund non-equities	22	2	13	4	3
Investment Agreement	10	—	—	10	—
U.S. Government TIPS	5	—	—	1	4
Asset-backed securities	4	—	—	2	2
Certificates of deposit	3	2	1	—	—
Repurchase agreements	2	2	—	—	—
Subtotal	**2,945**	**$ 1,198**	**$ 498**	**$ 470**	**$ 779**
Corporate stocks	275				
Equity securities	275				
Cash equivalents	249				
Money market funds	148				
Mutual fund equities	108				
Alternative investments	73				
International stocks	45				
International mutual fund equities	32				
Other	40				
Total	**$ 4,190**				

Credit Risk

Generally, SUNY individual fixed income investment securities must be of investment grade. SUNY maintains a portfolio that possesses an overall weighted average rating by Moody's and S&P of at least A. Private placement securities must be rated A3 or higher by Moody's or A- or higher by S&P. Parameters exist that allow some limited investments in non-investment grade securities; however, investments rated below B3 by Moody's or B- by S&P are prohibited.

CUNY's investment policy requires that the overall average quality of each fixed income portfolio be AA or higher. Non-rated issues or issues below investment grade (BBB) may be purchased up to a maximum of 15 percent of the portfolio. CUNY's policy does not otherwise place formal limitations on credit risk. CUNY's investment policy specific to the CUNY Investment Pool includes specific guidelines for investment managers with a target allocation to fixed income of 25 percent and is invested in a bank commingled fund. The Pool contains securities with an Average Quality Rating of AA2, with no securities with ratings below Baa, according to the Barclays Capital US Government/Credit Index.

As of June 30, 2012 (except for the State Lottery, which is as of March 31, 2013), the business-type activities had the following investments with ratings (amounts in millions):

Investment Type	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Municipal bonds	$ 547	$ 1	$ 1	$ —	$ —	$ 1	$ —	$ —
AID bonds	488	—	—	—	—	—	—	—
Mutual fund non-equities	12	1	3	—	3	—	—	17
Asset-backed securities	1	—	—	1	—	—	—	2
U.S. agency mortgage-backed securities	—	30	—	—	—	—	—	—
Government sponsored agencies	122	31	—	—	—	—	—	3
Repurchase agreements	—	—	—	—	—	—	—	2
Corporate bonds	—	11	22	19	1	2	1	2
International fund non-equities	2	2	10	2	2	1	—	3
Total	**$ 1,172**	**$ 76**	**$ 36**	**$ 22**	**$ 6**	**$ 4**	**$ 1**	**$ 29**

Custodial Credit Risk

At June 30, 2012, SUNY had $911 million in cash and investments held by the Dormitory Authority of the State of New York (DASNY), which represents bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. These cash and investments are registered in SUNY's name and held by an agent or in a trust in SUNY's name. SUNY's investment policy does not formally address custodial credit risk.

At June 30, 2012, CUNY had $388 million in investments held by DASNY or the bond trustee, not in CUNY's name. CUNY's policy for deposits of the CUNY Investment Pool does not allow for participation in programs that have uninsured investments held by counterparties and uses specific monitor initiatives for investments as a means of limiting custodial credit risk. CUNY's investment policy does not formally address custodial credit risk for investments not included in the Investment Pool.

Interest Rate Risk

SUNY has policies in place that limit fixed income investment duration within certain benchmarks, and a highly diversified portfolio is maintained which limits interest rate exposure. CUNY's investment policy for the CUNY Investment Pool specifies that its fixed income investments are made in long-term, non-callable, or call-protected high quality bonds. CUNY's investment policy does not otherwise formally limit investment maturities as a means of managing exposure to fair market value losses arising from increased interest rates.

The Lottery's policy for managing interest rate risk is to hold investment securities to maturity, at which time the fair value of the investment is equal to the stated maturity value.

Foreign Currency Risk

SUNY has no formal policy related to foreign currency risk; however, their primary means of control is placing limits on non-U.S. categories of investments. SUNY's exposure to foreign currency risk for investments held at June 30, 2012, by currency denomination, was as follows (amounts in millions):

Currency	Fair Value
British Pound Sterling	$ 7
Euro	6
Japanese Yen	5
Hong Kong Dollar	4
South Korean Won	4
Taiwanese Dollar	2
Brazilian Real Cruzeiro	2
Other	11
Total	**$ 41**

Investment Pool

CUNY has certain assets included with investments in the accompanying financial statements, which are pooled on a fair value basis, with each individual fund subscribing to or disposing of units on the basis of the fair value per unit determined quarterly. At June 30, 2012, the investment pool consisted of 157.8 million units with a fair value of $157.8 million.

Note 3 Taxes Receivable and Tax Refunds Payable

Taxes Receivable

Taxes receivable represent amounts owed by taxpayers for the 2012 calendar year and the first quarter of the 2013 calendar year, including prior year 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 as income is earned by the taxpayers. The primary components of the PIT receivable are the estimated and withholding payments that relate to the first quarter of the 2013 calendar year, payments with final returns which relate to the 2012 calendar year, and assessments which relate to prior tax periods.

Consumption and use tax revenues are reported 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, 2013 and assessments which relate to prior tax periods.

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

Other taxes receivable are comprised of estate and gift taxes, real property gains taxes, real estate transfer taxes, metropolitan commuter transportation mobility taxes and assessments.

Gross taxes receivable at March 31, 2013 for the governmental funds totaled $13.9 billion. The following table summarizes taxes receivable by major tax type for the governmental funds (amounts in millions):

	General	General Debt Service	Other Governmental Funds	Total Governmental Funds
Current taxes receivable:				
Personal income	$ 8,192	$ 2,950	$ —	$ 11,142
Consumption and use	425	—	377	802
Business	349	—	67	416
Other	818	—	141	959
Subtotal	**9,784**	**2,950**	**585**	**13,319**
Long-term taxes receivable:				
Personal income	223	88	—	311
Consumption and use	28	—	15	43
Business	153	—	—	153
Other	238	—	—	238
Subtotal	**642**	**88**	**15**	**745**
Allowance for uncollectibles	(105)	(35)	(19)	(159)
Total	**$ 10,321**	**$ 3,003**	**$ 581**	**$ 13,905**

Tax Refunds Payable

Tax refunds payable primarily represent amounts owed to taxpayers because of overpayments of their 2012 calendar year and first quarter 2013 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 are comprised of estimates of overpayments of the first calendar quarter (2013) tax liability and payments of 2012 calendar and prior year refunds. The remaining portion of tax refunds payable are comprised of payments made subsequent to the end of the fiscal year and estimates of a remaining refund liability.

Tax refunds payable at March 31, 2013 are summarized as follows (amounts in millions):

	Current			Total	
	General	General Debt Service	Other Governmental Funds	Current	Long-term
Governmental Activities:					
Personal income	$ 5,447	$ 1,801	$ —	$ 7,248	$ 434
Consumption and use	49	—	45	94	262
Business	1,797	—	229	2,026	404
Other	56	—	6	62	23
Total	**$ 7,349**	**$ 1,801**	**$ 280**	**$ 9,430**	**$ 1,123**

Note 4 Other Receivables

Other receivables at March 31, 2013 are summarized as follows (amounts in millions):

	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Total Governmental Activities
Governmental Activities:					
Other current receivables:					
Public health/patient fees	$ 2	$ —	$ —	$ 556	$ 558
Medicaid	869	318	—	—	1,187
Tobacco settlement	—	—	396	—	396
Miscellaneous agency	78	—	—	10	88
Oil spill	—	—	—	110	110
Public authorities	35	—	—	—	35
Casino revenue	30	—	—	—	30
Workers' compensation	—	—	—	163	163
Other	108	18	—	51	177
Subtotal	**1,122**	**336**	**396**	**890**	**2,744**
Other long-term receivables:					
Public health/patient fees	—	—	—	45	45
Medicaid	37	118	—	—	155
Appropriated loans	21	—	—	195	216
Miscellaneous agency	45	—	—	33	78
Oil spill	—	—	—	77	77
Other	—	—	—	71	71
Subtotal	**103**	**118**	**—**	**421**	**642**
Gross receivables	**1,225**	**454**	**396**	**1,311**	**3,386**
Allowance for uncollectibles	(59)	(8)	—	(364)	(431)
Total receivables	**$ 1,166**	**$ 446**	**$ 396**	**$ 947**	**$ 2,955**

	Lottery	Unemployment Insurance Benefits	SUNY	CUNY	Total
Enterprise Funds:					
Other current receivables:					
Ticket sales	$ 437	$ —	$ —	$ —	$ 437
Public health/patient fees	—	—	824	—	824
Student loans	—	—	155	19	174
Contributions	—	2,885	—	—	2,885
Benefit overpayments	—	365	—	—	365
State agencies/municipalities	—	43	—	—	43
Other	5	187	451	216	859
Subtotal	**442**	**3,480**	**1,430**	**235**	**5,587**
Allowance for uncollectibles	(1)	(1,292)	(319)	(44)	(1,656)
Net current receivables	**441**	**2,188**	**1,111**	**191**	**3,931**
Other long-term receivables:					
Accounts, notes and loans	—	—	135	39	174
Contributions	—	—	22	—	22
Other	—	—	—	1	1
Allowance for uncollectibles	—	—	(24)	(20)	(44)
Net long-term receivables	**—**	**—**	**133**	**20**	**153**
Total receivables	**$ 441**	**$ 2,188**	**$ 1,244**	**$ 211**	**$ 4,084**

Other receivables, in the tables above, include monies advanced in the form of loans from the governmental funds to finance the operations, construction or debt service of local governments and public benefit corporations. The appropriation bills authorizing these loans provide that the advanced amounts will be repaid pursuant to repayment agreements. The loans are reported net of estimated uncollectible amounts and as a restriction of fund balance.

Note 5 Capital Assets

Capital asset activity for the year ended March 31, 2013 was as follows (amounts in millions):

	Balance April 1, 2012	Additions	Retirements	Balance March 31, 2013
Governmental Activities:				
Depreciable and amortizable assets:				
Buildings and building improvements	$ 10,472	$ 387	$ 38	$ 10,821
Land improvements	581	17	5	593
Infrastructure	250	9	—	259
Equipment	755	27	23	759
Intangible assets—easements	194	—	—	194
Intangible assets—computer software	64	212	6	270
Total depreciable and amortizable assets	**12,316**	**652**	**72**	**12,896**
Less accumulated depreciation and amortization:				
Buildings and building improvements	(5,876)	(311)	(25)	(6,162)
Land improvements	(369)	(18)	(1)	(386)
Infrastructure	(42)	(10)	—	(52)
Equipment	(498)	(50)	(11)	(537)
Intangible assets—easements	(15)	(10)	—	(25)
Intangible assets—computer software	(6)	(22)	—	(28)
Total accumulated depreciation and amortization	**(6,806)**	**(421)**	**(37)**	**(7,190)**
Total depreciable and amortizable assets, net	**5,510**	**231**	**35**	**5,706**
Non-depreciable and non-amortizable assets:				
Land	3,824	122	51	3,895
Land preparation	3,430	87	—	3,517
Construction in progress (buildings)	537	364	250	651
Construction in progress (roads and bridges)	4,356	946	497	4,805
Construction in progress (computer software)	113	11	113	11
Infrastructure (roads and bridges)	65,926	448	137	66,237
Total non-depreciable and non-amortizable assets	**78,186**	**1,978**	**1,048**	**79,116**
Governmental activities, capital assets, net	**$ 83,696**	**$ 2,209**	**$ 1,083**	**$ 84,822**

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Business-type Activities:				
SUNY:				
Depreciable assets:				
Infrastructure and land improvements	$ 775	$ 62	$ 11	$ 826
Buildings	8,146	485	236	8,395
Equipment and library books	2,716	250	168	2,798
Total depreciable assets	**11,637**	**797**	**415**	**12,019**
Less accumulated depreciation:				
Infrastructure and land improvements	(386)	(30)	(10)	(406)
Buildings	(3,446)	(227)	(230)	(3,443)
Equipment and library books	(2,049)	(222)	(158)	(2,113)
Total accumulated depreciation	**(5,881)**	**(479)**	**(398)**	**(5,962)**
Total depreciable assets, net	**5,756**	**318**	**17**	**6,057**
Non-depreciable assets:				
Land	382	122	—	504
Construction in progress	1,799	1,312	614	2,497
Artwork	28	1	—	29
Total non-depreciable assets	**2,209**	**1,435**	**614**	**3,030**
SUNY capital assets, net	**7,965**	**1,753**	**631**	**9,087**
CUNY:				
Depreciable and amortizable assets:				
Buildings and building improvements	3,845	227	—	4,072
Land improvements	53	1	—	54
Equipment	417	34	42	409
Infrastructure	123	4	—	127
Intangible assets	9	6	—	15
Total depreciable and amortizable assets	**4,447**	**272**	**42**	**4,677**
Less accumulated depreciation and amortization:				
Buildings and building improvements	(1,803)	(130)	(2)	(1,931)
Land improvements	(48)	—	—	(48)
Equipment	(332)	(40)	(40)	(332)
Infrastructure	(33)	(7)	—	(40)
Intangible assets	(1)	(1)	—	(2)
Total accumulated depreciation and amortization	**(2,217)**	**(178)**	**(42)**	**(2,353)**
Total depreciable and amortizable assets, net	**2,230**	**94**	**—**	**2,324**
Non-depreciable assets:				
Land	233	—	—	233
Construction in progress	1,310	180	55	1,435
Artwork and historical treasures	8	—	—	8
Total non-depreciable assets	**1,551**	**180**	**55**	**1,676**
CUNY capital assets, net	**3,781**	**274**	**55**	**4,000**
Business-type activities, capital assets, net	**$ 11,746**	**$ 2,027**	**$ 686**	**$ 13,087**

For the year ended March 31, 2013, depreciation and amortization expense was charged to the following governmental functions (amounts in millions):

		Governmental Activities
Allocation of depreciation and amortization:		
Education	$	3
Public health		136
Public welfare		16
Public safety		123
Transportation		35
Environment and recreation		25
Support and regulate business		1
General government		82
Total depreciation and amortization expense	**$**	**421**

For the year ended June 30, 2012, depreciation and amortization expense was charged to the following business-type functions (amounts in millions):

		Business-type Activities
Allocation of depreciation and amortization:		
SUNY	$	501
CUNY		180
Total depreciation and amortization expense	**$**	**681**

Note 6 Bonds Payable

General obligation bonds are backed by the full faith and credit of the State and constitutionally must be repaid in equal annual principal installments or substantially level or declining debt service payments beginning not more than one year after issuance of such bonds. They mature within 40 years after issuance. The Debt Reform Act of 2000 further limits the maximum term of new State-supported debt issued on and after April 1, 2000, including general obligation bonds, to a maximum term of 30 years. Refer to Note 7 for further discussion of the Debt Reform Act of 2000.

Changes for the year in bonds payable were as follows (amounts in millions):

Purpose	Outstanding April 1, 2012	Issued	Redeemed	Outstanding March 31, 2013
Accelerated capacity and transportation improvements of the 1990s	$ 371	$ 45	$ 131	$ 285
Clean water/clean air	695	96	137	654
Environmental quality:				
Land acquisition	33	3	9	27
Solid waste management	369	50	94	325
Environmental quality protection:				
Air	11	1	4	8
Land and wetlands	25	1	7	19
Water	84	11	28	67
Housing:				
Low income	34	—	6	28
Middle income	31	—	4	27
Pure waters	67	9	19	57
Rail preservation	5	—	2	3
Transportation capital facilities:				
Mass transportation	4	—	3	1
Aviation	16	2	5	13
Energy conservation through improved transportation	12	3	5	10
Rebuild New York—transportation infrastructure renewal:				
Highways, parkways, and bridges	3	1	1	3
Rapid transit, rail, and aviation	17	3	7	13
Rebuild and Renew New York transportation:				
Highway facilities	764	148	39	873
Canals and waterways	15	2	2	15
Aviation	43	15	2	56
Mass transit—DOT	13	—	2	11
Mass transit—MTA	806	173	28	951
Rail and port—DOT	76	4	2	78
Total	**$ 3,494**	**$ 567**	**$ 537**	**$ 3,524**

Debt service expenditures (principal and interest) related to the above general obligation bonds during the year were approximately $487 million. Federal subsidies related to the interest payments made during the year on Build America Bonds were $3.9 million. The total amount of general obligation bonds authorized but not issued at March 31, 2013 was $908 million. At March 31, 2013, approximately $193 million of bonds defeased by refunding transactions in prior years remain outstanding.

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

Fiscal Year	Principal	Interest	Total
2014	$ 333	$ 140	$ 473
2015	304	132	436
2016	282	121	403
2017	260	110	370
2018	224	99	323
2019-2023	745	388	1,133
2024-2028	552	255	807
2029-2033	413	141	554
2034-2038	260	70	330
2039-2043	151	15	166
Total	**$ 3,524**	**$ 1,471**	**$ 4,995**

Debt service requirements on approximately $115 million in general obligation variable rate bonds were calculated using the variable rates in effect as of March 31, 2013 at approximately 0.14 percent. Debt service requirements for fixed rate issues were calculated based upon actual rates ranging from zero percent to 6.02 percent.

During the fiscal year ended March 31, 2013, $171 million in general obligation refunding bonds (Series 2013C) were issued at a premium of $24 million. The issues refunded $191 million in existing debt with a cash flow savings of $35 million and present value savings of $29 million.

Note 7 Obligations Under Lease/Purchase and Other Financing Arrangements

Governmental Activities Debt

The State has entered into contractual financing arrangements with certain public benefit corporations and other entities for various capital assets, local assistance payments and deficit financing. Under these agreements, generally construction costs are initially paid by the State from appropriations (reported as capital construction expenditures in the governmental 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 financing arrangements in the governmental 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 that have issued bonds to finance past State budgetary deficits, grants to local governments and various special project initiatives undertaken in partnership with private entities, including commercial enterprises, for both capital and operating purposes. The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by these entities.

Chapter 59 of the Laws of 2000 enacted the Debt Reform Act (Act) which applies to all new State-supported debt issued on and after April 1, 2000. The Act imposes statutory limitations which restrict the issuance of State-supported debt to capital purposes only and establishes a maximum term of 30 years for such debt. The Act also imposes phased-in caps that ultimately limit the amount of new State-supported debt (issued on and after April 1, 2000) to 4 percent of State personal income, and new State-supported debt service (on debt issued on and after April 1, 2000) to 5 percent of total governmental funds receipts. The Act requires the limitations be calculated by October 31st of each year using the new State-supported debt outstanding and new State-supported debt service from the previous fiscal year. For the fiscal year ended March 31, 2012, the cumulative debt outstanding and debt service caps were 4 and 4.65 percent. There was $35.8 billion of new State-supported debt outstanding applicable to the debt reform cap, which was about $4 billion below the statutory debt outstanding limitation. The debt service cost on this new debt was $3.5 billion, about $2.7 billion below the statutory debt service limitation. The Act does not apply to debt that is not considered State-supported and therefore does not encompass State-guaranteed debt, moral obligation debt, and contingent-contractual obligation financing such as the bonds issued by the Tobacco Settlement Financing Corporation (TSFC).

The State and some of its public authorities which issue debt on behalf of the State have purchased letters of credit and standby purchase agreements from various providers to ensure that the liquidity needs of variable rate demand bonds can be met. As of March 31, 2013, these agreements covered $1.9 billion of variable rate demand bonds outstanding, with costs ranging from 49 to 80 basis points of the amount of credit provided with expiration dates ranging from January 10, 2014 to November 16, 2015.

In 2003, the State enacted legislation creating the TSFC to finance a portion of its future revenues expected to be received under the 1998 Master Settlement Agreement (MSA) with the settling cigarette manufacturers. The future MSA revenues are to compensate the State for all claims for past, present, and future health care costs originating from health care expenses incurred by the State from the effects of cigarette smoking by its citizens. In accordance with the legislation, TSFC issued $4.6 billion in bonds to finance a payment of $4.2 billion to the State's General Fund, enabling it to finance a portion of the budget deficits occurring in fiscal years ending March 31, 2003 through March 31, 2005, to establish $449 million in debt service reserves, and to provide $129 million to finance a portion of the first debt service payments due on TSFC bonds. In accordance with the legislation, all future revenues from the 1998 MSA will be used to repay the debt until it is fully retired, after which all funds of TSFC will revert to the State. The State has agreed to make additional payments for TSFC debt service, subject to annual appropriation, from other sources if the future revenues prove insufficient to meet TSFC debt service requirements of the State.

In 2001, the State enacted legislation providing for the issuance of State Personal Income Tax Revenue Bonds (PIT) to be issued by several State public benefit corporations. The legislation provides that 25 percent of personal income tax receipts, excluding refunds owed to taxpayers, be deposited to the Revenue Bond Tax Fund which is an account of the General Debt Service Fund. These deposits are used to make debt service payments on PIT bonds, with excess amounts returned to the General Fund. In the event that the State Legislature fails to appropriate amounts required to make debt service payments on the PIT bonds, or if required payments have not been made when due, the legislation requires that deposits continue to be made to the Revenue Bond Tax Fund until amounts on deposit equal the greater of 25 percent of personal income tax receipts or $6 billion. Amounts in excess of that needed for current debt service are subsequently transferred to the General Fund. The first PIT bonds were issued on May 9, 2002 and approximately $26.5 billion were outstanding as of March 31, 2013.

Prior to 1996, 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 (LGAC) was established in 1990 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. Pursuant to the legislation establishing LGAC, the State deposits an amount equal to a 1 percent rate of taxation of the total State sales and use tax collected into Other Governmental Funds (Local Government Assistance Tax Fund) to make payments to LGAC for debt service on its bonds and other expenses of LGAC. Amounts in excess of LGAC's needs are subsequently transferred to the General Fund. Payments to LGAC are subject to annual appropriations by the Legislature. LGAC's bondholders do not have a lien on monies deposited in the Local Government Assistance Tax Fund. Under current State statute, any issuance of bonds by LGAC in the future will be for refunding purposes only.

Chapter 62 and Chapter 63 of the Laws of 2003 enacted, among other provisions, the Municipal Assistance Refinancing Act (Act), effective July 1, 2003 and deemed repealed July 1, 2034. The Act created an incentive for the State to seek an appropriation to provide $170 million per year, from Other Governmental Funds (Local Government Assistance Tax Fund (Fund)) to the City of New York (City) for each of the City's fiscal years beginning July 1, 2003 and ending June 30, 2034. The Act requires LGAC to annually certify $170 million so that the State, subject to annual State appropriation by the Legislature, can provide for a series of payments to the City or the Mayor's assignee in each City fiscal year, beginning July 1, 2003 and ending June 30, 2034, totaling $5.3 billion. Based on current law, until the Legislature enacts an appropriation of $170 million, LGAC certifies the release of the funds, the $170 million State payment is made, and LGAC receives the amount it has certified for its needs, no excess sales tax receipts can be transferred from the Fund to the State's General Fund. During the fiscal year ended March 31, 2013, LGAC certified the release for the State payment of $170 million to the City.

Chapter 56 of the Laws of 1993 authorized the New York State Thruway Authority to issue up to $2.93 billion in bonds for State highway and bridge projects (the amount of authorized bonds has been raised three times, most recently in 2005, up to $16.5 billion). The bonds are secured and funded by a dedication of portions of the State's petroleum business tax, motor fuel tax, highway and fuel use tax, motor vehicle registration fees, auto rental tax, transmission and transportation tax and certain miscellaneous revenues.

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

Issuer	Outstanding April 1, 2012	Issued	Redeemed	Outstanding March 31, 2013
Public Benefit Corporations (PBCs):				
Dormitory Authority	$ 9,963	$ 2,386	$ 737	$ 11,612
Environmental Facilities Corporation	872	—	92	780
Housing Finance Agency	1,030	—	116	914
Local Government Assistance Corporation	3,119	87	370	2,836
Municipal Bond Bank Agency	369	281	356	294
Metropolitan Transportation Authority	2,006	—	1,636	370
Tobacco Settlement Financing Corporation	2,690	—	279	2,411
Thruway Authority	11,365	523	918	10,970
Urban Development Corporation	9,031	821	991	8,861
Total	**$ 40,445**	**$ 4,098**	**$ 5,495**	**$ 39,048**

Debt service expenditures (principal and interest) for the aforementioned obligations during the fiscal year were $4.8 billion. These expenditures were financed primarily by the revenues reported in the governmental funds. Federal subsidies related to the interest payments made during the year on Build America Bonds and Qualified School Construction Bonds were $80.3 million ($39 million related to governmental activities and $41.3 million for business-type activities related to SUNY and CUNY).

Certain of the underlying bond indentures require the maintenance of various reserves. Such amounts totaled $747 million at March 31, 2013 and are reported as cash and investments in the General Debt Service Fund and appropriate Other Governmental Funds, with a corresponding restriction of fund balance.

Following is a summary of the future minimum rental payments for lease/purchase and contractual obligation financing arrangements, including fixed rate interest at rates ranging from 0.2 percent to 6.8 percent and variable rate interest at rates ranging from 0.1 percent to 0.9 percent (amounts in millions):

Fiscal Year	Principal	Interest	Net Swap Amount	Total
2014	$ 2,798	$ 1,832	$ 51	$ 4,681
2015	2,774	1,703	49	4,526
2016	2,793	1,559	46	4,398
2017	2,791	1,431	44	4,266
2018	2,833	1,301	39	4,173
2019-2023	12,904	4,505	143	17,552
2024-2028	7,075	2,164	60	9,299
2029-2033	3,465	915	16	4,396
2034-2038	1,286	254	—	1,540
2039-2043	329	33	—	362
Total	**$ 39,048**	**$ 15,697**	**$ 448**	**$ 55,193**

Future debt service is calculated using rates in effect at March 31, 2013 for variable rate bonds. The net swap payment amounts were calculated by subtracting the future variable rate interest payment subject to swap agreements based on rates in effect at March 31, 2013 from the synthetic fixed rate amount intended to be achieved by the swap agreements.

The actual amounts of future interest to be paid are affected by changes in variable interest rates. The actual amounts of future net swap payments are also affected by changes in published indexes—the London Interbank Offered Rate (LIBOR) and the Securities Industry and Financial Markets Association (SIFMA), which are floating rates.

The State is also committed under numerous capital leases for computer network and telecommunications equipment. Debt service expenditures for capital lease obligations during the year were $2 million and will require future principal payments totaling $5 million. Following is a summary of the debt service payments, some of which are financed by transfers from the General Fund to the General Debt Service Fund, for the remaining lease periods of these capital leases (amounts in millions):

Fiscal Year	Principal	Interest	Total
2014	$ 2	$ —	$ 2
2015	1	—	1
2016	1	—	1
2017	1	—	1
Total	**$ 5**	**$ —**	**$ 5**

Refunding

During the fiscal year ended March 31, 2013, the State, acting through its public authorities, refunded $2.6 billion in existing fixed and variable rate bonds related to lease/purchase and other financing arrangements by issuing refunding bonds in a par amount of $2.3 billion at a $401 million premium and releasing a net amount of $69 million from reserves and debt service accounts. The result will produce an estimated gain of $522 million in future cash flow, with an estimated present value gain of $448 million. The deferred accounting loss was $98 million, of which $94 million will be amortized into interest expense in future years. The impact of the refunding issues is presented in the following table (amounts in millions):

Issue Description	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain (Loss)
Dormitory Authority PIT General Purpose Bond Series 2012A	$ 1,674	$ 1,885	$ 397	$ 342
Dormitory Authority PIT General Purpose Bond Series 2012D	64	75	14	12
Dormitory Authority PIT General Purpose Bond Series 2012F	48	46	18	12
Municipal Bond Bank Agency Special School Purpose Revenue Bond Series 2012A	281	330	57	54
New York Local Government Assistance Corporation Bond Series 2012A*	87	126	15	10
Thruway Authority PIT Transportation Bond Series 2012A	39	45	6	6
Urban Development Corporation PIT General Purpose Bond Series 2013A-2	70	78	15	12
Total	**$ 2,263**	**$ 2,585**	**$ 522**	**$ 448**

**Refunding undertaken to convert variable rate securities. Cash flow and present value gains were based on assumed rates.*

In prior years, the State defeased certain of its obligations under lease/purchase and other financing arrangements, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. At March 31, 2013, approximately $1 billion of such defeased obligations were outstanding. The assets and liabilities related to these obligations are not reported in the accompanying basic financial statements.

Business-type Activities Debt

The State has issued bonds for educational facilities for SUNY and CUNY Senior Colleges through DASNY. Such debt, totaling $10.4 billion, is funded by payments from the State's General Fund. The remainder of the debt of SUNY and CUNY ($2 billion) is funded from student fees and other operating aid provided by the State.

The following represents year-end principal balances (June 30, 2012 for SUNY and CUNY) for lease/purchase and other financing arrangements for business-type activities (amounts in millions):

	Beginning Outstanding	Issued	Redeemed	Ending Outstanding
Dormitory Authority:				
SUNY Educational Facilities	$ 6,261	$ 1,636	$ 1,284	$ 6,613
SUNY Dormitory Facilities	1,140	260	36	1,364
CUNY Educational Facilities	3,892	53	254	3,691
Unamortized premium, net	43	11	—	54
Total Dormitory Authority	**11,336**	**1,960**	**1,574**	**11,722**
SUNY Capital Lease Commitments	331	141	80	392
SUNY Certificates of Participation	28	—	7	21
CUNY Student Housing Bond	—	68	—	68
CUNY Capital Lease and Mortgage Loan Commitments	144	2	5	141
CUNY Certificates of Participation	36	—	5	31
Total (See Note 8)	**$ 11,875**	**$ 2,171**	**$ 1,671**	**$ 12,375**

The following represents a year-end summary at June 30, 2012 of future minimum debt service payments on the bonds issued by DASNY for SUNY, including interest rates ranging from 1.62 percent to 7.5 percent (amounts in millions):

Fiscal Year	Principal	Interest	Total
2013	$ 358	$ 388	$ 746
2014	368	381	749
2015	348	362	710
2016	283	348	631
2017	253	334	587
2018-2022	1,521	1,449	2,970
2023-2027	1,730	1,061	2,791
2028-2032	1,421	644	2,065
2033-2037	1,167	312	1,479
2038-2042	528	57	585
Total	**$ 7,977**	**$ 5,336**	**$ 13,313**

The following represents a year-end summary at June 30, 2012 of future minimum debt service payments on the bonds issued by DASNY for CUNY Senior Colleges, including interest rates ranging from 2 percent to 6.1 percent (amounts in millions):

Fiscal Year	Principal	Interest	Net Swap Amount	Total
2013	$ 169	$ 179	$ 13	$ 361
2014	153	171	13	337
2015	152	163	13	328
2016	186	155	13	354
2017	188	146	13	347
2018-2022	847	601	54	1,502
2023-2027	687	425	31	1,143
2028-2032	618	265	6	889
2033-2037	475	128	—	603
2038-2042	216	22	—	238
Total	**$ 3,691**	**$ 2,255**	**$ 156**	**$ 6,102**

The following represents a year-end summary at June 30, 2012 for SUNY and CUNY of future minimum debt service payments on capital lease commitments, mortgage loans payable, certificates of participation and housing bonds payable for business-type activities (amounts in millions):

	SUNY		CUNY			Total		
Fiscal Year	Principal	Interest	Principal	Interest	Net Swap	Principal	Interest	Net Swap
2013	$ 87	$ 16	$ 8	$ 4	$ 2	$ 95	$ 20	$ 2
2014	71	14	22	4	2	93	18	2
2015	47	12	62	3	2	109	15	2
2016	36	11	7	3	2	43	14	2
2017	23	9	13	3	2	36	12	2
2018-2022	88	29	13	13	1	101	42	1
2023-2027	28	12	17	12	—	45	24	—
2028-2032	15	6	21	10	—	36	16	—
2033-2037	8	3	26	8	—	34	11	—
2038-2042	10	1	31	5	—	41	6	—
2043-2047	—	—	20	1	—	20	1	—
Total	**$ 413**	**$ 113**	**$ 240**	**$ 66**	**$ 11**	**$ 653**	**$ 179**	**$ 11**

The liabilities for lease/purchase debt, certificates of participation, mortgage loans, capital leases and housing bonds are reported as obligations under lease/purchase and other financing arrangements in the Enterprise Funds.

Debt service expenditures (principal and interest) for all of the aforementioned obligations during the year ended June 30, 2012 totaled $1.2 billion.

During SUNY's fiscal year ended June 30, 2012, PIT bonds were issued for the purposes of financing capital construction and major rehabilitation for educational facilities ($797.8 million), and educational facility bonds were issued to refund $978.6 million of existing educational facilities obligations ($838.1 million). The result will produce an estimated savings of $65.8 million in future cash flow, with an estimated present value gain of $50.8 million.

Also during the year, SUNY entered into agreements with DASNY to issue obligations totaling $260 million for the purpose of financing capital construction and major rehabilitation of residential hall facilities.

In prior years, SUNY defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in SUNY's financial statements. As of March 31, 2012, $1.3 billion and $119.4 million of outstanding educational and residence hall facility obligations, respectively, were considered defeased.

During CUNY's fiscal year ending June 30, 2012, DASNY issued refunding bonds with a par value of $48.1 million and original issue premium of $10.6 million on behalf of CUNY Senior Colleges. Bond proceeds of $58 million were used to defease $51.2 million of existing debt. Under the terms of the resolutions for the defeased bonds, bond proceeds were paid directly to the bondholders of the defeased bonds. As a result, the refunded debt is considered defeased. The economic gain related to the defeased bonds amounted to $5.1 million. The excess of the bond proceeds over the amount of debt defeased of $6.8 million, and remaining unamortized premium and discount of $2 million are deferred and amortized in a systematic and rational manner over the remaining life of the old debt or new debt, whichever is shorter.

At June 30, 2012, $155.1 million of CUNY's bonds outstanding were considered defeased for CUNY Senior Colleges.

Interest Rate Exchange Agreements (Swaps)

Article 5-D of the State Finance Law authorized the use of a limited amount of swaps equal to 15 percent of statutorily defined State-supported debt. Starting in November 2002, the State began to enter into swap agreements to "synthetically" change the interest cost associated with bonds it issued from either variable rate to fixed rate or from fixed rate to variable rate. The intention of each of the swaps was to lower the cost of borrowing to the State below what could have been achieved on bonds without the use of the associated swap agreements and reduce the risks associated with the variability of cash flows or fair values of the underlying debt.

The statutory authorization for the use of swaps also requires that each of the swaps entered into meet the following requirements:

- Counterparties have a credit rating from at least one NRSRO that is within the two highest investment grade categories;
- A finding by an independent financial advisor certifying that the terms and conditions of all swaps reflect a fair value;
- Utilization of a standardized interest rate exchange agreement;

- Issuance of monthly reports by the public benefit corporations to provide monitoring and swap performance assessment; and
- Compliance with uniform interest rate exchange guidelines.

The State manages the swaps as a single portfolio, although they relate to debt reported under both governmental activities and business-type activities.

Swap Activity and Terms

The State has approximately $2.1 billion notional amount of swaps ($1.6 billion of which related to governmental activities and $484 million related to business-type activities) outstanding that were issued to synthetically create fixed rate debt from variable rate debt. The $2.1 billion portfolio includes 37 separate pay-fixed, receive-variable interest rate swap agreements with eight counterparties. The maturity of the synthetic fixed rate swaps, with the exception of the CUNY-Student Residence swap, are coterminous with the underlying debt.

The table below summarizes fair value balances and notional amounts of derivative instruments outstanding on March 31, 2013 for governmental activities and June 30, 2012 for business-type activities, and the changes in fair value of those derivatives for the years then ended as reported in the State's 2013 financial statements (amounts in millions):

		Changes in Fair Value		Fair Value	
Issuer/Type	**Notional**	**Classification**	**Amount**	**Classification**	**Amount**
Governmental Activities:					
Cash Flow Hedges:					
Dormitory Authority Pay-fixed interest rate swaps	$ 209	Deferred Outflow	$ (1)	Derivative Instruments	$ (32)
Urban Development Corporation Pay-fixed interest rate swaps	424	Deferred Outflow	(3)	Derivative Instruments	(98)
Housing Finance Agency Pay-fixed interest rate swaps	168	Deferred Outflow	2	Derivative Instruments	(22)
Local Government Assistance Corporation Pay-fixed interest rate swaps	725	Deferred Outflow	1	Derivative Instruments	(93)
Subtotal	**1,526**		**(1)**		**(245)**
Investment Derivatives:					
Housing Finance Agency Pay-fixed interest rate swaps	80	Investment Earnings	(1)	Derivative Instruments	(18)
Subtotal	**1,606**		**(2)**		**(263)**
Business-type Activities (as of June 30, 2012):					
Cash Flow Hedges:					
Dormitory Authority—CUNY Pay-fixed interest rate swaps	416	Deferred Outflow	(45)	Derivative Instruments	(97)
CUNY—Student Residence Pay-fixed interest rate swaps	68	Deferred Outflow	(3)	Derivative Instruments	(9)
Subtotal	**484**		**(48)**		**(106)**
Total	**$ 2,090**		**$ (50)**		**$ (369)**

The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted back using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. The fair value, which fluctuates based on market conditions, is monitored closely by the Division of the Budget (DOB) and the public benefit corporations that issue swaps on behalf of the State. DOB reviews the actual mark-to-market (fair value) of outstanding swaps on a monthly basis.

The table below summarizes the terms of the State's hedging derivative instruments outstanding at March 31, 2013 for governmental activities and at June 30, 2012 for business-type activities (amounts in millions):

Issuer/Type	Underlying Debt	Notional Amount	Effective Date	Final Maturity Date	Terms
Governmental Activities:					
Dormitory Authority:					
Pay-fixed interest rate swaps	CUNY 5th Res Series 2008C, D Bonds	$ 24	4/10/2003	1/1/2025-7/1/2031	Pay 3.36%; Receive 65% LIBOR
Pay-fixed interest rate swaps	Mental Health Series 2003D-2 Bonds	185	7/15/2003	2/15/2031	Pay 3.044%; Receive 65% LIBOR
Urban Development Corporation:					
Pay-fixed interest rate swaps	Correctional/ Youth Series 2008A Bonds	200	11/26/2002	1/1/2030	Pay 3.578%; Receive 65% LIBOR
Pay-fixed interest rate swaps	PIT (State Fac & Equip) Series 2004A-3 Bonds	224	12/22/2004	3/15/2033	Pay 3.49%; Receive 65% LIBOR
Housing Finance Agency:					
Pay-fixed interest rate swaps	Service Contract Revenue Series 2003L, M Bonds	168	8/28/2003	9/15/2021	Pay 3.66%; Receive 65% LIBOR
Pay-fixed interest rate swaps	PIT (Eco Dev & Housing) Series 2005C Bonds	80	3/10/2005	3/15/2033	Pay 3.336%; Receive 65% LIBOR
Local Government Assistance Corporation:					
Pay-fixed interest rate swaps	Series 2003A, 2008B Bonds	620	2/20/2003	4/1/2022-4/1/2024	Pay 3.15% to 3.26%; Receive 65% LIBOR
Pay-fixed interest rate swaps	Series 2008B Bonds	105	2/26/2004	4/1/2021	Pay 3.194%; Receive 65% LIBOR
Subtotal		**1,606**			
Business-type Activities (as of June 30, 2012):					
Dormitory Authority—CUNY:					
Pay-fixed interest rate swaps	CUNY 5th Res Series 2008C, D Bonds	416	4/10/2003	1/1/2025-7/1/2031	Pay 3.36%; Receive 65% LIBOR
Pay-fixed interest rate swaps	Queens Student Residences Mortgage Loan	68	6/1/2008	4/23/2018	Pay 3.028%; Receive 67% LIBOR-BBA
Subtotal		**484**			
Total		**$ 2,090**			

Risks

Credit Risk

The State is exposed to credit risk on interest rate swap agreements in asset positions (positive fair values). To minimize its exposure to loss related to credit risk, it is the State's policy to require each counterparty to have credit ratings from at least one NRSRO within the two highest investment grade categories and ratings from any other NRSRO within the three highest investment grade categories, or the counterparty's payment obligations shall be unconditionally guaranteed by an entity with such credit ratings. The swap agreements and Article 5-D of the State Finance Law also require that should the credit rating of a counterparty or an entity unconditionally guaranteeing the counterparty's payment obligations, if so secured, fall below the rating required, that the obligations of such counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, with a net market value of at least 102 percent of the net market value of the contract to the issuer and such collateral shall be deposited with the issuer or its agent. The following table presents the counterparty credit ratings as of March 31, 2013 (amounts in millions):

Counterparty	Notional Amount	Credit Ratings Moody's	S&P	Fitch
Citibank	$ 353	A3	A	A
Goldman	334	Aa2	AAA	—
JP Morgan	464	Aa3	A+	A+
Merrill	118	A3	A	A
Morgan Stanley	372	Baa1	A–	A
RBS Citizens Bank, NA	68	—	A	—
Societe Generale	94	A2	A	A+
UBS	287	A2	A	A
Total	**$ 2,090**			

Certain of the State's swap agreements contain set-off provisions. Under the terms of the agreements, should an agreement terminate, close-out set-off provisions permit all outstanding transactions with the related counterparty to terminate and net the transaction's fair values so that a single sum will be owed by, or owed to, the State.

There were no interest rate swap agreements in asset positions; therefore, the State was not exposed to credit risk and no collateral was required to be posted at March 31, 2013. However, should interest rates change and the fair values of interest rate swap agreements become positive, the State would be exposed to credit risk in the amount of those swaps' fair value.

Basis Risk

The State is exposed to basis risk on its pay-fixed interest rate swaps, which is the possibility that the variable rate payments received by the State in the swap are less than the variable rate payments made by the State on the underlying bonds issued. Because the swaps are based on a percentage of LIBOR there is a possibility that this floating rate will not match the actual interest rates set in the tax-exempt market on the underlying bonds. Times when the mismatch may be out of favor to the State are in very low interest rate environments or if major changes in the tax code were to be enacted causing tax-exempt floating-rate bonds to trade less favorably in comparison to taxable floating rate bonds. Should the relationship between LIBOR and the actual variable rate payments converge, the expected cost savings may not materialize.

Termination Risk

The swap contracts use the International Swap Dealers Association Master Agreement (Master Agreement), which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes "additional termination events," providing that the swaps may be terminated if either the State or a counterparty's credit quality rating falls below certain levels. The State or the counterparties may terminate the swap agreements if the other party fails to perform under the terms of the contract. The State may also terminate the swaps at its option. If a swap agreement is terminated, the synthetically created fixed or variable interest rate will cease to exist and the State's interest payment will be based solely upon the rate required by the related bonds as issued. When a termination occurs, a mark-to-market (or fair market value) calculation is performed to determine whether the State is owed money or must pay money to close out a swap position. A negative fair market value means the State would incur a loss and need to make a termination payment to settle the swap position. A positive fair market value means the State would realize a gain and receive a termination payment to settle the swap position.

Rollover Risk

The State is exposed to rollover risk on interest rate swap agreements that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these swap agreements terminate, or in the case of a termination option, when the option is exercised, the State will be re-exposed to the risks being hedged by the swap agreement. The State is exposed to rollover risk on the Queens Student Residences mortgage loan pay-fixed interest rate swap scheduled to mature in April 2018 because the hedged debt is scheduled to mature in June 2043.

Operating Leases

The State is also committed under numerous operating leases covering real property and equipment. Rental expenditures, reported for the year ended March 31, 2013 under such operating leases, totaled $215 million and were financed primarily from the General Fund. The following is a summary of future minimum rental commitments under real property and equipment leases with terms exceeding one year (amounts in millions):

Fiscal Year	Governmental Activities
2014	$ 170
2015	145
2016	121
2017	109
2018	98
2019-2023	273
2024-2028	128
2029-2033	13
2034-2038	8
2039-2043	8
2044-2048	9
2049-2053	10
2054-2058	11
Total	**$ 1,103**

Business-type activities reported the following future minimum rental commitments under real property and equipment leases with terms exceeding one year at year-end (June 30, 2012 for SUNY and CUNY and March 31, 2013 for Lottery) (amounts in millions):

Fiscal Year	Business-type Activities
2013	$ 111
2014	123
2015	116
2016	106
2017	98
2018-2022	344
2023-2027	156
2028-2032	102
2033-2037	23
Total	**$ 1,179**

Collateralized Borrowing

In December 2010, $102 million of Pledged Assessment Revenue Bonds, Series 2010A, were issued by the Dormitory Authority of the State of New York. These bonds are special revenue obligations of the Dormitory Authority. Principal and interest on the Series 2010A Bonds are payable from the pledged assessments to be assessed and collected by the Chair of the Workers' Compensation Board. The State determined that the transaction meets the criteria under GASBS No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenue,* since the pledged revenues are formally committed to directly collateralize or secure debt of a component unit. The Pledged Assessment Revenue Bonds are reported as collateralized borrowing in the State's financial statements (amounts in millions):

Fiscal Year	Principal	Interest	Total
2014	$ 16	$ 3	$ 19
2015	10	3	13
2016	15	3	18
2017	8	2	10
2018	9	2	11
2019-2023	28	3	31
Total	**$ 86**	**$ 16**	**$ 102**

Note 8 Liabilities

Changes in Long-Term Liabilities

The following table summarizes changes in long-term liabilities for both governmental activities and business-type activities (amounts in millions):

CHANGES IN LONG-TERM LIABILITIES—GOVERNMENTAL ACTIVITIES

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax refunds payable	**$ 1,094**	**$ 29**	**$ —**	**$ 1,123**	**$ —**
Accrued liabilities:					
Payroll and fringe benefits	$ 344	$ 316	$ 19	$ 641	—
Compensated absences	861	800	756	905	30
Medicaid	733	345	125	953	69
Health insurance	192	—	—	192	—
Litigation	182	120	138	164	140
Workers' compensation reserve	2,965	579	356	3,188	394
Arbitrage rebate	45	3	7	41	8
Due to Federal government	133	—	66	67	—
Due to component unit	318	—	—	318	—
Miscellaneous	17	19	18	18	1
Total	**$ 5,790**	**$ 2,182**	**$ 1,485**	**$ 6,487**	**642**
Payable to local governments:					
Education aid—prior year adjustment	$ 122	$ —	$ 11	$ 111	—
Handicapped pupil aid	238	—	76	162	—
Emergency management	12	346	12	346	—
Miscellaneous	9	9	7	11	—
Total	**$ 381**	**$ 355**	**$ 106**	**$ 630**	**—**
Pension contributions payable	**$ 1,019**	**$ 780**	**$ 252**	**$ 1,547**	**—**
Other postemployment benefits	**$ 10,094**	**$ 2,592**	**$ 1,168**	**$ 11,518**	**—**
Pollution remediation	**$ 860**	**$ 70**	**$ 104**	**$ 826**	**97**
Collateralized borrowing	**$ 102**	**$ —**	**$ 16**	**$ 86**	**16**
General obligation bonds payable:					
General obligation bonds payable	$ 3,494	$ 567	$ 537	$ 3,524	333
Plus or minus deferred amounts:					
For unamortized premiums/discounts	117	63	16	164	11
Net Amount	**3,611**	**630**	**553**	**3,688**	**344**
Deferred loss on refunding	(41)	(8)	(19)	(30)	—
Total	**$ 3,570**	**$ 622**	**$ 534**	**$ 3,658**	**344**
Other financing arrangements:					
Capital leases	$ 5	$ 2	$ 2	$ 5	2
Other financing arrangements	40,445	4,098	5,495	39,048	2,798
Plus deferred amounts:					
For unamortized premiums/discounts	2,056	683	276	2,463	199
For accreted discount on bonds	68	6	8	66	—
Net Amount	**42,574**	**4,789**	**5,781**	**41,582**	**2,999**
Deferred loss on refunding	(691)	(98)	(139)	(650)	—
Total	**$ 41,883**	**$ 4,691**	**$ 5,642**	**$ 40,932**	**2,999**
Derivative instruments	**$ 261**	**$ 6**	**$ 4**	**$ 263**	**—**
Total due within one year					**$ 4,098**

CHANGES IN LONG-TERM LIABILITIES—BUSINESS-TYPE ACTIVITIES

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Accrued liabilities:					
Compensated absences	$ 351	$ 170	$ 162	$ 359	$ 233
Litigation	463	51	11	503	45
Interfund loan	52	—	8	44	17
Miscellaneous	560	246	27	779	22
Total	**$ 1,426**	**$ 467**	**$ 208**	**$ 1,685**	**317**
Due to Federal government	**$ 3,962**	**$ 2,602**	**$ 2,666**	**$ 3,898**	**2,711**
Lottery prizes payable	**$ 1,477**	**$ 187**	**$ 169**	**$ 1,495**	**170**
Other postemployment benefits:					
SUNY (June 30, 2012)	$ 2,746	$ 769	$ 254	$ 3,261	—
CUNY (June 30, 2012)	354	99	33	420	—
Total	**$ 3,100**	**$ 868**	**$ 287**	**$ 3,681**	**—**
Other financing arrangements:					
SUNY (June 30, 2012)	$ 7,760	$ 2,037	$ 1,407	$ 8,390	445
CUNY (June 30, 2012)	4,072	123	264	3,931	186
Plus deferred amount:					
For unamortized premiums, net (June 30, 2012)	43	11	—	54	—
Total	**$ 11,875**	**$ 2,171**	**$ 1,671**	**$ 12,375**	**631**
Derivative instruments	**$ 58**	**$ 48**	**$ —**	**$ 106**	**—**
Total due within one year					**$ 3,829**

Litigation and workers' compensation liabilities will be liquidated by the General Fund. Medicaid accrued liabilities and payable to local governments will be liquidated by the General Fund and the Federal Special Revenue Fund. Payroll and related fringe benefits, compensated absences, health insurance, pension contributions and miscellaneous accrued liabilities will be liquidated by the General Fund, Federal Special Revenue Fund and Other Governmental Funds.

Accrued Liabilities—Governmental Activities

The following table summarizes accrued liabilities at March 31, 2013 for governmental activities (amounts in millions):

Description	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Total Governmental Activities
Payroll	$ 490	$ 40	$ —	$ 47	$ 577
Fringe benefits	242	3	—	20	265
Medicaid	1,702	2,404	—	—	4,106
Health programs	17	—	—	—	17
Miscellaneous	485	7	7	233	732
Total governmental funds	**$ 2,936**	**$ 2,454**	**$ 7**	**$ 300**	**5,697**
Payable to fiduciary funds					1,180
Total					**$ 6,877**

Payable to Local Governments—Governmental Funds

The following table summarizes amounts payable to local governments at March 31, 2013 for governmental funds (amounts in millions):

Description	General	Federal Special Revenue	General Debt Service	Other Governmental Funds	Total
Education programs	$ 1,612	$ 30	$ —	$ 16	$ 1,658
Temporary and disability assistance	370	1,374	—	—	1,744
Local health programs	704	518	—	24	1,246
Mental hygiene programs	246	—	—	3	249
Criminal justice programs	34	54	—	—	88
Children and family services programs	172	—	—	—	172
Local share of tax revenues	—	—	151	—	151
Miscellaneous	114	365	—	535	1,014
Total	**$ 3,252**	**$ 2,341**	**$ 151**	**$ 578**	**$ 6,322**

Accrued Liabilities—Business-type Activities

The following table summarizes accrued liabilities at March 31, 2013 for Enterprise Funds (June 30, 2012 for SUNY and CUNY) (amounts in millions):

Description	Lottery	Unemployment Insurance Benefit	SUNY	CUNY	Total
Payroll	$ —	$ —	$ 240	$ 119	$ 359
Fringe benefits	—	—	80	82	162
Compensated absences	2	—	261	96	359
Litigation	—	—	503	—	503
Interfund loan	—	—	44	—	44
Employer overpayments	—	24	—	—	24
Benefits due claimants	—	84	—	—	84
Unclaimed and future prizes	345	—	—	—	345
Miscellaneous	—	2	948	104	1,054
Total	**$ 347**	**$ 110**	**$ 2,076**	**$ 401**	**$ 2,934**

Note 9 Interfund Transactions and Other Transfers

Interfund Transfers

Interfund transfers for the year ended March 31, 2013 consisted of the following (amounts in millions):

Transfers From Other Funds	Transfers To Other Funds: General	General Debt Service	Other Governmental	Elimination	Total Governmental Funds	SUNY	CUNY	Total
General	$ —	$ 1,755	$ 1,428	$ —	**$ 3,183**	$ 2,694	$ 1,029	**$ 6,906**
Federal Special Revenue	842	—	2,885	—	**3,727**	256	—	**3,983**
General Debt Service	9,283	—	—	—	**9,283**	692	359	**10,334**
Other Governmental	6,408	1,707	161	—	**8,276**	116	—	**8,392**
Elimination	—	—	—	(24,469)	**(24,469)**	—	—	**(24,469)**
Total Governmental Funds	**16,533**	**3,462**	**4,474**	**(24,469)**	**—**	**3,758**	**1,388**	**5,146**
SUNY	80	—	—	—	**80**	—	—	**80**
Lottery	—	—	3,046	—	**3,046**	—	—	**3,046**
Fiduciary	5	—	—	—	**5**	—	—	**5**
Non-current	—	—	—	—	**—**	62	—	**62**
Total	**$ 16,618**	**$ 3,462**	**$ 7,520**	**$ (24,469)**	**$ 3,131**	**$ 3,820**	**$ 1,388**	**$ 8,339**

Transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Significant transfers include transfers to the General Fund from other funds representing excess revenues not needed in those funds. Transfers to the General Fund from the General Debt Service Fund for excess funds not needed for debt service on revenue bonds backed by personal income tax revenues totaled $9.3 billion. Transfers to the General Fund from Other Governmental Funds include: mental health patient fees in excess of debt service and rental reserve requirements of $3 billion; excess sales tax receipts not needed for LGAC debt service requirements of $2.2 billion; and excess real property transfer tax receipts from clean water and clean air programs of $537 million. Transfers from the General Fund to the General Debt Service Fund and Other Governmental Funds include State debt service payments ($1.6 billion) and State capital projects ($376 million). Transfers from the General Fund to the Enterprise Funds are State support to the SUNY and CUNY Funds ($3.7 billion). Transfers from the Federal Special Revenue Fund and Other Governmental Funds are comprised of the Federal share of Medicaid payments for a variety of purposes, including transfers to the Mental Health Services Fund for recipients residing in State-operated facilities for people with developmental disabilities ($3.1 billion). Transfers from the Lottery to Other Governmental Funds represent Lottery support for school aid payments ($3 billion). The eliminations of $24.5 billion represent transfers made between the governmental funds.

Transfers from the governmental funds to the SUNY and CUNY Funds are reported as transfers to other funds by the governmental funds and as State appropriations by the SUNY and CUNY Funds. As explained in Note 1, the amounts reported for the SUNY and CUNY Funds are derived from their annual financial statements for the fiscal year ended June 30, 2012. Therefore, because of the different fiscal year-end for the SUNY and CUNY Funds, total transfers to other funds exceed total transfers from other funds by $365 million. The following is a reconciliation of transfers resulting from different year-ends (amounts in millions):

Net Governmental Funds	$ (2,015)
Net Fiduciary Funds	(5)
Non-current	(62)
Total Governmental Activities transfers	(2,082)
Business-type Activities transfers:	
State	3,975
Federal and State hospital support transfers	425
Education aid	(3,046)
Capital	363
Total Business-type Activities transfers	1,717
Total transfers	**$ (365)**

Due To/From Other Funds

The following is a summary of the amounts due to other funds and due from other funds at March 31, 2013 (amounts in millions):

	Due To Other Funds								
Due From Other Funds	General	Federal Special Revenue	General Debt Service	Other Governmental	Elimination	Total Governmental Funds	Business-type Activities	Non-current	Total
General	$ —	$ 407	$ 955	$ 989	$ —	**$ 2,351**	$ 38	$ —	**$ 2,389**
Federal Special Revenue	1	—	—	4	—	**5**	—	—	**5**
Other Governmental	299	199	—	3	—	**501**	447	—	**948**
Elimination	—	—	—	—	(2,857)	**(2,857)**	—	—	**(2,857)**
Total Governmental Funds	**300**	**606**	**955**	**996**	**2,857**	**—**	**485**	**—**	**485**
Business-type Activities	380	3	—	170	—	**553**	—	62	**615**
Fiduciary	1,180	—	—	—	—	**1,180**	—	—	**1,180**
Total	**$ 1,860**	**$ 609**	**$ 955**	**$ 1,166**	**$ (2,857)**	**$ 1,733**	**$ 485**	**$ 62**	**$ 2,280**

The more significant balances due to/from other funds include $703.7 million due to the General Fund to cover cash overdrafts in the short-term investment pool. These temporary interfund loans include $35.9 million to the Federal Special Revenue Fund and $667.8 million to Other Governmental Funds. Due from the General Fund to the Fiduciary Funds related to escheat property that will be reclaimed and paid to claimants is $1.2 billion. Due to other funds in the General Debt Service Fund include $955 million for amounts owed to the General Fund for excess personal income revenues.

As explained in Note 1, the amounts reported for the SUNY and CUNY Funds are derived from their annual financial statements for the fiscal year ended June 30, 2012. Therefore, because of the different fiscal year-end of the SUNY and CUNY Funds, the total amount reported as due from other funds exceeds the total amount reported as due to other funds by $738 million.

Note 10 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. The State reported additional Federal funding of $4.2 billion from the American Recovery and Reinvestment Act (Federal Stimulus) as of March 31, 2013 for Medicaid, unemployment benefits, education and other programs. Substantially all Federal 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. In addition, the U.S. Department of Health and Human Services is reviewing the allowability of Medicaid costs for prior years in certain State operated Intermediate Care Facilities for the developmentally disabled. The federal review may seek to recover funds for payments determined to be in excess of federal requirements.

Pursuant to legislation enacted in 1985, the State entered into service contracts establishing a contingent-contractual obligation with respect to financings related to the DASNY Secured Hospital Program for the purpose of enabling certain financially distressed not-for-profit hospitals to gain access to the capital markets. The State service contracts obligate the State to pay debt service, subject to annual appropriations, on bonds in the event of shortfalls in hospital resources. As of March 2013, there are $421 million of outstanding bonds in the program with annual debt service requirements of $73 million. Authorization to issue bonds under this program expired on March 1, 1998.

As of March 2013, the financial condition of most of the hospitals in the program has deteriorated. Assuming recent trends continue, State resources will be needed to meet debt service obligations on outstanding bonds. The financial plan projected costs are $13 million in fiscal year 2013-2014, approximately $30 million annually for fiscal year 2014-2015 through fiscal year 2016-2017, and $17 million in fiscal year 2017-2018. These amounts would cover the debt service costs for four hospitals that currently are not meeting the terms of their agreements. The State has additional exposure of up to a maximum of $44 million annually, if all additional hospitals failed to meet their terms and available reserve funds were depleted.

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. However, in 1996, the State entered into an agreement with JDA and the New York State Urban Development Corporation (UDC) whereby UDC would provide funding needed by JDA to meet its debt service obligations through March 31, 2013. JDA required no financial assistance to meet debt service obligations during the State fiscal year ended March 31, 2013. As of March 31, 2013, JDA had $15 million of State-guaranteed bonds and notes outstanding (with an additional $735 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" debt to back the corporations' credit). Such "moral obligation" does not constitute full faith and credit obligations of the State. As of March 31, 2013, approximately $12 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 $899 million has been recognized in the Statement of Net Position.

In 1977-78, the State required that reserve funds held by insurance companies that 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 $192 million, which is reported as accrued liabilities due in more than one year on the Statement of Net Position.

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 insurance on State employees. A liability is estimated for unpaid automobile claims based on an analysis of property loss and claim settlement trends. Routine uninsured losses are recorded as expenditures in the General Fund as paid, while significant uninsured losses usually are the result of litigation that is discussed further in Note 11. Insured losses incurred by the State did not exceed coverage for any of the three preceding fiscal years. Litigation losses are estimated based on an assessment of pending cases conducted by the Office of the Attorney General.

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 2.45 percent as of March 31, 2013, the State is liable for unfunded claims and incurred but not reported claims totaling $3.2 billion, which are reported as accrued liabilities in the governmental activities.

Changes in the State's liability relating to workers' compensation claims, litigation (see Note 11) and auto claims in fiscal years 2012 and 2013 were (amounts in millions):

Fiscal Year	Claim Liability Beginning of Year	Increase in Liability Estimate	Payments and Decrease in Liability Estimate	Claim Liability End of Year
2011-2012	$ 3,117	$ 868	$ 620	$ 3,365
2012-2013	$ 3,365	$ 717	$ 672	$ 3,410

The State Finance Law requires the Abandoned Property Fund (Fund), a Private Purpose Trust Fund, to have a maximum cash balance of $750 thousand at fiscal year-end. All Abandoned Property receipts are recorded in the General Fund and receipts recorded in the Abandoned Property Fund are for payment upon approval of a claim. At March 31, 2013, the Abandoned Property Fund included $285 million of securities not yet liquidated and not subject to the State Finance Law's cash provisions. Net collections from inception (1942) to March 31, 2013 of approximately $12.7 billion, excluding interest, represent a contingent liability to the State since the owners of such property may file claims for refunds.

Restricted net position, representing the probable amount of escheat property that will be reclaimed and paid to claimants, is reported in the 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, 2013, the amount reported in the Fund for claimant liability is $1.7 billion and the amount reported in the General Fund as due to the Fund is $1.2 billion. Since receipts 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 $338 million.

The State is liable for costs relating to the closure and post-closure of landfills totaling $17 million, which is recorded in accrued liabilities. 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 that are updated annually.

GASBS No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASBS 49 does not require the State to search for pollution, it does require the State to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

- Pollution poses an imminent danger to the public and the State is compelled to take action;
- The State is in violation of a pollution-related permit or license;
- The State is named or has evidence that it will be named as responsible party by a regulator;
- The State is named or has evidence that it will be named in a lawsuit to enforce a cleanup; or
- The State commences or legally obligates itself to conduct remediation activities.

Site investigation, planning and design, cleanup and site monitoring are typical remediation activities underway across the State. Several State agencies have dedicated programs, rules and regulations that routinely deal with remediation-related issues; others become aware of pollution conditions in the fulfillment of their missions. The State has the knowledge and expertise to estimate the remediation obligations presented herein based upon prior experience in identifying and funding similar remediation activities. The standard requires the State to calculate pollution remediation liabilities using the expected cash flow technique. Where the State cannot reasonably estimate a pollution remediation obligation, it does not report a liability; however, the State has not identified any of these situations.

The remediation obligation estimates that appear in this report are subject to change over time. Cost may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the State's obligation. Capital assets may be created when pollution remediation outlays are made under specific circumstances.

During the fiscal year, the State recognized estimated additional liabilities of $70 million, spent $87 million in pollution remediation obligation-related activities, recognized adjustments decreasing the liability by $17 million, and recovered $18 million from other responsible parties. At March 31, 2013, the State had an outstanding pollution remediation liability of $826 million, with an estimated potential recovery of $96 million from other responsible parties.

The Federal government has lowered Medicaid developmental disability center payment rates, effective April 1, 2013, which will reduce federal funding to the State by approximately $1.1 billion beginning in fiscal year 2014. The enacted State budget includes a plan to address the loss in Federal aid which is dependent in part on the approval of the Federal government.

The Federal Budget Control Act of 2011 mandated the federal government enact deficit reduction actions by March 1, 2013. The government did not come to terms on a deficit reduction action as required by this deadline. This triggered a 5 percent reduction in an across the board non-defense related discretionary federal programs. The New York Division of Budget estimates that the State and local governments could lose approximately $5 billion over 9 years, mostly from reductions in pass through aid to individuals, school districts, not-for-profit providers, and other beneficiaries.

The State and the New York State Energy Research and Development Authority (NYSERDA) have been engaged in a dispute with the federal government over both the responsibility of the federal government for site cleanup at West Valley, as well as which government is liable for perpetual care of any remaining wastes after decontamination activities are complete. In August 2010, the U.S. District Court approved and entered a Consent Decree that formalized a settlement agreement that covered a number of the State's claims. The Decree identifies a specific cost share for each government for specified facilities and known areas of contamination, and sets forth a process for determining cost shares for contamination that may be identified in the future. The agreement does not affect in any way the cleanup alternatives that are being or may be developed in the ongoing EIS process. Two claims remain unresolved. The unresolved State's natural resource damages claim has been tolled. The Nuclear Waste Policy Act claim, concerning responsibility for the disposal cost of certain remaining waste at the site, is in litigation. The parties are discussing potential ways to resolve this claim.

Legislation enacted in 2003 authorized the State to securitize all of its tobacco settlement payments to the Tobacco Settlement Financing Corporation through an asset-backed securitization transaction. To lower costs, the legislation authorized the State to enter into contingency contracts obligating the State to pay debt service, subject to annual appropriations, on the TSFC bonds in the event that tobacco receipts and bond reserves are insufficient. To ensure that State contractual payments will not be required and that tobacco receipts and bond reserves are sufficient to pay debt service, the TSFC bonds were structured to meet or exceed all rating agency tobacco bonds stress tests. The bonds carry a final nominal maturity of 19 years and an expected final maturity of 13 years, based on optional redemptions. The expected final maturity may deviate due to the optional nature of the redemptions and adjustments to tobacco settlement payments due from participating manufacturers. A lawsuit was filed in 2006 by the Attorney General of New York to recover the settlement payments that were withheld from the State. Litigation continues to recover the funds withheld. In addition, participating manufacturers brought a nationwide arbitration against the settling states, including New York, asserting that those states failed to diligently enforce their respective escrow statutes in 2003 as required to maintain the base settlement payments per the Master Settlement Agreement. This was settled in 2003. The same claim for the 2004-2006 years has been raised. The last New York diligent enforcement hearing was held in May 2013. If the arbitration ruling is against New York, the State anticipates it will challenge the ruling by moving to set aside the arbitral award.

Several unions have not reached labor settlement agreements with the State at this time. Settlements may result in added costs to the State. The Enacted Budget assumes spending related to these settlements, but the actual settlements could exceed the amounts in the budget.

Note 11 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 that could require substantial increased financing of the litigated programs in the future.

With respect to pending and threatened litigation, the State has reported, in the governmental activities, liabilities of $220 million, of which $56 million pertains to SUNY, for awarded and anticipated unfavorable judgments. In addition, the State is party to other claims and litigation that its legal counsel has advised may result in possible adverse court decisions with estimated potential losses of approximately $1.4 billion.

Note 12 State and Local Retirement System

There are three systems within the State and Local Retirement System (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 System, known and reported collectively as the New York State and Local Retirement System, comprises the State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance Plan (GLIP). GLIP provides death benefits in the form of life insurance. The net position of the System is held in the Common Retirement Fund, which was established to hold all plan assets and record changes in net plan assets allocated to the System. In these statements, GLIP amounts are apportioned to and included in either ERS or PFRS.

The State Comptroller is sole trustee of the New York State Common Retirement Fund (the Fund) and administrative head of the System. The System is a cost sharing multiple-employer defined benefit pension plan. On March 31, 2013, there were 3,029 participating government employers. Employees of the State constituted about 35 percent and 17 percent of the members of ERS and PFRS, respectively, during the fiscal year ended March 31, 2013.

The System provides retirement benefits as well as death and disability benefits. Members who joined the System prior to January 1, 2010 generally need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) need ten years of service credit to be 100 percent vested. Retirement benefits are established by the New York State Retirement and Social Security Law (RSSL) 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 percent contribution of their salary. As a result of Article 19 of the RSSL, eligible Tier 3 and Tier 4 employees with a membership date after July 26, 1976 who have ten or more years of membership or credited service within the System are not required to contribute. Members cannot be required to begin contributing or make increased contributions beyond what was required when their memberships 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. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. An employee with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. The contribution rate varies from 3 percent to 6 percent depending on salary. Members are required to contribute for all years of service.

The System's financial statements are prepared using the accrual basis of accounting. Revenue is recognized when earned and liabilities are recognized when incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Employer contributions are recognized when billed. Investments are reported at fair value. Stocks traded on a national or international exchange are valued at quoted market value at current exchange rates. Bonds are primarily reported at market values obtained from independent pricing services. 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 direct real estate investments is based on independent appraisals made every three years or according to the fund agreement. Investments that do not have an established market are reported at estimated fair value as determined by the general partner or by the investment manager. 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 exchange rates. The System is exposed to various investment risks as follows:

Investment Custodial Credit Risk—Equity and fixed income investments owned directly by the System which trade in the United States (U.S.) markets are held at the System's custodian, in separate accounts, in the name of the Comptroller of the State of New York in Trust for the Common Retirement Fund. These securities are typically held in electronic form by the Depository Trust Company (DTC) and its subsidiaries, acting as an agent of the System's custodian bank. Securities held directly by the System which trade in markets outside the U.S. are held by a subsidiary of the System's custodian bank in the local market, a bank performing custodial services in the local market acting as an agent for the System's custodian bank, or, in some foreign markets, the securities are held in electronic format by a DTC subsidiary or an organization similar to DTC. Directly held investments include short-term and long-term fixed income, and domestic and international equity separately managed accounts. The aforementioned investments have the lowest custodial risk. Equity investments held indirectly by the System via limited partnerships, commingled investment funds, joint ventures and other similar vehicles are held in custody by an organization contracted with by the general partner and/or the investment management firm responsible for the management of each investment organization. Title to real property invested in by the System is either held by a real estate holding company or a real estate investment fund. Ownership of mortgage assets is documented by the System's holding of original mortgage and note documents by the Division of Pension Investment and Cash Management in the Office of the State Comptroller (OSC).

Credit Risk—New York State statutes and the System's investment policies require that corporate fixed income obligations must be investment grade at the time of their acquisition.

Approximately $28 billion or 73.89 percent of the System's $39 billion long-term bond portfolio is rated AAA by Moody's. For the balance of the portfolio; 19.15 percent is rated A or AA, 6.13 percent is rated BA to BAA and .83 percent is rated B to BBB.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the System's fixed income securities. The price volatility of the System's fixed income holdings are measured by duration. The System attempts to mitigate price volatility by matching the duration of the assets with the duration of the retired lives liabilities so that any change in the market value of the assets resulting from a change in interest rates will result in a similar change in the value of the liabilities. The average duration of the System's fixed income portfolio is 5.23 years.

Concentration of Credit Risk—Issuer limits for investments held by the System are established for each investment area by RSSL, Article 2, Section 13 and Article 4A, Sections 176, 177, and 313, and policy guidelines adopted by the Comptroller.

Restrictions are placed on short-term fixed income investments such that any one issuer of commercial paper must have the highest rating by two NRSROs and a maximum of $500 million of the short-term portfolio can be invested in any one issuer. In addition, simultaneous purchase and sales of U.S. Treasury obligations may be executed with primary government dealers; however, a maximum of $200 million may be invested with any one primary dealer.

Restrictions are placed on fixed income investments with maturities longer than one year such that obligations payable in U.S. dollars of any one department, agency or political subdivision of the U.S. Government or issued by any corporation, company or other issuer of any kind or description created or existing under the laws of the United States, any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico and obligations of Canada or any province or city of Canada, provided each obligation is rated investment grade by two NRSROs and does not exceed 2 percent of the assets of the System or 5 percent of the direct liabilities of the issuer. In addition, the aggregate amount invested in interest-bearing obligations payable in U.S. dollars which at the time of investment are rated one of the four highest grades by each NRSRO may not exceed 1 percent of the assets of the System, and bonds issued or guaranteed by the State of Israel payable in U.S. dollars may not exceed 5 percent of the assets of the System.

Securities Lending—Section 177-d of the RSSL 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 (Custodian) 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, government securities and Federal agency obligations. The Custodian is authorized to invest the cash collateral in short-term investments that are legal for the System. These include domestic corporate and bank notes, U.S. Treasury obligations, obligations of Federal agencies, repurchase agreements and specific asset-backed securities. All rights of ownership to securities pledged as collateral remain with the borrower except in the event of default. The System has not experienced any losses resulting from the default of a borrower or lending agent during the year ended March 31, 2013 or in the history of the program.

The System lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 102 percent of fair market value for domestic securities and 105 percent for international securities. Credit risk associated with the investment of cash collateral pledged by borrowers is mitigated by the maturity restrictions, percentage limitations, and rating requirements for individual asset classes included in the System's reinvestment guidelines. The Custodian acknowledges responsibility to reimburse the System for any losses that might arise from managing the program in a manner inconsistent with the contract. The System manages its market rate 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.

As of March 31, 2013, the fair value of securities on loan was $14.9 billion. The associated collateral was $15.2 billion, of which $8.5 billion was cash collateral and $6.7 billion was securities held as collateral. The fair value of the invested cash collateral, as of March 31, 2013, was $8.4 billion and the securities lending obligations were $8.4 billion. The unrealized loss in invested cash collateral on March 31, 2013 was $13.1 million, which is included in the Statement of Changes in Fiduciary Net Position as part of "Net increase in the fair value of investments."

All open security loans can be terminated on demand by either the System or the borrower. To provide sufficient liquidity, the policy of the System is to maintain a minimum of 10 percent of collateral in overnight investments. While the Securities Lending Investment Guidelines allow investments up to a maximum of three years for U.S. Treasury and Federal agency obligations and one full year for all other investments, the average term of open security loans at March 31, 2013 was 24 days. All loans were open loans. There were no direct matching loans. The collateral pool is valued at market value obtained from independent pricing services.

Foreign Currency Risk—As of March 31, 2013, the System's current position in publicly traded international equity securities, invested directly in and through commingled funds, is approximately $24 billion. The System also has foreign investments held in U.S. dollars of $6 billion, a net forward foreign currency contracts position of negative $6.9 million, $8.6 billion in private equities, opportunistic and absolute return strategy funds, and $2.6 billion in real property owned, made, or located outside the United States. The approximate total market value of investments made outside of the United States is $41.2 billion.

Funded Status and Funding Progress

Participating employers are required under the RSSL to contribute annually to the System. Annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2013, the applicable interest rate was 7.5 percent.

The funding of the System is accomplished through member and employer contributions and the investment earnings on these contributions, according to the RSSL. 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 10-year amortization part of their bills for fiscal years ended 2005, 2006 and 2007 and deficiency payments (which an employer may incur when joining the System and are payable for up to 25 years). The average employer contribution rate, excluding the 10-year amortization, for ERS and PFRS for the fiscal year ended March 31, 2013 was approximately 18.9 percent and 25.8 percent of payroll, respectively.

The System uses the aggregate actuarial funding method, which does not identify or separately amortize unfunded actuarial accrued liabilities. As required under GASBS No. 50, *Pension Disclosures*, the following is a schedule of funding progress using the entry age normal funding method to approximate the funding status of the System as of the most recent actuarial valuation date. This 2013 actuarial valuation performed on April 1, 2012, determined employer contributions for the year ending March 31, 2014.

The funded status of the System as of April 1, 2012, the most recent valuation date, is as follows (in millions):

System	Actuarial Valuation Date	Actuarial Assets (a)	Actuarial Accrued Liability (b)	UAAL* (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL* as a Percentage of Covered Payroll ((b-a)/c)
ERS	4/1/2012	$ 125,751	$ 144,170	$ 18,419	87.2%	$ 24,291	75.8%
PFRS	4/1/2012	$ 22,058	$ 25,096	$ 3,038	87.9%	$ 3,191	95.2%

**Unfunded Actuarial Accrued Liability (UAAL)*

Significant actuarial assumptions used in the April 1, 2012 valuation to determine employer contributions for the year ended March 31, 2014 were interest rate of 7.5 percent, salary scale for ERS of 4.9 percent, salary scale for PFRS of 6 percent, decrement tables April 1, 2005 to March 31, 2010 System's experience, and inflation rate of 2.7 percent.

The actuarial asset value for domestic bonds and mortgages is amortized value. Short-term investments are at market value. Normally, all other investments use a five-year moving average of market values method assuming a 7 percent rate of expected appreciation. This method immediately recognizes regular investment income (interest and dividends) while phasing in unexpected appreciation/depreciation over a five-year period. It treats realized or unrealized gains (or losses) in the same manner.

Contributions

Employers' contributions receivable are presented net of withdrawals, refunds, advance employer payments, and credits due employers. Receivable amounts from participating employers include $117.2 million for amortization of retirement incentives, new plan adoptions and retroactive membership. Receivable amounts from the State for other amortizations total $123.2 million.

RSSL Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for fiscal year ended 2005 that exceeded 7 percent of payroll. The amortized amount receivable from New York State as of March 31, 2013 is $120.8 million and from participating employers is $25.5 million.

RSSL Chapter 260 of the Laws of 2004 authorized employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for fiscal year ended 2006 that exceeded 9.5 percent of payroll. The amortized amount receivable as of March 31, 2013 from the State is $55.4 million and from participating employers is $10.9 million.

RSSL Chapter 260 of the Laws of 2004 authorized local employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for fiscal year ended 2007 that exceeded 10.5 percent of payroll. The amortized amount receivable as of March 31, 2013 from participating employers is $11.2 million.

RSSL Chapter 57 of the Laws of 2010 authorized the State and local employers to amortize over ten years, at 5 percent interest, the portion of their annual bill for fiscal year ended 2011 that exceeded 9.5 percent of payroll for ERS and 17.5 percent of payroll for PFRS. The amortized amount receivable as of March 31, 2013 from the State is $209.8 million and from participating employers is $36.7 million. The thresholds for the fiscal year ended 2012 were 10.5 percent of payroll for ERS and 18.5 percent for PFRS. The interest rate was 3.75 percent. The amortized amount receivable as of March 31, 2013 from the State is $517 million and from participating employers is $194.2 million. The thresholds for fiscal year ended 2013 were 11.5 percent of payroll for ERS and 19.5 percent for PFRS. The interest rate was 3.0 percent. The amortized amount receivable as of March 31, 2013 from the State is $780.4 million and from participating employers is $370.7 million.

The State's contributions to the System for the years ended March 31, 2013, 2012, and 2011 were $1.4 billion, $1.5 billion, and $1.1 billion, respectively, which equaled 100 percent of the required billed contributions for each respective year.

The following presentation displays the Schedule of Plan Net Position for the System as of March 31, 2013 (amounts in millions):

SCHEDULE OF PLAN NET POSITION
March 31, 2013

	Employees' Retirement System	Police & Fire Retirement System	Total
Assets:			
Investments:			
Short-term investments	$ 5,487	$ 974	$ 6,461
Government bonds	23,039	4,092	27,131
Corporate bonds	9,333	1,658	10,991
Exchange traded fixed income funds	371	66	437
Domestic equities	48,360	8,589	56,949
International equities	22,165	3,936	26,101
Private equities	11,951	2,122	14,073
Absolute return strategy investments	5,201	924	6,125
Opportunistic funds	327	58	385
Real estate and mortgage loans	10,197	1,811	12,008
Total investments	**136,431**	**24,230**	**160,661**
Securities lending collateral, invested	7,109	1,263	8,372
Forward foreign exchange contracts	1,083	192	1,275
Receivables:			
Employers' contributions	2,340	239	2,579
Members' contributions	5	—	5
Member loans	1,082	2	1,084
Accrued interest and dividends	355	63	418
Investment sales	176	31	207
Other	64	28	92
Total receivables	**4,022**	**363**	**4,385**
Capital assets, at cost, net of accumulated depreciation	38	6	44
Total assets	**148,683**	**26,054**	**174,737**
Liabilities:			
Securities lending collateral, due to borrowers	7,120	1,265	8,385
Forward foreign exchange contracts	1,089	193	1,282
Accounts payable—investments	447	79	526
Accounts payable—benefits	156	25	181
Other liabilities	124	17	141
Total liabilities	**8,936**	**1,579**	**10,515**
Net position held in trust for pension benefits	**$ 139,747**	**$ 24,475**	**$ 164,222**

The System issues a publicly available financial report that includes financial statements, expanded disclosures, and required supplementary information for the System. The report may be obtained by writing to the New York State and Local Retirement System, Office of the State Comptroller, 110 State Street, Albany, New York, 12244-0001, or at *www.osc.state.ny.us/pension/cafr.htm.*

Employer Accounting

The pension contribution expenditure of $1.5 billion reported in the governmental funds includes pension costs related to employee services rendered during the year, retirement incentive programs and employer amortizations authorized by Chapter 260 of the Laws of 2004, and Chapter 105 and Chapter 57 of the Laws of 2010. Pension contributions payable reported in the General Fund of $261 million are for accrued retirement incentive programs and the employer amortization. In addition, $1.5 billion of the retirement incentive programs and the employer amortization are reported on the Statement of Net Position as pension contributions payable due in more than one year.

Note 13 Other Postemployment Benefits (OPEB)

Governmental Activities

The New York State Health Insurance Program (NYSHIP) was established by the State Legislature in 1957 to provide health insurance to New York State employees, retirees and their eligible dependents. Public authorities, public benefit corporations, and other quasi-public entities that choose to participate in NYSHIP are participating employers (PEs). Local government units that choose to participate in NYSHIP are called participating agencies (PAs). At present, there are approximately 357 New York State agencies, 91 PEs, and 796 PAs in NYSHIP. NYSHIP currently covers approximately 600 thousand New York State, PA and PE employees and retirees. Eligible covered dependents bring the total number of covered individuals to approximately 1.2 million. SUNY participates in NYSHIP, but CUNY does not. Of the State's 42 discretely presented component units, which are considered PEs, a majority participate in NYSHIP. NYSHIP does not issue a stand-alone financial report, but NYSHIP's activities are included within the State's financial statements. NYSHIP is classified as an agent multiple-employer plan and financial information is reported in an agency fund and accounted for on the accrual basis of accounting. Information related to investment valuations is presented in Note 2.

Enrollment	NYS*	PEs	PAs	Total
Current active participants	186,847	36,110	104,843	327,800
Vestee participants	415	341	302	1,058
COBRA participants	875	588	532	1,995
Other inactive participants**	148,310	16,899	92,604	257,813
Total participants	**336,447**	**53,938**	**198,281**	**588,666**

**Includes State and SUNY participants.*

***Includes retiree, dependent survivor, long-term disability enrollees, young adult program enrollees and preferred list enrollees.*

During the fiscal year ended March 31, 2013, NYSHIP provided health insurance coverage through: the Empire Plan, an indemnity health insurance plan with managed care components; 10 Health Maintenance Organizations (HMOs); and the Student Employee Health Plan (SEHP). Generally, these include hospital, medical, mental health and substance abuse benefits, and prescription drug benefits.

The benefit design of the Empire Plan is the result of collective bargaining between the State and the various unions representing its employees. Therefore, the benefit design is subject to periodic change. Benefits are administratively extended to non-represented State employees, employees of PAs and PEs, and retirees. Each participating employer in the plan is required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used.

Substantially all of the State's employees may become eligible for post retirement benefits if they reach retirement age while working for the State. The costs of providing post retirement benefits are shared between the State and the retired employee.

Contributions

The authority under which the obligations of the plan members, employers and other contributing entities to contribute to the plan are established or may be amended can be found in Article XI, Section 167 of Civil Service Law. Contributions are determined in accordance with Civil Service Law—Article XI, Sections 165, 165-a and 167, which assigns the authority to NYSHIP to establish and amend the benefit provisions of the plans and to establish maximum obligations of the plan members to contribute. The costs of administering the plan are charged as part of the health insurance premium to all payors under the authority of Section 163.2 of Civil Service Law. A retiree is generally required to pay on a monthly basis either 12 percent or 27 percent of the health insurance premium for enrollee or dependent coverage, respectively, which is reduced by the amount of sick leave credits available at the time of retirement factored by the employee's retirement age. Required employer contribution rates, depending upon enrollee or dependent coverage, are presented in the following table:

EMPLOYER CONTRIBUTIONS
(As Percentages of Premium Rates)

Enrollee Group	Enrollee Coverage	Dependent Coverage
Active (Union without ratified contract and GSEU)	90%	75%
Active (Union with ratified contract and MC)—Below Grade 10	88%	73%
Active (Union with ratified contract and MC)—Grade 10 and above	84%	69%
Preferred list	90%	75%
Retired before January 1, 1983	100%	75%
Retired on/after January 1, 1983 but before January 1, 2012	88%	73%
Retired on/after January 1, 2012—Below Grade 10	88%	73%
Retired on/after January 1, 2012—Grade 10 and above	84%	69%
Amended dependent survivors(1)	75%	75%
Full share dependent survivors/long term disability	0%	0%
Dependent survivors	90%	75%
Attica dependent survivors	100%	100%
Vestees	0%	0%
COBRA	0%	0%
Young Adult Option enrollees	0%	n/a
Participating employers and participating agencies(2)	50%	35%

(1) State contribution for enrollee and dependent coverage is 75% of dependent coverage.
(2) Values reported are minimum employer share. Employers can pay greater percentages of premiums for their retirees.

The State reimburses Medicare eligible enrollees 100 percent of the cost of the monthly Medicare Part B premium. However, the funding of the cost of the Medicare reimbursements is no longer employer only (the employer is not billed for Medicare expenses incurred April 1, 2010 and after). A Medicare Part B component has been incorporated into the NYSHIP Premium Rates (implemented 10/1/2010 and retroactive to 4/1/2010) and is just one component of the NYSHIP premiums in which the above listed employer contribution percentages are applicable. The premium generated from the Medicare Part B NYSHIP Rate Component is utilized to make the Medicare Part B reimbursement payments to Medicare Primary NYSHIP enrollees.

In addition, the State reduces the retiree health insurance contributions for the value of a retiree's unused sick leave credit at retirement (converted to a monthly fixed value). The cost is paid by the State.

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State Legislature. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the fiscal year ended March 31, 2013, the State paid $1.2 billion on behalf of the plan. Refer to the RSI for a schedule of funding progress that presents multi-year trend information for actuarial values of plan assets and accrued liabilities.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. Amounts "required" but not actually set aside to pay for these benefits are accumulated with interest as part of the net OPEB obligation, after adjusting for amounts previously "required." The State's annual OPEB cost for the year, the amount actually paid on behalf of the plan, and changes in the State's net OPEB obligation to the plan for the year ended March 31, 2013 are as follows (amounts in millions):

Governmental Activities:		
Annual required contribution	$	2,572
Interest on net OPEB obligation at beginning of year		387
Adjustment to annual required contribution		(367)
Annual OPEB cost		**2,592**
Contributions made		(1,168)
Increase in OPEB obligation		1,424
Net obligation at beginning of year		10,094
Net obligation at end of year	**$**	**11,518**
Actuarial accrued liability (AAL) April 1, 2012	$	54,279
Funded OPEB plan assets		—
Unfunded actuarial accrued liability (UAAL) April 1, 2012	**$**	**54,279**
Funded ratio		— %
Covered payroll	$	8,597
UAAL as percentage of covered payroll		631.4%

In accordance with GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* the actuarial valuation of OPEB also includes the value of sick leave that will be converted to reduce the retiree's share of health insurance premiums.

The State's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent fiscal years ended March 31 were as follows (amounts in millions):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
3/31/13	$ 2,592	45.06%	$ 11,518
3/31/12	$ 3,082	36.92%	$ 10,094
3/31/11	$ 3,096	32.75%	$ 8,150

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The State's $2.6 billion annual OPEB cost, determined using the April 1, 2010 actuarial valuation with results projected to April 1, 2012 for the fiscal year ended March 31, 2013, was determined using the frozen entry age actuarial cost method, allocating costs on a level basis over earnings. The annual OPEB cost reflects savings resulting from ratified and/or announced plan changes in the fall of 2011 and the State's decision to implement an Employer Group Waiver Plan. The actuarial assumptions utilized a 3.830 percent discount rate that was the average short-term investment pool rate for the past 15 years at the time of the valuation. The assumptions also utilized an annual healthcare cost trend rate of 10 percent for medical and drug, including inflation, for the first fiscal year in the valuation, declining each year to an ultimate trend rate of 5 percent for both medical and drug; a salary growth rate of 3.5 percent; and an inflation rate of 3 percent.

The State's $54.3 billion unfunded actuarial accrued liability, based on an actuarial valuation as of April 1, 2012, was determined using the frozen entry age actuarial cost method. The actuarial assumptions used to establish retiree contribution rates include trend rates of annual healthcare costs of 9 percent for non-Medicare eligible medical, 5.5 percent for Medicare eligible medical and 7.5 percent for drug for the first fiscal year in the valuation, declining each year to an ultimate trend rate of 4.75 percent for both medical and drug. Other actuarial assumptions include a salary growth rate of 3 percent, an inflation rate of 2.75 percent and a 3.112 percent discount rate that was the average short-term investment pool rate for the past 15 years at the time of the valuation.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about employment, mortality and healthcare cost trends. Actuarial valuations are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Business-type Activities

The State, on behalf of SUNY, provides health insurance coverage for eligible retired SUNY employees and their spouses as part of the New York State Health Insurance Plan (NYSHIP). Employee contribution rates for NYSHIP are established by the State and are generally 12 percent, and range from 10 to 16 percent for enrollee coverage, and 27 percent, and range from 25 to 31 percent for dependent coverage. The frozen entry age actuarial cost method is used to determine the annual required contribution amounts and the annual net OPEB obligation. The actuarial assumptions include a 3.8 percent discount rate, salary growth rate of 3.5 percent, an inflation rate of 3 percent, and an annual healthcare cost trend rate for medical coverage of 10 percent initially, reduced by decrements to a rate of 5 percent after 7 years.

SUNY's annual OPEB costs and changes in net OPEB obligations for the year ended June 30, 2012 are as follows (amounts in millions):

Annual required contribution	$	779
Interest on net OPEB obligation at beginning of year		97
Adjustment to annual required contribution		(92)
Annual OPEB cost		**784**
Contributions made		(237)
Increase in OPEB obligation		547
Net obligation at beginning of year		2,532
Net obligation at end of year	**$**	**3,079**
Actuarial accrued liability (AAL) April 1, 2010	$	12,200
Funded OPEB plan assets		—
Unfunded actuarial accrued liability (UAAL) April 1, 2010	**$**	**12,200**
Funded ratio		— %
Covered payroll	$	3,141
UAAL as percentage of covered payroll		388.4%

The SUNY Research Foundation, a blended component unit of SUNY, is not included in the numbers reported above. The SUNY Research Foundation reports other postemployment benefits in accordance with the Accounting Standards Codification (ASC) Topic 715, *Compensation—Retirement Benefits*. SUNY's other postemployment benefits liability reported in the Statement of Net Position, Enterprise Funds ($3.3 billion), includes SUNY's net obligation above ($3.1 billion), and the unfunded status of the SUNY Research Foundation's plan as of June 30, 2012 ($182 million).

SUNY's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for SUNY's three most recent fiscal years were as follows (amounts in millions):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
6/30/12	$ 784	30.23%	$ 3,079
6/30/11	$ 814	27.15%	$ 2,532
6/30/10	$ 639	32.86%	$ 1,939

CUNY retirees receive retiree healthcare benefits through the New York City Health Benefits Program, which is a single-employer defined benefit healthcare plan. The program covers individuals who receive pensions from one of the following three pension plans within the New York City Retirement System (NYCRS): New York City Employees' Retirement System; New York City Teachers' Retirement System; and New York City Board of Education Retirement System. New York City pays for the coverage (Basic Coverage and Welfare Fund contributions) for retirees in NYCRS who retired from community colleges. The frozen entry age actuarial cost method is used to determine the annual required contribution amounts and the annual net OPEB obligation. The actuarial assumptions include a 4 percent discount rate, payroll growth rate of 3 percent, and an annual healthcare cost trend rate for medical coverage of 9.5 percent initially, reduced to a rate of 5 percent by 2023.

CUNY's annual OPEB costs and changes in net OPEB obligations for the year ended June 30, 2012 are as follows (amounts in millions):

Annual required contribution	$	100
Interest on net OPEB obligation at beginning of year		13
Adjustment to annual required contribution		(13)
Annual OPEB cost		**100**
Contributions made		(33)
Increase in OPEB obligation		67
Net obligation at beginning of year		324
Net obligation at end of year	**$**	**391**
Actuarial accrued liability (AAL) June 30, 2011	$	1,235
Funded OPEB plan assets		—
Unfunded actuarial accrued liability (UAAL) June 30, 2011	**$**	**1,235**
Funded ratio		— %
Covered payroll	$	910
UAAL as percentage of covered payroll		135.7%

The CUNY Research Foundation, a blended component unit of the CUNY Senior Colleges, reports other postemployment benefits in accordance with ASC Topic 715, *Compensation—Retirement Benefits*. CUNY Senior Colleges' other postemployment benefits liability reported in the Statement of Net Position, Enterprise Funds ($420 million), includes the CUNY Senior Colleges' net obligation above ($391 million), and the funded status of the CUNY Research Foundation's plan as of June 30, 2012 ($29 million).

CUNY's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for CUNY's three most recent fiscal years were as follows (amounts in millions):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
6/30/12	$ 100	33.00%	$ 391
6/30/11	$ 104	29.81%	$ 324
6/30/10	$ 95	29.47%	$ 251

Note 14 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 the benefit of the State's citizenry for a variety of purposes 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 Metropolitan Transportation Authority, the Roswell Park Cancer Institute, and the Urban Development Corporation was provided in the fiscal year ended March 31, 2013 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.

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

Entities Audited by KPMG LLP:	Fiscal Year-End
Dormitory Authority of the State of New York	March 31, 2013*
Health Research, Inc.	March 31, 2013
Long Island Power Authority	December 31, 2012*
New York Racing Association, Inc	December 31, 2012*
New York State Energy Research and Development Authority	March 31, 2013*
New York State Environmental Facilities Corporation	March 31, 2013*
New York State Higher Education Services Corporation	March 31, 2013*
Power Authority of the State of New York	December 31, 2012*
State University of New York Foundations	June 30, 2012**

Entities Audited by Other Auditors:	Fiscal Year-End
Aggregate Trust Fund	December 31, 2012
Agriculture and New York State Horse Breeding Development Fund Corporation	December 31, 2012*
Albany Convention Center Authority	December 31, 2012*
Capital District Transportation Authority	March 31, 2013*
Central New York Regional Transportation Authority	March 31, 2013*
City University of New York—Senior College Foundations	June 30, 2012
Homeless Housing and Assistance Corporation	March 31, 2013*
Housing Trust Fund Corporation	March 31, 2013*
Hudson River-Black River Regulating District	June 30, 2012*
Hugh L. Carey Battery Park City Authority	October 31, 2012*
Metropolitan Transportation Authority	December 31, 2012*
Metro-North Commuter Railroad Company	December 31, 2012
The Long Island Rail Road Company	December 31, 2012
Triborough Bridge and Tunnel Authority	December 31, 2012
New York City Transit Authority	December 31, 2012
Staten Island Rapid Transit Operating Authority	December 31, 2012
MTA Capital Construction Company	December 31, 2012
MTA Bus Company	December 31, 2012
First Mutual Transportation Assurance Company	December 31, 2012
Municipal Bond Bank Agency	October 31, 2012*
Natural Heritage Trust.	March 31, 2013*
Nelson A. Rockefeller Empire State Plaza Performing Arts	March 31, 2013*
New York Convention Center Operating Corporation	March 31, 2013
New York State Affordable Housing Corporation	March 31, 2013*
New York State Bridge Authority	December 31, 2012*
New York State Health Foundation	December 31, 2012
New York State Housing Finance Agency	October 31, 2012*
New York State Job Development Authority	March 31, 2013*
New York State Olympic Regional Development Authority	March 31, 2013*
New York State Thoroughbred Breeding and Development Fund Corporation	December 31, 2012*
New York State Thruway Authority	December 31, 2012*
Niagara Frontier Transportation Authority	March 31, 2013*
Ogdensburg Bridge and Port Authority	March 31, 2013*
Port of Oswego Authority	March 31, 2013*
Research Foundation for Mental Hygiene, Inc	March 31, 2013*
Rochester-Genesee Regional Transportation Authority	March 31, 2013*
Roosevelt Island Operating Corporation	March 31, 2013*
Roswell Park Cancer Institute	March 31, 2013*
State Insurance Fund	December 31, 2012

Entities Audited by Other Auditors (cont'd):	Fiscal Year-End
State of New York Mortgage Agency	October 31, 2012*
Urban Development Corporation	March 31, 2013*

**Audit conducted in accordance with* Government Auditing Standards *as promulgated by the Comptroller General of the United States.*

***KPMG LLP audited 57 percent of the total assets and 76 percent of the total revenues of the State University of New York Foundations. The remaining balances were audited by other auditors.*

Additionally, the Downstate at LICH Holding Company, Inc., Upstate Properties Development, Inc.*, the Alfred University College of Ceramics, the Cornell Statutory Colleges, and auxiliary service corporations* included within the SUNY enterprise fund are audited by other auditors.*

Financial Information

Substantially all of the financial data was derived from audited annual financial statements and summarized into the combining statement format in the basic financial statements. 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. Ten of the forty-two discrete entities presented comprise 95 percent of the combined assets and 81 percent of the combined program revenues (before eliminations). The remaining portion of this note contains a brief description of the operations of the ten largest entities. A presentation of their accounts is included in the Combining Statement of Net Position and Combining Statement of Activities. Beginning net position (before eliminations) was increased by $114 million on the Combining Statement of Activities for Discretely Presented Component Units to reflect the transition by the New York Racing Association from preparing its financial statements in accordance with GAAP as prescribed by the Financial Accounting Standards Board, to preparing its financial statements in accordance with GAAP as prescribed by the GASB, along with the early implementation of GASBS 65, *Items Previously Reported as Assets and Liabilities,* by the New York State Thruway Authority and the Niagara Frontier Transportation Authority. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Additional information about each of the Corporations can be obtained by contacting the Corporations directly and requesting a copy of their annual financial reports, or by visiting their websites.

Certain Corporations issue revenue bonds for independent third-party entities to provide funding for the projects of those third parties. These bonds are considered conduit debt and are secured by payments made by 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, other than the amounts reported in the State's financial statements. DASNY, the New York State Housing Finance Agency (HFA), the Environmental Facilities Corporation (EFC), the New York State Energy Research and Development Authority (NYSERDA) and the New York Job Development Authority (JDA) have issued conduit debt and have elected different, but permissible, methods of accounting for it under GAAP. DASNY has elected to report conduit debt and related assets on its balance sheet. At March 31, 2013, the liability reported for such debt was approximately $20.3 billion. HFA reports conduit debt and related assets on its balance sheet. At October 31, 2012, the liability HFA reported for such debt was approximately $9 billion. At March 31, 2013, EFC's balance sheet did not include $147 million in bonds it issued for certain private companies. NYSERDA has issued conduit debt for participating gas and electric companies and other third party entities, the principal of which totaled approximately $3.4 billion at March 31, 2013, which is not included on NYSERDA's balance sheet. Local Development Corporations that are blended component units of JDA have issued conduit debt which is not included on JDA's combined balance sheet. At March 31, 2013, the principal on these bonds totaled approximately $7 billion.

Power Authority

The Power Authority of the State of New York (NYPA) was created in 1931 to help provide a continuous adequate supply of dependable electric power and energy to the people of the State. NYPA generates, transmits, and sells electric power and energy principally at wholesale to various customers including private and municipal utilities. Three of NYPA's largest facilities are the Niagara Power Project at Lewiston, the Blenheim-Gilboa Pumped Storage Power Project at Blenheim and Gilboa and the St. Lawrence-Franklin D. Roosevelt Power Project at Massena. These hydroelectric facilities have the capability of producing 2,441,000, 1,100,000 and 800,000 kilowatts, respectively.

NYPA has loaned approximately $318 million of reserves to the State treasury. The State has recorded a corresponding liability in its financial statements. The individual financial statements of NYPA are available on the web at *www.nypa.gov.*

Housing Finance Agency

HFA was created as a public benefit corporation in 1960 under Article III of the Private Housing Finance Law. HFA is empowered to finance or contract for the financing of the construction, acquisition, or refinancing of loans for: low-to-moderate income housing; municipal health facilities; non-profit health care facilities; community related facilities; and to provide funds to repay the State for amounts advanced to finance the cost of various housing assistance programs. HFA, through its Capital Grant Low Rent Assistance Program, rents housing to low and middle income persons and families. HFA also participates in Federal housing assistance programs which provide interest reduction and rental assistance subsidies to eligible projects and tenants. HFA administers the State's Housing Project Repair and Infrastructure Trust Fund Programs.

To finance low income housing, HFA raises funds through the issuance of municipal securities and the making of mortgage loans to eligible borrowers. HFA is authorized to issue bonds in the amount of approximately $17.3 billion to finance housing projects, and approximately $2.7 billion in Service Contract Obligation Revenue Bonds, Service Contract Revenue Bonds and Personal Income Tax Revenue Bonds. Total bond indebtedness reported as of October 31, 2012 is approximately $10.8 billion. The individual financial statements of HFA can be obtained by contacting them at *www.nyshcr.org*.

Thruway Authority

The New York State Thruway Authority (NYSTA) was created as a public benefit corporation by the State Legislature in 1950 with powers to construct, operate and maintain a Thruway system. In 1991, the Legislature empowered NYSTA 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. In August 1992, the Legislature created the New York State Canal Corporation (NYSCC) as a subsidiary corporation of NYSTA to accept jurisdiction and control over the State Canal System from the State. In 1993, the Legislature authorized NYSTA to issue Highway and Bridge Trust Fund (HBTF) Bonds 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 2001, the Legislature authorized NYSTA to issue Personal Income Tax (PIT) Revenue Bonds to provide funds to municipalities and other project sponsors throughout the State for qualifying local highway, bridge and multi-modal capital project expenditures under established State programs.

The financial position of and activities relating to the special bond programs (LHB, HBTF and PIT) are reported within the funds of the State rather than under the public benefit corporations because these special bond programs are not separate legal entities but are considered funds of the State. Columns headed "Thruway Authority" reflect the operations of the Thruway system and the NYSCC. The individual financial statements of NYSTA can be obtained by contacting them at *www.thruway.ny.gov.*

Metropolitan Transportation Authority

The Metropolitan Transportation Authority (MTA) was created to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York City metropolitan area. The accounts presented as the MTA are the combined accounts of its headquarters and eight affiliates and subsidiaries. The MTA operates the largest transit and commuter rail transportation system in North America and one of the largest in the world. The MTA is dependent upon the State for a portion of its revenues. During the MTA fiscal year ended December 31, 2012, the MTA reported $4.1 billion in payments from the State. A significant portion of that aid was in payments from the State's Mass Transportation Operating Assistance Fund, a Special Revenue Fund, which derives a major portion of its receipts from taxes imposed in the Metropolitan Transportation District for this purpose. Another significant portion of that aid came from the Metropolitan Commuter Transportation Mobility Tax enacted in 2009, which is a tax imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Transportation District. The State also provides funding to pay the debt service on State Service Contract bonds issued by the MTA for its capital projects. In June 2012, the Dormitory Authority of the State of New York refunded approximately $1.6 billion of these MTA bonds by issuing Personal Income Tax Revenue Bonds. At December 31, 2012, $400 million of MTA State Service Contract bonds remain outstanding. Capital assets acquired prior to April 1982 for the New York City Transit Authority (NYCTA) were funded primarily by New York City through capital grants. New York City has title to a substantial portion of such assets and they are not included among the assets reported under MTA. In certain instances, title to real property used by the Triborough Bridge and Tunnel Authority (TBTA) may revert to New York City in the event TBTA determines it is not needed for corporate purposes. The Federal government has a contingent equity interest in assets acquired by the MTA with Federal funds, and upon disposal of such assets, the Federal government may have a right to its share of the proceeds from the sale. The individual financial statements of the MTA can be obtained by contacting them at *www.mta.info*.

Dormitory Authority

The Dormitory Authority of the State of New York (DASNY) is a public benefit corporation established in 1944. DASNY's purpose is to finance, design, construct, purchase, reconstruct and/or rehabilitate buildings (projects) for use by public and private educational and other not-for-profit institutions (institutions) located within the State, certain State agencies, local school districts, and cities and counties with respect to certain court and municipal health facilities.

DASNY's outstanding bonds and notes of $45.3 billion consist mainly of debt issued for independent institutions ($10.6 billion), New York State agency projects ($10.5 billion), SUNY projects ($9.6 billion), health care facilities ($6.6 billion) and CUNY projects ($4.4 billion). The remaining debt was issued for projects for municipal facilities and other non-profit organizations. The financial statements of DASNY can be obtained at *www.dasny.org*.

Long Island Power Authority

The Long Island Power Authority (LIPA) was established as a corporate municipal instrumentality of the State. On May 28, 1998, the LIPA Acquisition Corporation, a wholly-owned subsidiary of LIPA, 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. LIPA, as owner of the transmission and distribution system located in Nassau, Suffolk and a small portion of Queens counties, is responsible for supplying electricity to customers in the service area.

LIPA financed the cost of the merger and the refinancing of certain of LILCO's outstanding debt by the issuance of $6.7 billion aggregate principal amount of Electric System General Revenue Bonds and Electric System Subordinated Revenue Bonds. In addition, LIPA assumed $1.2 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 position acquired ($3.5 billion) has been reported as an "intangible asset," which is being amortized over a 35-year period which began May 28, 1998. The individual financial statements of LIPA can be obtained by contacting them at *www.lipower.org*.

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 conducts business as Empire State Development. UDC is engaged in three principal activities: economic development, special projects throughout the State financed by revenue bonds, and real estate projects financed by general and corporate purpose bonds.

UDC's efforts in economic development projects are primarily funded by State appropriations and State supported bonds, and are directed at several activities involving civic, commercial, high technology, and industrial development within the State. UDC provides financial assistance through loans, grants, tax credits, low cost project financing, including loans and interest subsidy grants, and technical assistance in management, financing and project design. Economic development activities also include special projects, often of considerable magnitude, which are carried out through various consolidated subsidiaries.

UDC issues revenue bonds, the proceeds of which are used primarily for construction and renovation of State correctional facilities, to refinance State office facilities or construct technology facilities for universities located within the State, to finance youth facilities, to finance the acquisition of certain lands, to construct and/or improve various civic and community facilities, and for economic development and preservation of natural resources located throughout the State. Under related agreements, UDC receives periodic State appropriations in amounts sufficient to pay the debt service on the bonds.

UDC was originally created to facilitate the development of affordable housing for low, moderate and middle-income persons and families. Since the mid-1970s, UDC activity in this area has been limited to the monitoring and loan servicing of existing projects. On June 5, 2013 UDC's Housing Portfolio was transferred to the New York State Housing Finance Agency. The effect of this transfer is reflected in UDC's March 31, 2013 financial statements.

UDC continues its efforts to promote economic development throughout the State. Its mission is to promote a vigorous and growing economy, encourage the creation of new jobs and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits and other forms of financial assistance UDC strives to enhance private business investment and growth to spur job creation and support prosperous communities across the State. The financial statements of the UDC are available at *www.esd.ny.gov*.

State Insurance Fund

The State Insurance Fund (SIF) 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.

During previous fiscal years, the SIF transferred approximately $1.3 billion to the State's General Fund and Other Governmental Funds. The statutes authorizing these transfers required 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. The entire receivable and equity related to these transfers were eliminated from the presentation of the SIF, resulting in a fund balance of approximately $2 billion.

The SIF's financial statements are prepared in conformity with the accounting practices prescribed by the New York State Department of Financial Services, which is a comprehensive basis of accounting other than the accounting principles generally accepted in the United States of America. The major departure from GAAP is that SIF established a reserve for security fluctuations to provide for the difference between amortized cost and fair value, where under GAAP, no such reserve would be allowed. Bonds are generally carried at amortized cost. Under GAAP, bonds are classified into "held to maturity" and reported at amortized cost, "trading" and reported at fair value with unrealized gains and losses included in earnings, or "available for sale" and reported at fair value with unrealized gains and losses reported as a separate component of surplus. The net unrealized gains and losses from investments in common stock are reported in unassigned surplus and dividend income generally is reported when received. Under GAAP, common stocks are classified as either "trading" and reported at fair value with unrealized gains and losses included in earnings, or "available for sale" and reported at fair value with unrealized gains and losses reported as a separate component of surplus. Policy acquisition costs are expensed as incurred, whereas under GAAP they would be deferred and amortized to income on the same basis as premium income is recognized; certain assets designated as non-admitted assets (principally premiums in the course of collection over 90 days and office furniture and equipment) are charged directly against the surplus, where under GAAP they would be included in total assets less valuation allowances; and comprehensive income and its components are not presented in the SIF's financial statements. A more complete list of departures from GAAP is disclosed in the SIF's financial statements, which may be obtained from *ww3.nysif.com*.

State of New York Mortgage Agency

The State of New York Mortgage Agency (SONYMA) makes mortgages available to first-time and other qualifying home buyers through its Low Interest Rate Program and other specialized home ownership programs. To accomplish this purpose, SONYMA issues tax-exempt mortgage revenue bonds for direct issuance of forward commitments for new mortgage loans through participating financial institutions. SONYMA also provides mortgage insurance for qualifying real property loans through its Mortgage Insurance Program. 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 SONYMA. In April 2009, SONYMA's statutory authority to purchase education loans was updated and expanded in order to permit the Agency to work with the New York State Higher Education Services Corporation in developing a new program to offer education loans to eligible students attending colleges and universities in New York State. The financial statements of SONYMA can be obtained by contacting them at *www.nyshcr.org*.

Environmental Facilities Corporation

The New York State Environmental Facilities Corporation (EFC) is a public benefit corporation, formed pursuant to the New York State Environmental Facilities Corporation Act. The mission of EFC is to provide low-cost capital and expert technical assistance for environmental projects in New York State. Its purpose is to help public and private entities comply with Federal and State environmental protection and quality requirements in a cost effective manner that advances sustainable growth. EFC promotes innovative technologies and practices in all corporate programs. 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. The complete audited financial statements and related notes as well as additional information regarding EFC can be obtained by visiting EFC at *www.nysefc.gov.*

Eliminations

Eliminations are made primarily to avoid duplicate reporting. As explained in Note 7, the State services a significant portion of the bonds and notes payable of certain Corporations.

Note 15 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 an 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. The Port Authority 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 around 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. Governors have from time to time exercised their statutory power to veto the actions of the commissioners from their states.

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 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.

The liabilities of the Port Authority include $18.2 billion of consolidated bonds. 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 Port Authority's Comprehensive Annual Financial Report is available from the Public Affairs and Comptroller's Departments of the Port Authority of New York and New Jersey, 225 Park Avenue South, New York, NY 10003-1604, or the Port Authority website at *www.panynj.gov.*

Consolidated financial statements of the Port Authority for the fiscal year ended December 31, 2012 disclosed the following (amounts in millions):

Financial Position	
Total assets	$ 37,288
Total liabilities	(24,428)
Net position	**$ 12,860**

Operating Results	
Operating revenues	$ 4,050
Operating expenses	(2,589)
Depreciation and amortization	(962)
Net expenses (recoverable) related to Superstorm Sandy	(30)
Income from operations	**469**
Passenger facility charges	223
Financial income (expense), net	(553)
Contribution in aid of construction and grants	992
World Trade Center retail insurance proceeds	3
Net income	**$ 1,134**

Changes in Net Position	
Balance at January 1, 2012	$ 11,726
Net income	1,134
Balance at December 31, 2012	**$ 12,860**

Note 16 Subsequent Events

The Statement of Net Position presents bonds and other financing arrangements outstanding as of the statement date, which is March 31, 2013 except for business-type activities related to SUNY and CUNY Enterprise Funds reported as of June 30, 2012. Subsequent to those dates, the following bonds and other financing arrangements were issued (amounts in millions):

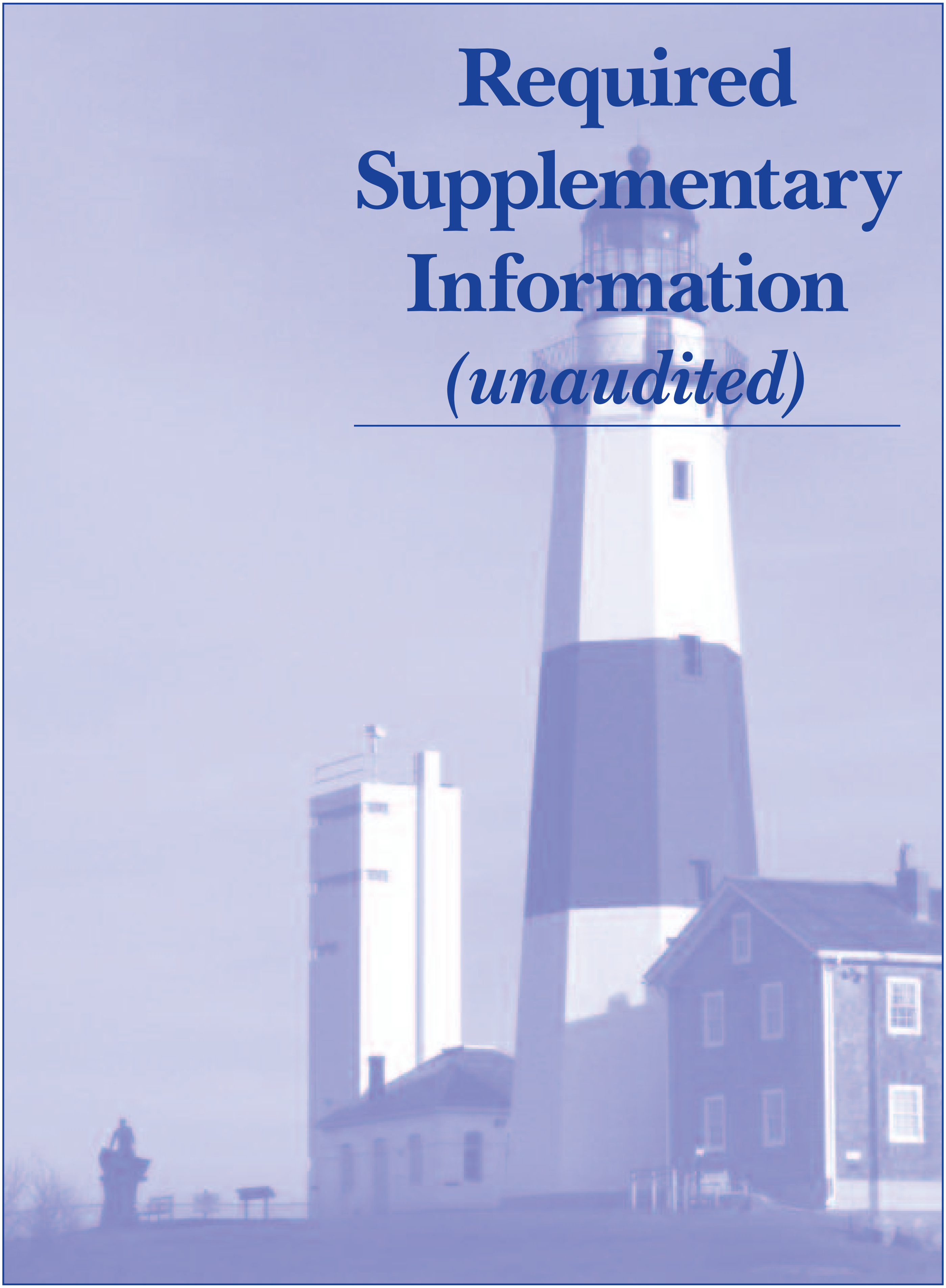
BONDS AND OTHER FINANCING ARRANGEMENTS ISSUED SUBSEQUENT TO DATE OF THE STATEMENT OF NET POSITION

Issuer	Purpose	Date	Series	Par Amount
Dormitory Authority	CUNY Senior Colleges	7/26/2012	Personal Income Tax, Series 2012B	$314
Dormitory Authority	SUNY Educational Facilities	7/26/2012	Personal Income Tax, Series 2012B	$472
Dormitory Authority	SUNY Educational Facilities	7/26/2012	Personal Income Tax, Series 2012C	$ 16
Dormitory Authority	SUNY Dormitory Facilities	9/19/2012	Lease Revenue Bonds, Series 2012A	$226
Dormitory Authority	SUNY Dormitory Facilities, Refunding	9/19/2012	Lease Revenue Bonds, Series 2012A	$ 9
Dormitory Authority	SUNY Educational Facilities	10/18/2012	Personal Income Tax, Series 2012D	$325
Dormitory Authority	SUNY Educational Facilities, Refunding	10/18/2012	Personal Income Tax, Series 2012D	$157
Dormitory Authority	SUNY Educational Facilities	10/18/2012	Personal Income Tax, Series 2012F	$ 13
Urban Development Corporation	SUNY 2020 Challenge Grants	3/19/2013	Personal Income Tax, Series 2013A-1	$ 8
NYS Thruway Authority	Transportation	7/11/2013	Personal Income Tax, Series 2013A	$231
Dormitory Authority	General Purposes	7/25/2013	Personal Income Tax, Series 2013A	$616
Dormitory Authority	General Purposes	7/25/2013	Personal Income Tax, Series 2013B	$ 45

In October 2012, Superstorm Sandy struck the east coast, causing widespread infrastructure damage and economic losses to the greater New York region. The intensity of this storm and other storms present economic and financial risks to the State. Major disaster response and recovery activities have been ongoing and the Federal government has approved Federal disaster aid for general recovery, rebuilding and mitigation activity nationwide. There can be no assurance that all anticipated Federal disaster aid will be provided to the State nor that such aid will be provided on the expected schedule.

Required Supplementary Information

(unaudited)



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

MAJOR FUNDS—GENERAL FUND AND FEDERAL SPECIAL REVENUE FUND

Year Ended March 31, 2013

(Amounts in millions) (Unaudited)

	General			
	Financial Plan Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
RECEIPTS:				
Taxes	$ 43,369	$ 43,047	$ 43,282	$ 235
Miscellaneous	3,229	3,724	3,504	(220)
Federal grants	60	60	62	2
Total receipts	**46,658**	**46,831**	**46,848**	**17**
DISBURSEMENTS:				
Local assistance grants	39,645	39,776	39,760	16
State operations	7,736	8,094	7,856	238
General State charges	4,403	4,589	4,550	39
Total disbursements	**51,784**	**52,459**	**52,166**	**293**
Excess (deficiency) of receipts over disbursements	**(5,126)**	**(5,628)**	**(5,318)**	**310**
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	12,242	12,231	11,934	(297)
Transfers to other funds	(7,084)	(6,916)	(6,793)	123
Net other financing sources (uses)	**5,158**	**5,315**	**5,141**	**(174)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 32**	**$ (313)**	**$ (177)**	**$ 136**

See notes to required supplementary information.

Federal Special Revenue

Financial Plan Amounts: Original	Financial Plan Amounts: Final	Actual (Budgetary Basis)	Variance with Final Budget
$ —	$ —	$ —	$ —
186	186	173	(13)
40,298	41,794	40,576	(1,218)
40,484	**41,980**	**40,749**	**(1,231)**
34,653	36,095	34,976	1,119
1,572	1,613	1,499	114
276	285	239	46
36,501	**37,993**	**36,714**	**1,279**
3,983	**3,987**	**4,035**	**48**
1	—	—	—
(3,984)	(3,987)	(3,995)	(8)
(3,983)	**(3,987)**	**(3,995)**	**(8)**
$ —	**$ —**	**$ 40**	**$ 40**

NOTES TO BUDGETARY BASIS REPORTING
(unaudited)

Budgetary Basis Reporting

The State Constitution requires the Governor to submit annually an Executive Budget, which contains plans for all funds of expenditures and disbursements for the ensuing fiscal year, as well as all monies and revenues estimated to be available. Bills containing all recommended appropriations or reappropriations and any proposed legislation necessary to provide monies and revenues sufficient to meet such proposed expenditures and disbursements accompany the Executive Budget. Reappropriations are commonly used for federally funded programs and capital projects, where the funding amount is intended to support activities that may span several fiscal years. 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 also includes a cash basis financial plan that must be in balance, i.e., disbursements must not exceed available receipts.

The Legislature enacts appropriation bills and revenue measures containing those parts of the Executive Budget it has approved or modified. The Legislature may also enact supplemental appropriation or special appropriation bills after it completes action on the Executive Budget. Further, when the Legislature convenes in January, it may enact deficiency appropriations to meet actual or anticipated obligations not foreseen when the annual budget and any supplemental budgets were enacted and for which the costs would exceed available spending authorizations. It might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists. A deficiency appropriation usually applies to the fiscal year during which it is made. Pursuant to State law, once the Legislature has completed action on the appropriation and revenue bills and they are approved by the Governor, the cash basis and the GAAP basis financial plans must be 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, provides a summary of projected receipts, disbursements and fiscal year-end balances. Such plans are updated quarterly throughout the fiscal year by the Governor, and include 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. Projected disbursements are based on agency staffing levels, program caseloads, levels of service needs, formulas contained in State and Federal law, inflation and other factors. All projections account for the timing of payments, since not all the amounts appropriated in the Budget are disbursed in the same fiscal year.

The Statewide Financial System includes controls over expenditures to ensure that the maximum spending authority is not exceeded during the life of the appropriation. Expenditures are controlled at the major object level within each program or project of each State agency in accordance with the underlying appropriation purpose. Compliance with the level of legal control is reported in a separate document entitled, *"Approp-Seg Expenditure Analysis Report."* This document reports both expenditures and encumbrances which reserve a portion of the applicable appropriation, thereby ensuring that the appropriations are not exceeded. A copy of this report is available upon request by contacting the State Comptroller's Communication Office at 110 State Street, 15th floor, Albany, New York 12236 or by phone at (518) 474-4015. Encumbrances are not considered a disbursement in the financial plan or an expenditure and expense in the basic financial statements. Generally, appropriations are available for liabilities incurred during the fiscal year. Following the end of the fiscal year, a 'lapse period' is provided to liquidate prior year liabilities. Unless reappropriated, most State operations appropriations cease on June 30th and local assistance, debt service, capital projects and federal fund appropriations cease on September 15th—following the end of the fiscal year. Disbursements made during the lapse period from prior year appropriations are included, together with disbursements from new year appropriations, in the subsequent fiscal year financial plan. 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 disbursement amounts. Actual disbursements for certain spending categories may exceed financial plan estimates (as reported in the Budgetary Basis—Financial Plan and Actual) but do not exceed total enacted appropriations authority. Most Capital Projects and Federal fund appropriations and many State operations appropriations are reappropriated each year by the Legislature and therefore the life of such appropriations may be many years. If the budget is not enacted by April 1st, the legislature enacts special emergency appropriations to continue government functions, as was done in April 2010.

The following presents a reconciliation of the budgetary cash basis operating results as shown in the preceding Budgetary Basis—Financial Plan and Actual Combined Schedule of Cash Receipts and Disbursements (Schedule) with the GAAP-basis operating results reported in the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)—Governmental Funds (Statement) (amounts in millions):

	General	Federal Special Revenue
Receipts and other financing sources over / (under) disbursements and other financing uses per Schedule	$ (177)	$ 40
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	(15)	16
Perspective differences:		
Receipts and other financing sources over 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	259	—
Temporary interfund cash loans	(13)	(114)
Basis of accounting differences:		
Revenue accrual adjustments	1,894	845
Expenditure accrual adjustments	(819)	(814)
Net Change in Fund Balances	**$ 1,129**	**$ (27)**

The entity differences relate to the inclusion of certain funds considered to be Proprietary Funds for purposes of the cash basis financial plan. 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 share of the pool. 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 basis presentation includes them in the General Fund.

INFRASTRUCTURE ASSETS USING THE MODIFIED APPROACH
(unaudited)

In accordance with GAAP, the State has adopted an alternative method for recording depreciation expense for the State's network of roads and bridges maintained by the Department of Transportation. Under this method, referred to as the modified approach, the State will not report depreciation expense for roads and bridges but will capitalize all costs that add to the capacity and efficiency of State owned roads and bridges. Generally, all maintenance and preservation costs will be expensed and not capitalized.

In order to adopt the modified approach, the State is required to meet the following criteria:

1. Maintain an asset management system that includes a current inventory of eligible infrastructure assets.
2. Conduct condition assessments of eligible assets and summarize the results using a measurement scale.
3. Estimate each year the annual amount necessary to maintain and preserve the eligible assets at the condition level established and disclosed by the State.
4. Document that the assets are being preserved approximately at, or above, the established condition level.

Roads

The State Department of Transportation maintains the Pavement Management System (PMS) which supports a construction program that preserves the State's investment in its roads. The PMS contains locational, operational and historical condition data. The PMS is used to determine the appropriate program for improving the asset condition and to determine future funding levels necessary to meet condition goals. The overall goal is for the State to provide a management system for the State's infrastructure assets in order to provide long-term benefits to the State's citizens.

The State annually conducts an assessment of the pavement condition of the State's road network. Trained technicians rate the condition of the pavement based on surface condition and dominant distress (e.g., cracking, faulting) using a scale of 1 (very poor) to 10 (excellent) based on the prevalence of a surface-related pavement distress. A pavement condition rating (PCR) is assigned to each surface section. The State currently has 42,651 lane miles of roads.

It is the State's intention to maintain the roads at an average PCR between 6.7 and 7.2.

Bridges

The State Department of Transportation maintains the Bridge Management System (BMS) which supports a construction program that preserves the State's investment in its bridges. The BMS is used in planning construction programs and estimating construction costs. The overall goal is for the State to provide a management system for the State's infrastructure assets in order to provide long-term benefits to the State's citizens.

The State conducts biennial inspections of all bridges in the State. The State uses a numerical inspection condition rating scale ranging from 1 (minimum) to 7 (maximum). During each general inspection, various components or elements of each bridge span are rated by the inspector as to the extent of deterioration, as well as the component's ability to function structurally relative to when it was newly designed and constructed. The element rating values are combined using a weighted average formula to compute an overall bridge condition rating value for each bridge. A rating of 6 to 7 is excellent, which indicates that no repairs are necessary. A rating of 3 to 5 is fair to good, which indicates that minor repairs are required. A rating of 1 to 2 is deficient, which indicates major repairs or replacement are necessary. The State has approximately 7,887 bridges.

It is the State's intention to maintain the bridges at an average condition rating level between 5.3 and 5.6.

Comparison of Estimated-to-Actual Maintenance/Preservation Costs

Preservation of the roads and bridges is accomplished through construction programs managed by the PMS and BMS. The following presents the State's estimate of costs necessary to preserve and maintain the network of roads and bridges at, or above, the established condition level, compared to the actual costs incurred during fiscal year 2012-2013 (amounts in millions):

Pavement and Bridge Condition Summary as of December 31:

Year	Pavement Average Surface Rating	Bridges Average Condition Rating
2012	6.98	5.34
2011	6.87	5.35
2010	6.84	5.37
2009	6.91	5.38
2008	6.93	5.39
2007	6.86	5.41
2006	6.90	5.42
2005	6.81	5.43

Actual Preservation/Maintenance Costs as of March 31:

(Amounts in millions)

	2013	2012	2011	2010	2009
Total roads	$ 1,131	$ 930	$ 944	$ 1,140	$ 1,088
Total bridges	201	281	241	288	203
Total	**$ 1,332**	**$ 1,211**	**$ 1,185**	**$ 1,428**	**$ 1,291**

Estimated Preservation/Maintenance Costs as of March 31:

(Amounts in millions)

	2013	2012	2011	2010	2009
Total roads	$ 727	$ 712	$ 905	$ 1,072	$ 1,015
Total bridges	146	184	256	229	116
Total	**$ 873**	**$ 896**	**$ 1,161**	**$ 1,301**	**$ 1,131**

SCHEDULE OF FUNDING PROGRESS

(unaudited)

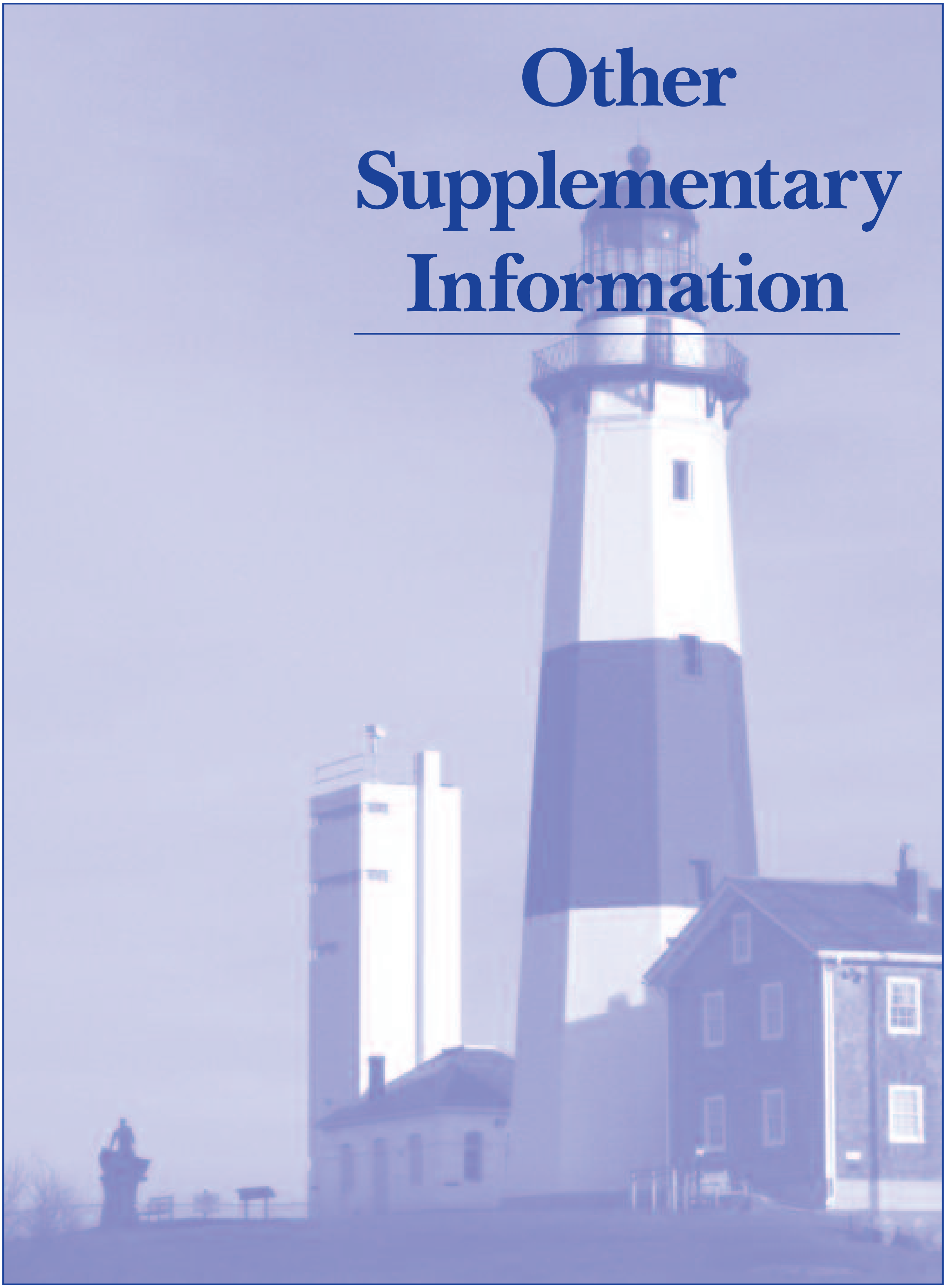
Other Postemployment Benefits

(Amounts in millions)

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	UAAL as a Percentage Covered Payroll ((b-a)/c)
Governmental Activities:										
April 1, 2012*	$	—	$	54,279	$	54,279	—%	$	8,597	631.4%
April 1, 2010	$	—	$	59,668	$	59,668	—%	$	8,942	667.3%
April 1, 2008	$	—	$	46,316	$	46,316	—%	$	8,864	522.5%
Business-type Activities:										
SUNY										
April 1, 2010	$	—	$	12,200	$	12,200	—%	$	3,141	388.4%
April 1, 2008	$	—	$	9,560	$	9,560	—%	$	3,008	317.8%
April 1, 2006	$	—	$	8,261	$	8,261	—%	$	2,527	326.9%
CUNY										
June 30, 2011	$	—	$	1,235	$	1,235	—%	$	910	135.7%
June 30, 2010	$	—	$	1,161	$	1,161	—%	$	918	126.5%
June 30, 2009	$	—	$	1,043	$	1,043	—%	$	865	120.6%

**AAL and UAAL as of 4/1/2012 reflects the State's decision to implement an Employer Group Waiver Plan*

Other Supplementary Information



STATE OF NEW YORK

EXCELSIOR

COMPTROLLER

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 percent 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 percent of the General Fund expenditures.

Combining Schedule of Balance Sheet Accounts

GENERAL FUND

March 31, 2013
(Amounts in millions)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Community Projects	Rainy Day
ASSETS:					
Cash and investments	$ 38	$ —	$ 955	$ 93	$ 175
Receivables, net of allowance for uncollectibles:					
Taxes	—	10,321	—	—	—
Other	924	92	—	4	—
Due from other funds	—	1,778	176	—	—
Other assets	60	93	—	—	—
Total assets	**$ 1,022**	**$ 12,284**	**$ 1,131**	**$ 97**	**$ 175**
LIABILITIES:					
Tax refunds payable	$ —	$ 7,349	$ —	$ —	$ —
Accounts payable	—	190	—	—	—
Accrued liabilities	1,702	942	—	—	—
Payable to local governments	3,202	—	—	1	—
Due to other funds	321	1,500	—	—	—
Pension contributions payable	—	261	—	—	—
Deferred revenues	38	941	—	4	—
Total liabilities	**5,263**	**11,183**	**—**	**5**	**—**
FUND BALANCES (DEFICITS):					
Committed	—	—	—	—	175
Assigned	199	116	—	92	—
Unassigned	(4,440)	985	1,131	—	—
Total fund balances (deficits)	**(4,241)**	**1,101**	**1,131**	**92**	**175**
Total liabilities and fund balances (deficits)	**$ 1,022**	**$ 12,284**	**$ 1,131**	**$ 97**	**$ 175**

See independent auditors' report.

Refund Reserve	Fringe Benefit Escrow	Miscellaneous Special	Miscellaneous	Eliminations	Total
$ —	$ —	$ 972	$ 97	$ —	**$ 2,330**
—	—	—	—	—	**10,321**
—	7	124	15	—	**1,166**
190	649	44	21	(469)	**2,389**
—	—	1	1	—	**155**
$ 190	**$ 656**	**$ 1,141**	**$ 134**	**$ (469)**	**$ 16,361**
$ —	$ —	$ —	$ —	$ —	**$ 7,349**
—	—	36	26	—	**252**
—	—	281	11	—	**2,936**
—	—	47	2	—	**3,252**
—	—	440	68	(469)	**1,860**
—	—	—	—	—	**261**
—	—	207	—	—	**1,190**
—	**—**	**1,011**	**107**	**(469)**	**17,100**
190	—	—	33	—	**398**
—	656	130	47	—	**1,240**
—	—	—	(53)	—	**(2,377)**
190	**656**	**130**	**27**	**—**	**(739)**
$ 190	**$ 656**	**$ 1,141**	**$ 134**	**$ (469)**	**$ 16,361**

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

GENERAL FUND

Year Ended March 31, 2013

(Amounts in millions)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Community Projects	Rainy Day
REVENUES:					
Taxes:					
Personal income	$ —	$ 27,807	$ —	$ —	$ —
Consumption and use	—	8,795	—	—	—
Business	—	6,072	—	—	—
Other	—	1,021	—	—	—
Federal grants	—	61	—	—	—
Miscellaneous	1	3,163	—	—	—
Total revenues	**1**	**46,919**	**—**	**—**	**—**
EXPENDITURES:					
Local assistance grants:					
Education	20,859	—	—	—	—
Public health	14,133	—	—	—	—
Public welfare	3,011	—	—	—	—
Public safety	249	—	—	—	—
Transportation	557	—	—	—	—
Environment and recreation	4	—	—	—	—
Support and regulate business	127	—	—	—	—
General government	946	—	—	13	—
State operations:					
Personal service	—	5,616	—	—	—
Non-personal service	—	1,827	—	—	—
Pension contributions	—	423	—	—	—
Other fringe benefits	—	2,397	—	—	—
Total expenditures	**39,886**	**10,263**	**—**	**13**	**—**
Excess (deficiency) of revenues over expenditures	**(39,885)**	**36,656**	**—**	**(13)**	**—**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	42,868	13,482	—	5	—
Transfers to other funds	(4,075)	(48,533)	—	—	—
Financing arrangements issued	355	—	—	—	—
Premiums on bonds issued	60	—	—	—	—
Net other financing sources (uses)	**39,208**	**(35,051)**	**—**	**5**	**—**
Net change in fund balances	**(677)**	**1,605**	**—**	**(8)**	**—**
Fund balances (deficits) at April 1, 2012	**(3,564)**	**(504)**	**1,131**	**100**	**175**
Fund balances (deficits) at March 31, 2013	**$ (4,241)**	**$ 1,101**	**$ 1,131**	**$ 92**	**$ 175**

See independent auditors' report.

Refund Reserve	Fringe Benefit Escrow	Miscellaneous Special	Miscellaneous	Eliminations	Total
$ —	$ —	$ —	$ —	$ —	$ 27,807
—	—	—	—	—	8,795
—	—	—	—	—	6,072
—	—	—	—	—	1,021
—	—	—	—	—	61
—	2,384	3,006	562	(2,074)	7,042
—	**2,384**	**3,006**	**562**	**(2,074)**	**50,798**
—	—	31	—	—	20,890
—	—	2,584	—	—	16,717
—	—	6	—	—	3,017
—	—	65	—	—	314
—	—	—	—	—	557
—	—	3	—	—	7
—	—	233	—	—	360
—	—	1	2	—	962
—	—	3,070	106	—	8,792
—	114	1,359	427	(550)	3,177
—	942	—	—	—	1,365
—	1,240	1,472	53	(1,524)	3,638
—	**2,296**	**8,824**	**588**	**(2,074)**	**59,796**
—	**88**	**(5,818)**	**(26)**	**—**	**(8,998)**
190	2,167	6,417	64	(48,575)	16,618
(358)	(2,167)	(270)	(78)	48,575	(6,906)
—	—	—	—	—	355
—	—	—	—	—	60
(168)	**—**	**6,147**	**(14)**	**—**	**10,127**
(168)	**88**	**329**	**(40)**	**—**	**1,129**
358	**568**	**(199)**	**67**	**—**	**(1,868)**
$ 190	**$ 656**	**$ 130**	**$ 27**	**$ —**	**$ (739)**

STATE OF NEW YORK

EXCELSIOR

COMPTROLLER

Federal Special Revenue Fund

The Federal Special Revenue Fund is a major fund that accounts for most federal revenues and expenditures.

The Federal Special Revenue Fund is divided into several accounts. The Fund accounts for federal grants received by the State that are earmarked for specific programs. The need to satisfy federal accounting and reporting requirements dictates that federal grants be accounted for in a number of separate accounts. These accounts include the Federal USDA—Food and Nutrition Services Account, the Federal Health and Human Services Account, the Federal Education Account, the Federal Operating Grants Account, the Unemployment Insurance Administration Account, the Federal Unemployment Insurance Occupational Training Account, and the Federal Employment and Training Grants Account.

Combining Schedule of Balance Sheet Accounts

FEDERAL SPECIAL REVENUE FUND

March 31, 2013
(Amounts in millions)

	Federal USDA-FNS	Federal DHHS	Federal Education	Federal Operating Grants	Unemployment Insurance Administration
ASSETS:					
Cash and investments	$ —	$ —	$ 1	$ —	$ 52
Receivables, net of allowance for uncollectibles:					
Due from Federal government	120	4,971	70	772	53
Other	18	428	—	—	—
Due from other funds	—	1	1	1	2
Other assets	6	30	6	14	—
Total assets	**$ 144**	**$ 5,430**	**$ 78**	**$ 787**	**$ 107**
LIABILITIES:					
Accounts payable	$ 3	$ 12	$ 6	$ 7	$ 6
Accrued liabilities	1	2,416	7	7	23
Payable to local governments	87	1,854	32	368	—
Due to other funds	41	458	26	61	18
Deferred revenues	8	690	7	344	60
Total liabilities	**140**	**5,430**	**78**	**787**	**107**
FUND BALANCES:					
Restricted	4	—	—	—	—
Total fund balances	**4**	**—**	**—**	**—**	**—**
Total liabilities and fund balance	**$ 144**	**$ 5,430**	**$ 78**	**$ 787**	**$ 107**

See independent auditors' report.

Unemployment Insurance Occupational Training	Federal Employment and Training Grants	Total
$ 3	$ —	$ 56
—	5	5,991
—	—	446
—	—	5
—	—	56
$ 3	**$ 5**	**$ 6,554**
$ —	$ —	$ 34
—	—	2,454
—	—	2,341
—	5	609
3	—	1,112
3	**5**	**6,550**
—	—	4
—	**—**	**4**
$ 3	**$ 5**	**$ 6,554**

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Accounts

FEDERAL SPECIAL REVENUE FUND

Year Ended March 31, 2013
(Amounts in millions)

	Federal USDA-FNS	Federal DHHS	Federal Education	Federal Operating Grants	Unemployment Insurance Administration
REVENUES:					
Federal grants	$ 7,662	$ 34,038	$ 2,691	$ 1,994	$ 343
Miscellaneous	4	—	—	2	54
Total revenues	**7,666**	**34,038**	**2,691**	**1,996**	**397**
EXPENDITURES:					
Local assistance grants:					
Education	801	—	2,440	5	—
Public health	653	25,163	9	17	—
Public welfare	6,067	4,437	—	32	13
Public safety	—	—	—	1,620	—
Transportation	—	—	—	48	—
Environment and recreation	—	—	—	1	—
Support and regulate business	—	—	—	5	—
General government	—	48	—	1	—
State operations:					
Personal service	21	171	87	108	204
Non-personal service	37	258	99	130	84
Pension contributions	3	18	11	10	22
Other fringe benefits	8	60	35	32	74
Total expenditures	**7,590**	**30,155**	**2,681**	**2,009**	**397**
Excess (deficiency) of revenues over expenditures	**76**	**3,883**	**10**	**(13)**	**—**
OTHER FINANCING USES:					
Transfers to other funds	(77)	(3,883)	(10)	(13)	—
Other financing uses	**(77)**	**(3,883)**	**(10)**	**(13)**	**—**
Net change in fund balances	**(1)**	**—**	**—**	**(26)**	**—**
Fund balances at April 1, 2012	**5**	**—**	**—**	**26**	**—**
Fund balances at March 31, 2013	**$ 4**	**$ —**	**$ —**	**$ —**	**$ —**

See independent auditors' report.

Unemployment Insurance Occupational Training	Federal Employment and Training Grants	Total
$ 5	$ 176	$ 46,909
—	—	60
5	**176**	**46,969**
—	—	3,246
—	—	25,842
4	142	10,695
—	—	1,620
—	—	48
—	—	1
—	—	5
—	—	49
—	14	605
1	12	621
—	2	66
—	6	215
5	**176**	**43,013**
—	**—**	**3,956**
—	—	(3,983)
—	**—**	**(3,983)**
—	**—**	**(27)**
—	**—**	**31**
$ —	**$ —**	**$ 4**

STATE OF NEW YORK

EXCELSIOR

COMPTROLLER

General Debt Service Fund

The General Debt Service Fund is a major fund that is used to account for the payment of principal and interest on the State's general debt and the payments on certain lease/purchase or other contractual obligations.

The General Debt Service Fund is divided into two accounts. The principal and interest payments for the State's general debt and for certain lease/purchase or other contractual obligations are made from the General Debt Service Account. The principal and interest payments for the Tobacco Settlement Financing Corporation (TSFC) are made from the Tobacco Settlement Financing Corporation Account.

Combining Schedule of Balance Sheet Accounts

GENERAL DEBT SERVICE FUND

March 31, 2013
(Amounts in millions)

	General Debt Service Account	Tobacco Settlement Financing Corporation	Total
ASSETS:			
Cash and investments	$ 1,134	$ 450	**$ 1,584**
Receivables, net of allowance for uncollectibles:			
Taxes	3,003	—	**3,003**
Due from Federal government	2	—	**2**
Other	—	396	**396**
Total assets	**$ 4,139**	**$ 846**	**$ 4,985**
LIABILITIES:			
Tax refunds payable	$ 1,801	$ —	**$ 1,801**
Accrued liabilities	7	—	**7**
Payable to local governments	151	—	**151**
Due to other funds	955	—	**955**
Deferred revenues	89	—	**89**
Total liabilities	**3,003**	**—**	**3,003**
FUND BALANCES:			
Restricted	1,112	846	**1,958**
Committed	24	—	**24**
Total fund balances	**1,136**	**846**	**1,982**
Total liabilities and fund balances	**$ 4,139**	**$ 846**	**$ 4,985**

See independent auditors' report.

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Accounts

GENERAL DEBT SERVICE FUND

Year Ended March 31, 2013

(Amounts in millions)

	General Debt Service Account	Tobacco Settlement Financing Corporation	Total
REVENUES:			
Taxes:			
Personal income	$ 10,859	$ —	$ 10,859
Consumption and use	152	—	152
Federal grants	37	—	37
Tobacco settlement	—	395	395
Miscellaneous	11	2	13
Total revenues	**11,059**	**397**	**11,456**
EXPENDITURES:			
Non-personal service	50	—	50
Debt service, including payments on financing arrangements	4,157	408	4,565
Total expenditures	**4,207**	**408**	**4,615**
Excess (deficiency) of revenues over expenditures	**6,852**	**(11)**	**6,841**
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	3,462	—	3,462
Transfers to other funds	(10,333)	(1)	(10,334)
Refunding debt issued	2,264	—	2,264
Payments to escrow agents for refundings	(2,596)	—	(2,596)
Premiums on bonds issued	403	—	403
Net other financing sources (uses)	**(6,800)**	**(1)**	**(6,801)**
Net change in fund balances	**52**	**(12)**	**40**
Fund balances at April 1, 2012	**1,084**	**858**	**1,942**
Fund balances at March 31, 2013	**$ 1,136**	**$ 846**	**$ 1,982**

See independent auditors' report.

Schedule of Cash Receipts and Disbursements Budgetary Basis—Financial Plan and Actual

GENERAL DEBT SERVICE FUND

Year Ended March 31, 2013

(Amounts in millions)

	Financial Plan	Actual	Variance
RECEIPTS:			
Taxes	$ 10,032	$ 10,056	$ 24
Federal grants	79	79	—
Total receipts	**10,111**	**10,135**	**24**
DISBURSEMENTS:			
State operations	28	26	2
Debt service	5,189	5,200	(11)
Total disbursements	**5,217**	**5,226**	**(9)**
Excess of receipts over disbursements	**4,894**	**4,909**	**15**
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	3,418	3,418	—
Transfers to other funds	(8,312)	(8,327)	(15)
Net other financing uses	**(4,894)**	**(4,909)**	**(15)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ —**	**$ —**	**$ —**

See independent auditors' report.

Other Governmental Funds

Combining Balance Sheet

OTHER GOVERNMENTAL FUNDS

March 31, 2013
(Amounts in millions)

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS:				
Cash and investments	$ 2,493	$ 663	$ 2,193	$ 5,349
Receivables, net of allowance for uncollectibles:				
Taxes	293	224	64	581
Due from Federal government	—	—	309	309
Other	652	101	194	947
Due from other funds	488	198	262	948
Other assets	10	—	7	17
Total assets	**$ 3,936**	**$ 1,186**	**$ 3,029**	**$ 8,151**
LIABILITIES:				
Tax refunds payable	$ 236	$ 25	$ 19	$ 280
Accounts payable	13	—	315	328
Accrued liabilities	208	19	73	300
Payable to local governments	444	—	134	578
Due to other funds	130	196	840	1,166
Deferred revenues	173	26	16	215
Total liabilities	**1,204**	**266**	**1,397**	**2,867**
FUND BALANCES:				
Restricted	228	569	342	1,139
Committed	732	356	1,834	2,922
Assigned	2,012	—	33	2,045
Unassigned	(240)	(5)	(577)	(822)
Total fund balances	**2,732**	**920**	**1,632**	**5,284**
Total liabilities and fund balances	**$ 3,936**	**$ 1,186**	**$ 3,029**	**$ 8,151**

See independent auditors' report.

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

OTHER GOVERNMENTAL FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES:				
Taxes:				
Personal income	$ 3,296	$ —	$ —	$ 3,296
Consumption and use	2,083	2,969	599	5,651
Business	1,558	—	645	2,203
Other	1,161	672	119	1,952
Federal grants	—	—	2,256	2,256
Public health/patient fees	4,120	454	—	4,574
Tobacco settlement	52	—	—	52
Miscellaneous	3,179	16	1,128	4,323
Total revenues	**15,449**	**4,111**	**4,747**	**24,307**
EXPENDITURES:				
Local assistance grants:				
Education	6,291	—	290	6,581
Public health	5,310	—	494	5,804
Public welfare	2	—	256	258
Public safety	69	—	—	69
Transportation	4,525	—	503	5,028
Environment and recreation	1	—	442	443
Support and regulate business	—	—	335	335
General government	118	—	60	178
State operations:				
Personal service	200	—	—	200
Non-personal service	2,304	11	—	2,315
Pension contributions	26	—	—	26
Other fringe benefits	60	—	—	60
Capital construction	—	—	4,528	4,528
Debt service, including payments on financing arrangements	—	758	—	758
Total expenditures	**18,906**	**769**	**6,908**	**26,583**
Excess (deficiency) of revenues over expenditures	**(3,457)**	**3,342**	**(2,161)**	**(2,276)**
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	3,540	2,895	1,085	7,520
Transfers to other funds	(364)	(6,467)	(1,561)	(8,392)
General obligation bonds issued	—	—	396	396
Financing arrangements issued	—	—	1,481	1,481
Refunding debt issued	—	170	—	170
Payments to escrow agents for refundings	—	(188)	—	(188)
Premiums on bonds issued	—	22	261	283
Net other financing sources (uses)	**3,176**	**(3,568)**	**1,662**	**1,270**
Net change in fund balances	**(281)**	**(226)**	**(499)**	**(1,006)**
Fund balances at April 1, 2012	**3,013**	**1,146**	**2,131**	**6,290**
Fund balances at March 31, 2013	**$ 2,732**	**$ 920**	**$ 1,632**	**$ 5,284**

See independent auditors' report.

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

OTHER GOVERNMENTAL FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Special Revenue			Debt Service		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
RECEIPTS:						
Taxes	$ 8,046	$ 8,146	$ 100	$ 3,445	$ 3,445	$ —
Miscellaneous	15,713	15,584	(129)	995	913	(82)
Federal grants	—	—	—	—	—	—
Total receipts	**23,759**	**23,730**	**(29)**	**4,440**	**4,358**	**(82)**
DISBURSEMENTS:						
Local assistance grants	18,918	18,818	100	—	—	—
State operations	10,059	9,784	275	29	18	11
General state charges	1,991	1,886	105	—	—	—
Debt service	—	—	—	943	938	5
Capital projects	5	8	(3)	—	—	—
Total disbursements	**30,973**	**30,496**	**477**	**972**	**956**	**16**
Excess (deficiency) of receipts over disbursements	**(7,214)**	**(6,766)**	**448**	**3,468**	**3,402**	**(66)**
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	11,811	8,151	(3,660)	3,160	3,126	(34)
Transfers to other funds	(4,478)	(647)	3,831	(6,664)	(6,576)	88
Net other financing sources (uses)	**7,333**	**7,504**	**171**	**(3,504)**	**(3,450)**	**54**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 119**	**$ 738**	**$ 619**	**$ (36)**	**$ (48)**	**$ (12)**

See independent auditors' report.

Capital Projects

Financial Plan	Actual	Variance
$ 1,353	$ 1,370	$ 17
4,366	3,857	(509)
2,195	2,126	(69)
7,914	**7,353**	**(561)**
2,115	1,875	240
—	—	—
—	—	—
—	—	—
5,910	5,665	245
8,025	**7,540**	**485**
(111)	**(187)**	**(76)**
400	434	34
1,185	1,172	(13)
(1,466)	(1,456)	10
119	**150**	**31**
$ 8	**$ (37)**	**$ (45)**

STATE OF NEW YORK

EXCELSIOR

COMPTROLLER

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.

School Tax Relief Fund (STAR)—to reimburse school districts for the property tax exemptions for homeowners.

Health Care Reform Act Resources—to account for health care initiatives financed with hospital assessments, surcharges, proceeds from the sale of public assets and cigarette tax receipts.

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

ENCON Special Revenue—to account for various fees, fines and penalties earmarked for environmental monitoring activities, conservation and efficiency projects and other environmental maintenance and regulation 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 Spill Compensation Fund—to account for license fees and penalties that are earmarked for oil spill clean-up costs and claims for damages.

Mass Transportation Operating Assistance—to account for various taxes earmarked for public mass transportation operating assistance programs.

MTA Financial Assistance Fund—to account for taxes and fees imposed in the Metropolitan Commuter Transportation District dedicated for Metropolitan Transportation Authority operating and capital needs.

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

Combining Balance Sheet

OTHER GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS

March 31, 2013
(Amounts in millions)

	School Tax Relief (STAR)	Health Care Reform Act Resources	Dedicated Mass Transportation Trust	ENCON Special Revenue	Conservation
ASSETS:					
Cash and investments	$ —	$ 160	$ 75	$ —	$ 92
Receivables, net of allowance for uncollectibles:					
Taxes	—	75	16	—	—
Other	—	309	—	8	—
Due from other funds	188	—	12	—	—
Other assets	—	—	—	—	—
Total assets	**$ 188**	**$ 544**	**$ 103**	**$ 8**	**$ 92**
LIABILITIES:					
Tax refunds payable	$ —	$ —	$ 8	$ —	$ —
Accounts payable	—	3	5	1	—
Accrued liabilities	188	1	—	3	2
Payable to local governments	—	45	37	—	—
Due to other funds	—	3	—	38	4
Deferred revenues	—	45	—	—	—
Total liabilities	**188**	**97**	**50**	**42**	**6**
FUND BALANCES (DEFICITS):					
Restricted	—	—	—	—	—
Committed	—	447	53	—	86
Assigned	—	—	—	—	—
Unassigned	—	—	—	(34)	—
Total fund balances (deficits)	**—**	**447**	**53**	**(34)**	**86**
Total liabilities and fund balances (deficits)	**$ 188**	**$ 544**	**$ 103**	**$ 8**	**$ 92**

See independent auditors' report.

Environmental Protection and Spill Compensation	Mass Transportation Operating Assistance	MTA Financial Assistance	Miscellaneous	Total
$ 10	$ 213	$ 140	$ 1,803	$ 2,493
—	74	128	—	293
88	—	—	247	652
—	—	16	272	488
—	—	—	10	10
$ 98	$ 287	$ 284	$ 2,332	$ 3,936
$ —	$ 222	$ 5	$ 1	$ 236
3	—	—	1	13
—	—	—	14	208
—	147	138	77	444
2	5	—	78	130
77	—	—	51	173
82	374	143	222	1,204
16	—	141	71	228
—	—	—	146	732
—	—	—	2,012	2,012
—	(87)	—	(119)	(240)
16	(87)	141	2,110	2,732
$ 98	$ 287	$ 284	$ 2,332	$ 3,936

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

OTHER GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS

Year Ended March 31, 2013

(Amounts in millions)

	School Tax Relief (STAR)	Health Care Reform Act Resources	Dedicated Mass Transportation Trust	ENCON Special Revenue	Conservation
REVENUES:					
Taxes:					
Personal income	$ 3,296	$ —	$ —	$ —	$ —
Consumption and use	—	1,097	103	—	—
Business	—	—	371	—	—
Other	—	—	—	—	—
Public health/patient fees	—	4,120	—	—	—
Tobacco settlement	—	52	—	—	—
Miscellaneous	—	1	179	76	53
Total revenues	**3,296**	**5,270**	**653**	**76**	**53**
EXPENDITURES:					
Local assistance grants:					
Education	3,296	—	—	—	—
Public health	—	5,306	—	—	—
Public welfare	—	—	—	—	—
Public safety	—	—	—	—	—
Transportation	—	—	682	—	—
Environment and recreation	—	—	—	1	—
General government	—	—	—	—	—
State operations:					
Personal service	—	10	—	49	24
Non-personal service	—	46	8	20	14
Pension contributions	—	1	—	4	3
Other fringe benefits	—	4	—	14	9
Total expenditures	**3,296**	**5,367**	**690**	**88**	**50**
Excess (deficiency) of revenues over expenditures	**—**	**(97)**	**(37)**	**(12)**	**3**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	—	1	—	15	—
Transfers to other funds	—	(236)	—	(8)	(2)
Net other financing sources (uses)	**—**	**(235)**	**—**	**7**	**(2)**
Net change in fund balances	**—**	**(332)**	**(37)**	**(5)**	**1**
Fund balances (deficits) at April 1, 2012	**—**	**779**	**90**	**(29)**	**85**
Fund balances (deficits) at March 31, 2013	**$ —**	**$ 447**	**$ 53**	**$ (34)**	**$ 86**

See independent auditors' report.

Environmental Protection and Spill Compensation	Mass Transportation Operating Assistance	MTA Financial Assistance	Miscellaneous	Eliminations	Total
$ —	$ —	$ —	$ —	$ —	**$ 3,296**
—	758	125	—	—	**2,083**
—	1,187	—	—	—	**1,558**
—	—	1,161	—	—	**1,161**
—	—	—	—	—	**4,120**
—	—	—	—	—	**52**
43	16	201	2,610	—	**3,179**
43	**1,961**	**1,487**	**2,610**	**—**	**15,449**
—	—	—	2,995	—	**6,291**
—	—	—	4	—	**5,310**
—	—	—	2	—	**2**
—	—	—	69	—	**69**
—	2,001	1,842	—	—	**4,525**
—	—	—	—	—	**1**
—	—	—	118	—	**118**
10	3	—	104	—	**200**
18	1	—	2,197	—	**2,304**
1	—	—	17	—	**26**
4	1	—	28	—	**60**
33	**2,006**	**1,842**	**5,534**	**—**	**18,906**
10	**(45)**	**(355)**	**(2,924)**	**—**	**(3,457)**
—	50	277	3,192	5	**3,540**
(15)	—	(6)	(92)	(5)	**(364)**
(15)	**50**	**271**	**3,100**	**—**	**3,176**
(5)	**5**	**(84)**	**176**	**—**	**(281)**
21	**(92)**	**225**	**1,934**	**—**	**3,013**
$ 16	**$ (87)**	**$ 141**	**$ 2,110**	**$ —**	**$ 2,732**

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

OTHER GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	School Tax Relief			Mass Transportation Operating Assistance		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
RECEIPTS:						
Taxes	$ 3,276	$ 3,286	$ 10	$ 1,893	$ 1,949	$ 56
Miscellaneous	—	—	—	22	16	(6)
Total receipts	**3,276**	**3,286**	**10**	**1,915**	**1,965**	**50**
DISBURSEMENTS:						
Local assistance grants	3,276	3,286	(10)	1,855	1,854	1
State operations	—	—	—	4	4	—
General state charges	—	—	—	1	1	—
Capital projects	—	—	—	—	—	—
Total disbursements	**3,276**	**3,286**	**(10)**	**1,860**	**1,859**	**1**
Excess (deficiency) of receipts over disbursements	**—**	**—**	**—**	**55**	**106**	**51**
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	—	—	—	49	50	1
Transfers to other funds	—	—	—	—	—	—
Net other financing sources (uses)	**—**	**—**	**—**	**49**	**50**	**1**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ —**	**$ —**	**$ —**	**$ 104**	**$ 156**	**$ 52**

See independent auditors' report.

State Special Revenue Account			Other		
Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
$ —	$ —	$ —	$ 2,877	$ 2,911	$ 34
3,062	2,980	(82)	12,629	12,588	(41)
3,062	**2,980**	**(82)**	**15,506**	**15,499**	**(7)**
3,067	3,048	19	10,720	10,630	90
4,811	4,689	122	5,244	5,091	153
1,511	1,488	23	479	397	82
—	—	—	5	8	(3)
9,389	**9,225**	**164**	**16,448**	**16,126**	**322**
(6,327)	**(6,245)**	**82**	**(942)**	**(627)**	**315**
10,151	6,740	(3,411)	5,090	58,048	52,958
(3,860)	(240)	3,620	(4,097)	(57,094)	(52,997)
6,291	**6,500**	**209**	**993**	**954**	**(39)**
$ (36)	**$ 255**	**$ 291**	**$ 51**	**$ 327**	**$ 276**

(Continued)

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

OTHER GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Eliminations		Total		
	Financial Plan	Actual	Financial Plan	Actual	Variance
RECEIPTS:					
Taxes	$ —	$ —	$ 8,046	$ 8,146	$ 100
Miscellaneous	—	—	15,713	15,584	(129)
Total receipts	**—**	**—**	**23,759**	**23,730**	**(29)**
DISBURSEMENTS:					
Local assistance grants	—	—	18,918	18,818	100
State operations	—	—	10,059	9,784	275
General state charges	—	—	1,991	1,886	105
Capital projects	—	—	5	8	(3)
Total disbursements	**—**	**—**	**30,973**	**30,496**	**477**
Excess (deficiency) of receipts over disbursements	**—**	**—**	**(7,214)**	**(6,766)**	**448**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	(3,479)	(56,687)	11,811	8,151	(3,660)
Transfers to other funds	3,479	56,687	(4,478)	(647)	3,831
Net other financing sources (uses)	**—**	**—**	**7,333**	**7,504**	**171**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ —**	**$ —**	**$ 119**	**$ 738**	**$ 619**

See independent auditors' report.

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.

Mental Health Services Fund—to account for the payment of debt service in conjunction with agreements for financing mental hygiene facilities.

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.

Clean Water/Clean Air Fund—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.

Combining Balance Sheet

OTHER GOVERNMENTAL FUNDS—DEBT SERVICE FUNDS

March 31, 2013
(Amounts in millions)

	Mental Health Services	State Housing Debt	Department of Health Income	Clean Water/ Clean Air	Local Government Assistance Tax	Total
ASSETS:						
Cash and investments	$ 110	$ —	$ 64	$ 1	$ 488	$ 663
Receivables, net of allowance for uncollectibles:						
Taxes	—	—	—	34	190	224
Other	64	12	25	—	—	101
Due from other funds	193	—	5	—	—	198
Total assets	**$ 367**	**$ 12**	**$ 94**	**$ 35**	**$ 678**	**$ 1,186**
LIABILITIES:						
Tax refunds payable	$ —	$ —	$ —	$ —	$ 25	$ 25
Accrued liabilities	—	—	19	—	—	19
Due to other funds	—	—	—	35	161	196
Deferred revenues	4	8	—	—	14	26
Total liabilities	**4**	**8**	**19**	**35**	**200**	**266**
FUND BALANCES (DEFICITS):						
Restricted	60	4	22	—	483	569
Committed	303	—	53	—	—	356
Unassigned	—	—	—	—	(5)	(5)
Total fund balances	**363**	**4**	**75**	**—**	**478**	**920**
Total liabilities and fund balances	**$ 367**	**$ 12**	**$ 94**	**$ 35**	**$ 678**	**$ 1,186**

See independent auditors' report.

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

OTHER GOVERNMENTAL FUNDS—DEBT SERVICE FUNDS

Year Ended March 31, 2013

(Amounts in millions)

	Mental Health Services	State Housing Debt	Department of Health Income	Clean Water/ Clean Air	Local Government Assistance Tax	Total
REVENUES:						
Taxes:						
Consumption and use	$ —	$ —	$ —	$ —	$ 2,969	$ 2,969
Other	—	—	—	672	—	672
Patient fees	324	—	130	—	—	454
Miscellaneous	5	11	—	—	—	16
Total revenues	**329**	**11**	**130**	**672**	**2,969**	**4,111**
EXPENDITURES:						
Non-personal service	5	—	1	—	5	11
Debt service, including payments on financing arrangements	318	12	27	—	401	758
Total expenditures	**323**	**12**	**28**	**—**	**406**	**769**
Excess (deficiency) of revenues over expenditures	**6**	**(1)**	**102**	**672**	**2,563**	**3,342**
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	2,853	2	40	—	—	2,895
Transfers to other funds	(3,083)	—	(142)	(672)	(2,570)	(6,467)
Refunding debt issued	83	—	—	—	87	170
Payments to escrow agents for refundings	(87)	—	—	—	(101)	(188)
Premiums on bonds issued	7	—	—	—	15	22
Net other financing sources (uses)	**(227)**	**2**	**(102)**	**(672)**	**(2,569)**	**(3,568)**
Net change in fund balances	**(221)**	**1**	**—**	**—**	**(6)**	**(226)**
Fund balances at April 1, 2012	**584**	**3**	**75**	**—**	**484**	**1,146**
Fund balances at March 31, 2013	**$ 363**	**$ 4**	**$ 75**	**$ —**	**$ 478**	**$ 920**

See independent auditors' report.

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

OTHER GOVERNMENTAL FUNDS—DEBT SERVICE FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Mental Health Services			Clean Water/Clean Air		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
RECEIPTS:						
Taxes	$ —	$ —	$ —	$ 636	$ 636	$ —
Miscellaneous	352	311	(41)	—	—	—
Total receipts	**352**	**311**	**(41)**	**636**	**636**	**—**
DISBURSEMENTS:						
State operations	5	3	2	—	—	—
Debt service	305	306	(1)	—	—	—
Total disbursements	**310**	**309**	**1**	**—**	**—**	**—**
Excess (deficiency) of receipts over disbursements	**42**	**2**	**(40)**	**636**	**636**	**—**
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	3,117	3,077	(40)	—	—	—
Transfers to other funds	(3,112)	(3,083)	29	(636)	(636)	—
Net other financing sources (uses)	**5**	**(6)**	**(11)**	**(636)**	**(636)**	**—**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 47**	**$ (4)**	**$ (51)**	**$ —**	**$ —**	**$ —**

See independent auditors' report.

Local Government Assistance Tax			Other		
Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
$ 2,809	$ 2,809	$ —	$ —	$ —	$ —
1	—	(1)	642	602	(40)
2,810	**2,809**	**(1)**	**642**	**602**	**(40)**
5	4	1	19	11	8
389	389	—	249	243	6
394	**393**	**1**	**268**	**254**	**14**
2,416	**2,416**	**—**	**374**	**348**	**(26)**
—	—	—	43	49	6
(2,416)	(2,416)	—	(500)	(441)	59
(2,416)	**(2,416)**	**—**	**(457)**	**(392)**	**65**
$ —	**$ —**	**$ —**	**$ (83)**	**$ (44)**	**$ 39**

(Continued)

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

OTHER GOVERNMENTAL FUNDS—DEBT SERVICE FUNDS

Year Ended March 31, 2013

(Amounts in millions)

	Total		
	Financial Plan	Actual	Variance
RECEIPTS:			
Taxes	$ 3,445	$ 3,445	$ —
Miscellaneous	995	913	(82)
Total receipts	**4,440**	**4,358**	**(82)**
DISBURSEMENTS:			
State operations	29	18	11
Debt service	943	938	5
Total disbursements	**972**	**956**	**16**
Excess (deficiency) of receipts over disbursements	**3,468**	**3,402**	**(66)**
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	3,160	3,126	(34)
Transfers to other funds	(6,664)	(6,576)	88
Net other financing sources (uses)	**(3,504)**	**(3,450)**	**54**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ (36)**	**$ (48)**	**$ (12)**

See independent auditors' report.

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.

Environmental Protection Fund—to account for dedicated revenues that will be used to assist local governments, not-for-profit corporations, and fund State initiatives to protect the environment and protect open space.

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 Bond Fund, the Rail Preservation and Development Bond Fund, the Rebuild and Renew New York Transportation Bond Fund, the Environmental Quality Bond Act Fund and the Clean Water/Clean Air Bond Fund.

Hazardous Waste Remedial Fund—to account for revenues earmarked for the clean-up of hazardous waste disposal sites.

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

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.

Mental Hygiene Facilities Capital Improvement Fund—to account for mental hygiene capital projects.

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.

Combining Balance Sheet

OTHER GOVERNMENTAL FUNDS—CAPITAL PROJECTS FUNDS

March 31, 2013
(Amounts in millions)

	State Capital Projects	Dedicated Highway and Bridge Trust	Environmental Protection	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Rebuild and Renew New York Transportation Bond	Environmental Quality Bond Act
ASSETS:							
Cash and investments	$ 1,387	$ —	$ 23	$ 3	$ 2	$ 152	$ 15
Receivables, net of allowance for uncollectibles:							
Taxes	—	64	—	—	—	—	—
Due from Federal government	—	—	—	—	—	—	—
Other	148	32	2	—	—	—	—
Due from other funds	203	70	1	—	—	1	—
Other assets	—	—	—	—	—	—	—
Total assets	**$ 1,738**	**$ 166**	**$ 26**	**$ 3**	**$ 2**	**$ 153**	**$ 15**
LIABILITIES:							
Tax refunds payable	$ —	$ 19	$ —	$ —	$ —	$ —	$ —
Accounts payable	80	80	1	—	—	—	—
Accrued liabilities	1	56	—	—	—	—	—
Payable to local governments	31	3	5	—	—	—	—
Due to other funds	176	297	—	—	—	12	—
Deferred revenues	3	8	—	—	—	—	—
Total liabilities	**291**	**463**	**6**	**—**	**—**	**12**	**—**
FUND BALANCES (DEFICITS):							
Restricted	145	18	—	3	2	141	15
Committed	1,302	—	20	—	—	—	—
Assigned	—	—	—	—	—	—	—
Unassigned	—	(315)	—	—	—	—	—
Total fund balances (deficits)	**1,447**	**(297)**	**20**	**3**	**2**	**141**	**15**
Total liabilities and fund balances (deficits)	**$ 1,738**	**$ 166**	**$ 26**	**$ 3**	**$ 2**	**$ 153**	**$ 15**

See independent auditors' report.

	Hazardous Waste Remedial	Federal Capital Projects	Clean Water/ Clean Air Bond	Housing Program	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Total
	$ —	$ —	$ 8	$ —	$ 300	$ 206	$ 97	$ —	$ 2,193
	—	—	—	—	—	—	—	—	64
	—	309	—	—	—	—	—	—	309
	12	—	—	—	—	—	—	—	194
	—	71	—	—	—	—	—	(84)	262
	—	—	—	—	—	—	7	—	7
	$ 12	**$ 380**	**$ 8**	**$ —**	**$ 300**	**$ 206**	**$ 104**	**$ (84)**	**$ 3,029**
	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 19
	4	114	—	—	8	23	5	—	315
	2	1	—	—	12	—	1	—	73
	1	90	—	—	3	—	1	—	134
	115	175	1	110	1	—	37	(84)	840
	5	—	—	—	—	—	—	—	16
	127	**380**	**1**	**110**	**24**	**23**	**44**	**(84)**	**1,397**
	—	—	7	—	—	—	11	—	342
	—	—	—	—	276	183	53	—	1,834
	—	—	—	—	—	—	33	—	33
	(115)	—	—	(110)	—	—	(37)	—	(577)
	(115)	**—**	**7**	**(110)**	**276**	**183**	**60**	**—**	**1,632**
	$ 12	**$ 380**	**$ 8**	**$ —**	**$ 300**	**$ 206**	**$ 104**	**$ (84)**	**$ 3,029**

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

OTHER GOVERNMENTAL FUNDS—CAPITAL PROJECTS FUNDS

Year Ended March 31, 2013

(Amounts in millions)

	State Capital Projects	Dedicated Highway and Bridge Trust	Environmental Protection	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Rebuild and Renew New York Transportation Bond	Environmental Quality Bond Act
REVENUES:							
Taxes:							
Consumption and use	$ —	$ 599	$ —	$ —	$ —	$ —	$ —
Business	—	645	—	—	—	—	—
Other	—	—	119	—	—	—	—
Federal grants	—	5	—	—	—	—	—
Miscellaneous	3	907	17	—	—	—	—
Total revenues	**3**	**2,156**	**136**	**—**	**—**	**—**	**—**
EXPENDITURES:							
Local assistance grants:							
Education	290	—	—	—	—	—	—
Public health	319	—	—	—	—	—	—
Public welfare	—	—	—	—	—	—	—
Transportation	4	5	—	—	—	—	—
Environment and recreation	85	—	79	—	—	—	—
Support and regulate business	310	—	—	—	—	—	—
General government	57	—	—	—	—	—	—
Capital construction	763	2,120	78	—	—	2	—
Total expenditures	**1,828**	**2,125**	**157**	**—**	**—**	**2**	**—**
Excess (deficiency) of revenues over expenditures	**(1,825)**	**31**	**(21)**	**—**	**—**	**(2)**	**—**
OTHER FINANCING SOURCES (USES):							
Transfers from other funds	912	834	—	—	—	—	—
Transfers to other funds	(109)	(1,425)	—	—	(1)	(335)	(5)
General obligation bonds issued	—	—	—	—	2	342	10
Financing arrangements issued	920	—	—	—	—	—	—
Premiums on bonds issued	139	—	—	—	—	35	2
Net other financing sources (uses)	**1,862**	**(591)**	**—**	**—**	**1**	**42**	**7**
Net change in fund balances	**37**	**(560)**	**(21)**	**—**	**1**	**40**	**7**
Fund balances (deficits) at April 1, 2012	**1,410**	**263**	**41**	**3**	**1**	**101**	**8**
Fund balances (deficits) at March 31, 2013	**$ 1,447**	**$ (297)**	**$ 20**	**$ 3**	**$ 2**	**$ 141**	**$ 15**

See independent auditors' report.

Hazardous Waste Remedial	Federal Capital Projects	Clean Water/ Clean Air Bond	Housing Program	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Total
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 599
—	—	—	—	—	—	—	—	645
—	—	—	—	—	—	—	—	119
—	2,251	—	—	—	—	—	—	2,256
28	1	—	131	2	—	39	—	1,128
28	**2,252**	**—**	**131**	**2**	**—**	**39**	**—**	**4,747**
—	—	—	—	—	—	—	—	290
—	117	—	—	58	—	—	—	494
—	—	—	121	—	—	135	—	256
—	491	—	—	—	—	3	—	503
5	273	—	—	—	—	—	—	442
—	—	—	—	—	—	25	—	335
—	—	—	—	3	—	—	—	60
86	1,078	—	—	118	204	79	—	4,528
91	**1,959**	**—**	**121**	**179**	**204**	**242**	**—**	**6,908**
(63)	**293**	**—**	**10**	**(177)**	**(204)**	**(203)**	**—**	**(2,161)**
12	—	—	1	1	21	—	(696)	1,085
(25)	(293)	(42)	—	—	—	(22)	696	(1,561)
—	—	39	—	—	—	3	—	396
69	—	—	—	130	183	179	—	1,481
14	—	3	—	22	31	15	—	261
70	**(293)**	**—**	**1**	**153**	**235**	**175**	**—**	**1,662**
7	**—**	**—**	**11**	**(24)**	**31**	**(28)**	**—**	**(499)**
(122)	**—**	**7**	**(121)**	**300**	**152**	**88**	**—**	**2,131**
$ (115)	**$ —**	**$ 7**	**$ (110)**	**$ 276**	**$ 183**	**$ 60**	**$ —**	**$ 1,632**

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

OTHER GOVERNMENTAL FUNDS—CAPITAL PROJECTS FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	State Capital Projects			Dedicated Highway and Bridge Trust		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
RECEIPTS:						
Taxes	$ —	$ —	$ —	$ 1,234	$ 1,251	$ 17
Miscellaneous	1,960	1,797	(163)	1,553	1,318	(235)
Federal grants	—	—	—	5	5	—
Total receipts	**1,960**	**1,797**	**(163)**	**2,792**	**2,574**	**(218)**
DISBURSEMENTS:						
Local assistance grants	989	787	202	67	3	64
Capital projects	1,906	1,906	—	2,149	2,103	46
Total disbursements	**2,895**	**2,693**	**202**	**2,216**	**2,106**	**110**
Excess (deficiency) of receipts over disbursements	**(935)**	**(896)**	**39**	**576**	**468**	**(108)**
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	939	900	(39)	848	815	(33)
Transfers to other funds	(4)	(4)	—	(1,425)	(1,425)	—
Net other financing sources (uses)	**935**	**896**	**(39)**	**(577)**	**(610)**	**(33)**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ —**	**$ —**	**$ —**	**$ (1)**	**$ (142)**	**$ (141)**

See independent auditors' report.

Federal Capital Projects			Department of Transportation Engineering Services		
Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
$ —	$ —	$ —	$ —	$ —	$ —
—	2	2	—	—	—
2,190	2,121	(69)	—	—	—
2,190	**2,123**	**(67)**	**—**	**—**	**—**
820	812	8	—	—	—
1,035	1,048	(13)	—	2	(2)
1,855	**1,860**	**(5)**	**—**	**2**	**(2)**
335	**263**	**(72)**	**—**	**(2)**	**(2)**
—	—	—	—	—	—
—	—	—	—	1	1
(332)	(293)	39	—	—	—
(332)	**(293)**	**39**	**—**	**1**	**1**
$ 3	**$ (30)**	**$ (33)**	**$ —**	**$ (1)**	**$ (1)**

(Continued)

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

OTHER GOVERNMENTAL FUNDS—CAPITAL PROJECTS FUNDS

Year Ended March 31, 2013

(Amounts in millions)

	Other			Eliminations	
	Financial Plan	Actual	Variance	Financial Plan	Actual
RECEIPTS:					
Taxes	$ 119	$ 119	$ —	$ —	$ —
Miscellaneous	853	740	(113)	—	—
Federal grants	—	—	—	—	—
Total receipts	**972**	**859**	**(113)**	**—**	**—**
DISBURSEMENTS:					
Local assistance grants	239	273	(34)	—	—
Capital projects	820	606	214	—	—
Total disbursements	**1,059**	**879**	**180**	**—**	**—**
Excess (deficiency) of receipts over disbursements	**(87)**	**(20)**	**67**	**—**	**—**
OTHER FINANCING SOURCES (USES):					
Bond and note proceeds, net	400	434	34	—	—
Transfers from other funds	123	(256)	(379)	(725)	(288)
Transfers to other funds	(430)	(22)	408	725	288
Net other financing sources (uses)	**93**	**156**	**63**	**—**	**—**
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	**$ 6**	**$ 136**	**$ 130**	**$ —**	**$ —**

See independent auditors' report.

Total		
Financial Plan	Actual	Variance
$ 1,353	$ 1,370	$ 17
4,366	3,857	(509)
2,195	2,126	(69)
7,914	**7,353**	**(561)**
2,115	1,875	240
5,910	5,665	245
8,025	**7,540**	**485**
(111)	**(187)**	**(76)**
400	434	34
1,185	1,172	(13)
(1,466)	(1,456)	10
119	**150**	**31**
$ 8	**$ (37)**	**$ (45)**

STATE OF NEW YORK

EXCELSIOR

COMPTROLLER

Fiduciary Funds

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

Private Purpose Trust Funds:

Agriculture and Milk Producers' Security Funds—to provide security to agriculture and milk producers against loss of revenues.

Abandoned Property Fund—accounts for assets from banks, utilities, investment companies, and insurance companies representing inactive accounts that are required by law to be turned over to the State. The Comptroller is custodian of this account. Assets are returned to the proper owner upon approval of a claim.

Tuition Savings Program Fund—accounts for contributions made by individuals and families for college savings. The withdrawals from the Fund are used to pay college costs at any eligible public and private college and university in New York State.

Agency Funds:

Employee Benefit and Payroll Related Funds—accounts for various employee benefit programs, such as the New York State employee health insurance programs, for the disposition of various payroll related deductions, such as for social security contributions.

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 proper disposition of the assets can be made. This includes accounting for advances from the State for paying CUNY operating costs.

Combining Statement of Fiduciary Net Position

PRIVATE PURPOSE TRUSTS

March 31, 2013
(Amounts in millions)

	Agriculture Producers' Security	Milk Producers' Security	Abandoned Property	Tuition Savings Program	Total
ASSETS:					
Cash and investments	$ 2	$ 8	$ 288	$ 14,278	$ 14,576
Receivables, net of allowance for uncollectibles	—	—	208	47	255
Due from other funds	—	—	1,180	—	1,180
Total assets	**2**	**8**	**1,676**	**14,325**	**16,011**
LIABILITIES:					
Accrued liabilities	—	—	—	53	53
Total liabilities	**—**	**—**	**—**	**53**	**53**
NET POSITION:					
Restricted for:					
Claimant liability	—	—	1,676	—	1,676
Other specified purposes	2	8	—	14,272	14,282
Total net position	**$ 2**	**$ 8**	**$ 1,676**	**$ 14,272**	**$ 15,958**

See independent auditors' report.

Combining Statement of Changes in Fiduciary Net Position

PRIVATE PURPOSE TRUSTS

Year Ended March 31, 2013

(Amounts in millions)

	Agriculture Producers' Security	Milk Producers' Security	Abandoned Property	Tuition Savings Program	Total
Additions:					
Investment income	$ —	$ —	$ —	$ 32	$ 32
Dividend income	—	—	—	284	284
Other income	—	—	337	—	337
Net increase in the fair value of investments	—	—	—	1,014	1,014
Total investment and other losses	**—**	**—**	**337**	**1,330**	**1,667**
Less:					
Investment expenses	—	—	—	(34)	(34)
Net investment and other losses	**—**	**—**	**337**	**1,296**	**1,633**
Contributions:					
College savings	—	—	—	1,861	1,861
Total contributions	**—**	**—**	**—**	**1,861**	**1,861**
Total additions	**—**	**—**	**337**	**3,157**	**3,494**
Deductions:					
College aid redemptions	—	—	—	975	975
Claims paid	—	—	203	—	203
Total deductions	**—**	**—**	**203**	**975**	**1,178**
Net increase (decrease)	**—**	**—**	**134**	**2,182**	**2,316**
Net position restricted at April 1, 2012, as restated	**2**	**8**	**1,542**	**12,090**	**13,642**
Net position restricted at March 31, 2013	**$ 2**	**$ 8**	**$ 1,676**	**$ 14,272**	**$ 15,958**

See independent auditors' report.

Combining Statement of Fiduciary Net Position

AGENCY FUNDS

March 31, 2013
(Amounts in millions)

	School Capital Facilities Financing Reserve	Employees Health Insurance	Social Security Contribution	Employees Dental Insurance	Management Confidential Group Insurance
ASSETS:					
Cash and investments	$ 19	$ 178	$ 15	$ 1	$ 1
Receivables, net of allowance for uncollectibles	—	76	—	6	—
Other assets	—	152	—	—	—
Total assets	**$ 19**	**$ 406**	**$ 15**	**$ 7**	**$ 1**
LIABILITIES:					
Accounts payable	$ —	$ —	$ —	$ —	$ —
Accrued liabilities	19	156	15	2	1
Payable to local governments	—	250	—	5	—
Total liabilities	**$ 19**	**$ 406**	**$ 15**	**$ 7**	**$ 1**

See independent auditors' report.

CUNY Senior College Operating	MMIS Statewide Escrow	Sole Custody	Miscellaneous	Total
$ 6	$ 152	$ 1,794	$ 618	**$ 2,784**
—	—	12	53	**147**
—	—	—	—	**152**
$ 6	**$ 152**	**$ 1,806**	**$ 671**	**$ 3,083**
$ 6	$ —	$ —	$ 41	**$ 47**
—	112	491	584	**1,380**
—	40	1,315	46	**1,656**
$ 6	**$ 152**	**$ 1,806**	**$ 671**	**$ 3,083**

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Balance April 1, 2012	Additions	Deductions	Balance March 31, 2013
School Capital Facilities Financing Reserve				
ASSETS:				
Cash and investments	$ 35	$ 68	$ 84	$ 19
Due from other funds	—	36	36	—
Total assets	**$ 35**	**$ 104**	**$ 120**	**$ 19**
LIABILITIES:				
Accounts payable	$ —	$ 43	$ 43	$ —
Accrued liabilities	35	39	55	19
Due to other funds	—	16	16	—
Total liabilities	**$ 35**	**$ 98**	**$ 114**	**$ 19**
Employees Health Insurance				
ASSETS:				
Cash and investments	$ 174	$ 15,220	$ 15,216	$ 178
Receivables, net of allowance for uncollectibles	85	569	578	76
Due from other funds	—	6,124	6,124	—
Other assets	144	152	144	152
Total assets	**$ 403**	**$ 22,065**	**$ 22,062**	**$ 406**
LIABILITIES:				
Accounts payable	$ —	$ 7,337	$ 7,337	$ —
Accrued liabilities	131	8,654	8,629	156
Payable to local governments	272	249	271	250
Due to other funds	—	404	404	—
Total liabilities	**$ 403**	**$ 16,644**	**$ 16,641**	**$ 406**
Social Security Contribution				
ASSETS:				
Cash and investments	$ —	$ 1,027	$ 1,012	$ 15
Receivables, net of allowance for uncollectibles	27	843	870	—
Due from other funds	—	59	59	—
Total assets	**$ 27**	**$ 1,929**	**$ 1,941**	**$ 15**
LIABILITIES:				
Accounts payable	$ —	$ 909	$ 909	$ —
Accrued liabilities	27	990	1,002	15
Due to other funds	—	102	102	—
Total liabilities	**$ 27**	**$ 2,001**	**$ 2,013**	**$ 15**

(Continued)

See independent auditors' report.

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

AGENCY FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Balance April 1, 2012	Additions	Deductions	Balance March 31, 2013
Employees Dental Insurance				
ASSETS:				
Cash and investments	$ 1	$ 202	$ 202	$ 1
Receivables, net of allowance for uncollectibles	4	7	5	6
Due from other funds	—	86	86	—
Total assets	**$ 5**	**$ 295**	**$ 293**	**$ 7**
LIABILITIES:				
Accounts payable	$ —	$ 74	$ 74	$ —
Accrued liabilities	1	110	109	2
Payable to local governments	4	5	4	5
Due to other funds	—	15	15	—
Total liabilities	**$ 5**	**$ 204**	**$ 202**	**$ 7**
Management Confidential Group Insurance				
ASSETS:				
Cash and investments	$ 1	$ 15	$ 15	$ 1
Receivables, net of allowance for uncollectibles	—	5	5	—
Due from other funds	—	4	4	—
Total assets	**$ 1**	**$ 24**	**$ 24**	**$ 1**
LIABILITIES:				
Accounts payable	$ —	$ 9	$ 9	$ —
Accrued liabilities	1	10	10	1
Due to other funds	—	1	1	—
Total liabilities	**$ 1**	**$ 20**	**$ 20**	**$ 1**
CUNY Senior College Operating				
ASSETS:				
Cash and investments	$ 29	$ 3,762	$ 3,785	$ 6
Receivables, net of allowance for uncollectibles	—	2	2	—
Due from other funds	—	1,454	1,454	—
Total assets	**$ 29**	**$ 5,218**	**$ 5,241**	**$ 6**
LIABILITIES:				
Accounts payable	$ 7	$ 2,007	$ 2,008	$ 6
Accrued liabilities	22	2,100	2,122	—
Due to other funds	—	59	59	—
Total liabilities	**$ 29**	**$ 4,166**	**$ 4,189**	**$ 6**

(Continued)

See independent auditors' report.

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

AGENCY FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Balance April 1, 2012	Additions	Deductions	Balance March 31, 2013
MMIS Statewide Escrow				
ASSETS:				
Cash and investments	$ 192	$ 94,589	$ 94,629	$ 152
Receivables, net of allowance for uncollectibles	12	—	12	—
Due from other funds	—	42,875	42,875	—
Total assets	**$ 204**	**$ 137,464**	**$ 137,516**	**$ 152**
LIABILITIES:				
Accounts payable	$ —	$ 3,431	$ 3,431	$ —
Accrued liabilities	153	49,500	49,541	112
Payable to local governments	51	40	51	40
Due to other funds	—	1,389	1,389	—
Total liabilities	**$ 204**	**$ 54,360**	**$ 54,412**	**$ 152**
Sole Custody				
ASSETS:				
Cash and investments	$ 1,661	$ 1,796	$ 1,663	$ 1,794
Receivables, net of allowance for uncollectibles	37	12	37	12
Total assets	**$ 1,698**	**$ 1,808**	**$ 1,700**	**$ 1,806**
LIABILITIES:				
Accrued liabilities	$ 493	$ 494	$ 496	$ 491
Payable to local governments	1,205	1,315	1,205	1,315
Total liabilities	**$ 1,698**	**$ 1,809**	**$ 1,701**	**$ 1,806**
Miscellaneous				
ASSETS:				
Cash and investments	$ 577	$ 16,334	$ 16,293	$ 618
Receivables, net of allowance for uncollectibles	193	6,471	6,611	53
Due from other funds	—	1,254	1,254	—
Total assets	**$ 770**	**$ 24,059**	**$ 24,158**	**$ 671**
LIABILITIES:				
Accounts payable	$ 50	$ 4,685	$ 4,694	$ 41
Accrued liabilities	667	11,821	11,904	584
Payable to local governments	53	46	53	46
Due to other funds	—	5,567	5,567	—
Total liabilities	**$ 770**	**$ 22,119**	**$ 22,218**	**$ 671**

(Continued)

See independent auditors' report.

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

AGENCY FUNDS

Year Ended March 31, 2013
(Amounts in millions)

	Balance April 1, 2012	Additions	Deductions	Balance March 31, 2013
Total Assets and Liabilities—All Agency Funds				
ASSETS:				
Cash and investments	$ 2,670	$ 133,013	$ 132,899	$ 2,784
Receivables, net of allowance for uncollectibles	358	7,909	8,120	147
Due from other funds	—	51,892	51,892	—
Other assets	144	152	144	152
Total assets	**$ 3,172**	**$ 192,966**	**$ 193,055**	**$ 3,083**
LIABILITIES:				
Accounts payable	$ 57	$ 18,495	$ 18,505	$ 47
Accrued liabilities	1,530	73,718	73,868	1,380
Payable to local governments	1,585	1,655	1,584	1,656
Due to other funds	—	7,419	7,419	—
Total liabilities	**$ 3,172**	**$ 101,287**	**$ 101,376**	**$ 3,083**

See independent auditors' report.

STATE OF NEW YORK

EXCELSIOR

COMPTROLLER

Non-Major Component Units

The non-major component units listed are significant separate legal entities that are discretely presented in the State's financial statements. The inclusion of component units in the State's financial statements reflects the State's financial accountability for these entities.

Health Research Incorporated—administers gifts and grants in keeping with the research, prevention and treatment purposes of the New York State Department of Health and the Roswell Park Cancer Institute Corporation.

Housing Trust Fund Corporation—administers significant Federal and State low income housing programs.

Hugh L. Carey Battery Park City Authority—engages in the improvement of the Battery Park City Project Area (a 92-acre site on the lower west side of Manhattan); the creation in the area of a mixed commercial and residential community; and the making of loans secured by first mortgages to housing companies organized to provide housing within the project area.

Municipal Bond Bank Agency—provides access to the capital markets for special programs and purposes that benefit the State of New York and its municipalities.

New York State Energy Research and Development Authority—conducts and finances a multifaceted energy and environmental research and development program; promotes energy efficiency measures; manages the Western New York Nuclear Service Center at West Valley; and coordinates the State's activities on nuclear energy matters.

New York State Higher Education Services Corporation—administers the State's Guaranteed Student Loan Programs.

Niagara Frontier Transportation Authority—promotes the development and improvement of transportation and related services within the Niagara Frontier Transportation District, and operates a number of transportation related business centers including aviation, surface transportation and property management.

Roswell Park Cancer Institute Corporation—as a public hospital and medical research center, provides total care to cancer patients, conducts research into the causes, treatment and prevention of cancer, and educates those who treat and study cancer.

SUNY Foundations—include campus-related foundations and student housing corporations reported as an aggregate discretely presented component unit in the State University of New York financial statements. The campus-related foundations are responsible for the fiscal administration of revenues and support received for the promotion, development and advancement of the welfare of the campuses. The student housing corporations operate and administer certain housing and related services for students.

CUNY Foundations—include fifteen campus-related foundations reported as discretely presented component units in the City University of New York Senior Colleges' financial statements. These foundations support both academic and general needs of the colleges and their students.

Miscellaneous—aggregation of 22 other non-major component units listed in Note 14.

Combining Statement of Net Position

DISCRETELY PRESENTED NON-MAJOR COMPONENT UNITS

March 31, 2013
(Amounts in millions)

	Health Research Incorporated	Housing Trust Fund Corporation	Hugh L. Carey Battery Park City Authority	Municipal Bond Bank Agency	NYS Energy Research & Development Authority
ASSETS:					
Cash and investments	$ 376	$ 251	$ 442	$ 29	$ 1,081
Receivables, net of allowances for uncollectibles:					
Loans, leases, and notes	—	7	4	616	29
Other	67	8	15	9	113
Other assets	52	—	44	—	—
Capital assets:					
Construction in progress	—	—	—	—	—
Land and buildings, net of depreciation	2	—	488	—	13
Intangible assets	—	—	—	—	—
Total assets	**497**	**266**	**993**	**654**	**1,236**
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflows of resources from derivative activities	—	—	107	—	—
Total deferred outflows of resources	**—**	**—**	**107**	**—**	**—**
LIABILITIES:					
Accounts payable	34	—	1	—	21
Accrued liabilities	22	37	178	5	62
Pension contributions payable	—	—	—	—	—
Deferred revenues	—	—	41	—	1
Notes payable	—	—	—	—	—
Bonds payable	—	—	19	52	—
Current portion of other long-term liabilities	—	—	—	—	2
Due in more than one year:					
Accrued liabilities	—	—	22	4	—
Pension contributions payable	—	—	—	—	—
Other postemployment benefits	101	2	29	—	—
Pollution remediation	—	—	—	—	—
Deferred revenues	248	—	304	—	—
Notes payable	—	—	—	—	—
Bonds payable	—	—	1,027	604	—
Other long-term liabilities	52	—	—	—	4
Derivative instruments	—	—	107	—	—
Total liabilities	**457**	**39**	**1,728**	**665**	**90**
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows of resources from derivative activities	—	—	—	—	—
Total deferred inflows of resources	**—**	**—**	**—**	**—**	**—**
NET POSITION:					
Net investment in capital assets	—	—	5	—	13
Restricted for:					
Debt service	—	—	66	—	—
Higher education, research and patient care	—	—	—	—	—
Environmental projects and energy programs	—	—	—	—	1,129
Economic development, housing and transportation	—	189	22	—	—
Insurance and administrative requirements	—	—	—	—	—
Unrestricted (deficit)	40	38	(721)	(11)	4
Total net position	**$ 40**	**$ 227**	**$ (628)**	**$ (11)**	**$ 1,146**

See independent auditors' report.

NYS Higher Education Services Corporation	Niagara Frontier Transportation Authority	Roswell Park Cancer Institute Corporation	SUNY Foundations	CUNY Foundations	Miscellaneous	Total
$ 113	$ 73	$ 444	$ 1,639	$ 496	$ 1,175	$ 6,119
—	—	—	—	—	27	683
30	25	75	246	132	178	898
4	6	15	60	13	34	228
—	34	16	3	—	51	104
—	671	276	500	37	702	2,689
—	—	1	—	—	—	1
147	**809**	**827**	**2,448**	**678**	**2,167**	**10,722**
—	—	—	—	—	14	121
—	**—**	**—**	**—**	**—**	**14**	**121**
18	—	—	—	—	60	134
—	30	118	198	11	385	1,046
—	—	—	—	—	2	2
—	3	—	5	—	68	118
—	—	—	—	2	11	13
—	19	12	47	—	11	160
—	5	—	—	—	13	20
10	—	—	—	—	45	81
—	5	—	—	—	31	36
—	90	264	—	—	262	748
—	—	—	—	—	1	1
—	—	—	—	—	23	575
—	—	—	—	29	7	36
—	123	209	411	—	146	2,520
4	61	—	—	—	49	170
—	7	—	—	—	—	114
32	**343**	**603**	**661**	**42**	**1,114**	**5,774**
—	1	—	—	—	6	7
—	**1**	**—**	**—**	**—**	**6**	**7**
—	534	93	119	—	702	1,466
—	—	—	—	—	17	83
115	—	138	1,376	562	—	2,191
—	—	—	—	—	22	1,151
—	54	—	—	—	237	502
—	—	—	—	—	37	37
—	(123)	(7)	292	74	46	(368)
$ 115	**$ 465**	**$ 224**	**$ 1,787**	**$ 636**	**$ 1,061**	**$ 5,062**

Combining Statement of Activities

DISCRETELY PRESENTED NON-MAJOR COMPONENT UNITS

Year Ended March 31, 2013
(Amounts in millions)

	Health Research Incorporated	Housing Trust Fund Corporation	Hugh L. Carey Battery Park City Authority	Municipal Bond Bank Agency	NYS Energy Research & Development Authority
EXPENSES:					
Program operations	$ 627	$ 1,691	$ 188	$ 4	$ 472
Interest on long-term debt	—	—	33	36	—
Other interest	—	—	—	—	—
Depreciation and amortization	—	—	11	—	2
Other expenses	34	1	—	—	16
Total expenses	**661**	**1,692**	**232**	**40**	**490**
PROGRAM REVENUES:					
Charges for services	3	—	249	37	15
Operating grants and contributions	658	1,694	—	—	85
Capital grants and contributions	—	—	—	—	—
Total program revenues	**661**	**1,694**	**249**	**37**	**100**
Net program revenue (expenses)	**—**	**2**	**17**	**(3)**	**(390)**
GENERAL REVENUES:					
Non-State grants and contributions not restricted to specific programs	—	—	—	2	—
Investment earnings:					
Restricted	—	—	—	1	—
Unrestricted	4	—	—	—	—
Miscellaneous	22	6	—	—	563
Total general revenues	**26**	**6**	**—**	**3**	**563**
Change in net position	**26**	**8**	**17**	**—**	**173**
Net position—beginning of year, as restated	**14**	**219**	**(645)**	**(11)**	**973**
Net position—end of year	**$ 40**	**$ 227**	**$ (628)**	**$ (11)**	**$ 1,146**

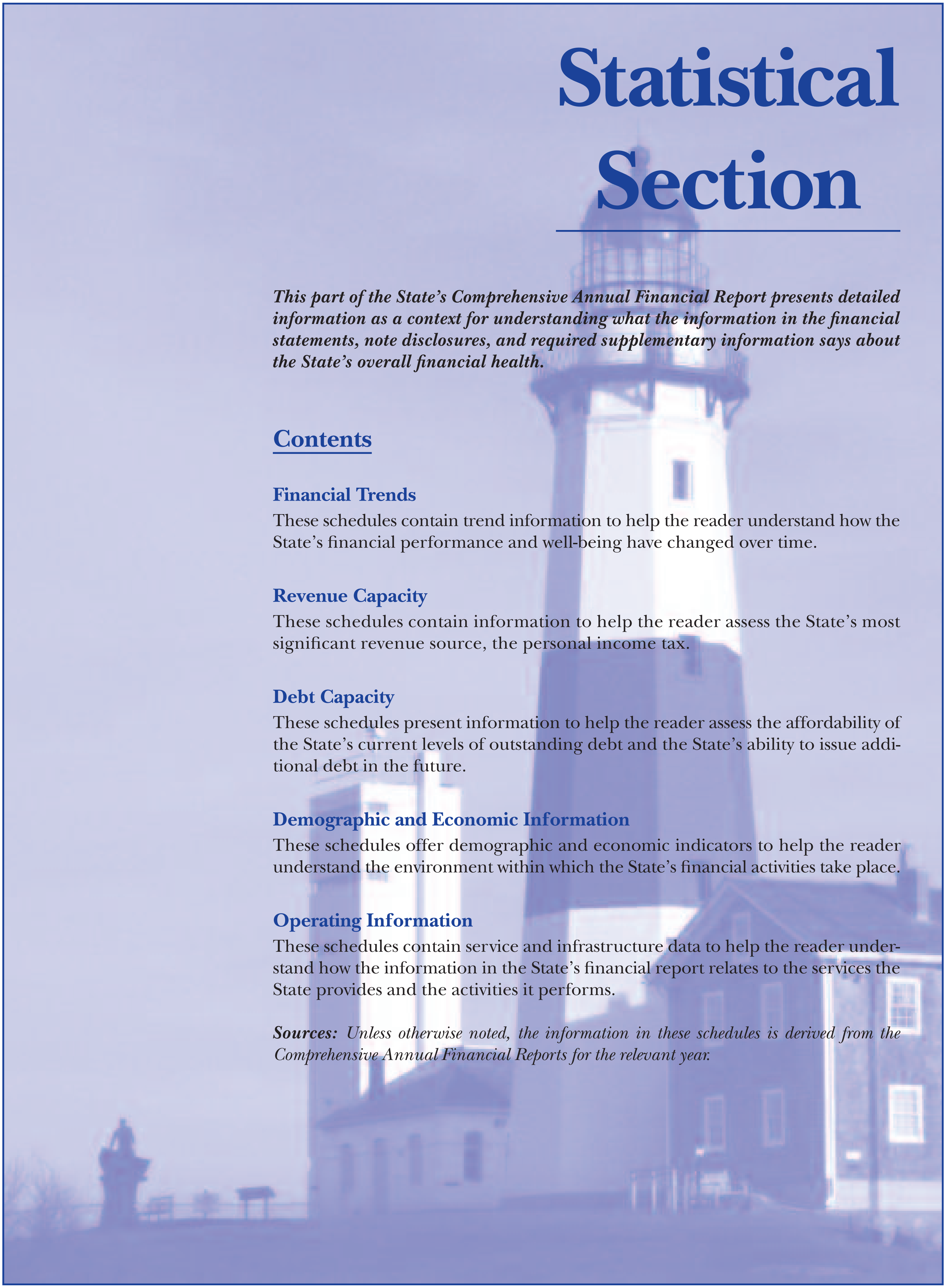
See independent auditors' report.

NYS Higher Education Services Corporation	Niagara Frontier Transportation Authority	Roswell Park Cancer Institute Corporation	SUNY Foundations	CUNY Foundations	Miscellaneous	Total
$ 921	$ 194	$ 498	$ 208	$ 70	$ 1,135	$ 6,008
—	—	9	20	—	4	102
—	8	—	—	—	1	9
—	56	36	17	—	53	175
1	5	17	89	29	4	196
922	**263**	**560**	**334**	**99**	**1,197**	**6,490**
917	70	421	160	—	606	2,478
—	46	79	308	96	367	3,333
—	24	27	—	—	102	153
917	**140**	**527**	**468**	**96**	**1,075**	**5,964**
(5)	**(123)**	**(33)**	**134**	**(3)**	**(122)**	**(526)**
—	50	—	—	—	102	154
—	—	—	13	8	43	65
—	—	3	10	3	25	45
—	64	31	39	5	29	759
—	**114**	**34**	**62**	**16**	**199**	**1,023**
(5)	**(9)**	**1**	**196**	**13**	**77**	**497**
120	**474**	**223**	**1,591**	**623**	**984**	**4,565**
$ 115	**$ 465**	**$ 224**	**$ 1,787**	**$ 636**	**$ 1,061**	**$ 5,062**

STATE OF NEW YORK

EXCELSIOR

COMPTROLLER



Statistical Section

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the State's most significant revenue source, the personal income tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.*

Changes in Fund Balances

GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)
(Amounts in millions)

	Fiscal Year 2004	2005	2006	2007	2008
REVENUES:					
Taxes:					
Personal income	$ 25,150	$ 28,382	$ 31,695	$ 34,615	$ 38,792
Consumption and use	11,852	13,005	13,101	12,734	13,101
Business	4,879	5,699	6,929	8,488	8,163
Other	1,210	1,821	1,898	2,024	2,292
Federal grants	38,241	37,480	36,625	38,163	37,802
Public health/patient fees	3,439	3,449	3,149	3,810	3,900
Tobacco settlement	324	774	514	528	580
Miscellaneous	6,978	7,981	13,582	9,558	9,410
Total revenues	**92,073**	**98,591**	**107,493**	**109,920**	**114,040**
EXPENDITURES:					
Local assistance grants:					
Education	—	—	—	—	—
Public health	—	—	—	—	—
Public welfare	—	—	—	—	—
Public safety	—	—	—	—	—
Transportation	—	—	—	—	—
Environment and recreation	—	—	—	—	—
Support and regulate business	—	—	—	—	—
General government	—	—	—	—	—
Social services	38,616	38,711	40,062	42,794	42,689
Education	23,323	24,205	25,459	27,711	30,208
Mental hygiene	1,384	1,336	1,422	1,537	1,859
General purpose	869	1,016	1,047	1,192	928
Health and environment	3,395	3,490	4,221	4,527	4,423
Transportation	2,437	2,510	3,097	2,984	3,634
Criminal justice	519	370	337	461	493
Miscellaneous	2,708	2,459	1,471	2,555	3,142
State operations:					
Personal service	7,785	8,050	8,405	8,780	9,230
Non-personal service	5,340	5,189	6,208	5,751	6,178
Pension contributions	475	691	964	1,078	1,117
Other fringe benefits	2,792	3,147	3,257	3,314	3,500
Capital construction	3,608	3,599	4,048	4,404	4,467
Debt service, including payments on financing arrangements:					
Principal—(General Obligation)	349	331	341	352	350
Interest—(General Obligation)	160	153	146	146	139
Principal—(Other financing arrangements)	—	—	—	—	—
Interest—(Other financing arrangements)	—	—	—	—	—
Principal and Interest (Other financing arrangements)	2,931	2,996	3,528	3,094	3,589
Total expenditures	**96,691**	**98,253**	**104,013**	**110,680**	**115,946**
Excess (deficiency) of revenues over expenditures	**(4,618)**	**338**	**3,480**	**(760)**	**(1,906)**
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	2,628	2,947	2,295	2,707	2,709
Transfers to other funds	(3,182)	(3,560)	(3,914)	(5,202)	(4,810)
Collateralized borrowing	—	—	—	—	—
General obligation bonds issued	147	178	159	180	268
Financing arrangements issued	8,249	2,176	1,824	3,019	3,237
Refunding debt issued	4,456	2,168	3,205	543	2,280
Payments to escrow agents for refundings	(4,443)	(2,137)	(3,201)	(535)	(2,383)
Swap termination	—	—	—	—	—
Premiums on bonds issued	—	—	1	3	245
Net other financing sources (uses)	**7,855**	**1,772**	**369**	**715**	**1,546**
Net change in fund balances	**$ 3,237**	**$ 2,110**	**$ 3,849**	**$ (45)**	**$ (360)**
Debt service (principal and interest) as a percentage of non-capital expenditures	**3.65%**	**3.63%**	**3.94%**	**3.32%**	**3.61%**

Source: Office of the State Comptroller

Note: Figures restated for prior period adjustments.

Fiscal year 2013 expenditures for local assistance grants are reported using the new Statewide Financial System program categories. Prior fiscal years' reported amounts are categorized by local assistance object codes.

Fiscal Year

2009	2010	2011	2012	2013
$ 33,096	$ 34,536	$ 37,705	$ 38,355	$ 41,962
13,131	13,069	14,133	14,528	14,598
7,711	7,547	7,115	7,758	8,275
1,769	2,753	3,228	3,115	2,973
41,637	51,407	54,659	48,016	49,263
3,734	4,296	4,655	4,648	4,574
594	491	457	453	447
9,044	11,780	11,371	11,433	10,745
110,716	**125,879**	**133,323**	**128,306**	**132,837**
—	—	—	—	30,717
—	—	—	—	48,363
—	—	—	—	13,970
—	—	—	—	2,003
—	—	—	—	5,633
—	—	—	—	451
—	—	—	—	700
—	—	—	—	1,189
44,741	52,341	53,894	51,893	—
31,047	31,097	32,380	31,255	—
1,998	1,912	2,020	2,090	—
1,220	1,251	1,037	1,042	—
4,592	4,250	4,460	4,466	—
4,109	5,123	5,311	5,327	—
516	624	506	745	—
2,901	2,068	2,685	2,049	—
9,819	9,733	9,857	9,439	9,597
5,694	5,826	5,899	5,767	5,505
973	874	1,234	1,538	1,457
3,840	3,893	4,338	4,477	3,878
5,127	5,029	4,174	4,198	4,528
353	355	365	361	346
127	123	135	137	141
—	—	—	2,778	3,035
—	—	—	1,956	1,801
3,622	4,067	4,394	—	—
120,679	**128,566**	**132,689**	**129,518**	**133,314**
(9,963)	**(2,687)**	**634**	**(1,212)**	**(477)**
2,761	2,959	3,315	3,282	3,131
(5,072)	(5,158)	(5,085)	(5,099)	(5,146)
—	—	102	—	—
455	449	500	330	396
3,689	4,354	2,253	2,945	1,836
3,874	2,200	1,907	1,868	2,434
(3,926)	(2,278)	(2,052)	(2,033)	(2,784)
(32)	(94)	(48)	(27)	—
215	378	375	565	746
1,964	**2,810**	**1,267**	**1,831**	**613**
$ (7,999)	**$ 123**	**$ 1,901**	**$ 619**	**$ 136**
3.45%	**3.58%**	**3.74%**	**4.09%**	**4.05%**

Net Position by Component

LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Amounts in millions)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities:					
Invested in capital assets, net of related debt	$ 60,441	$ 61,375	$ 62,071	$ 62,500	$ 62,800
Restricted for:					
Debt service	2,454	2,821	2,270	2,210	2,304
Other government programs	240	374	2,566	2,313	1,231
Unrestricted (deficit)	(24,049)	(23,380)	(20,910)	(21,696)	(22,825)
Total governmental activities net position	**$ 39,086**	**$ 41,190**	**$ 45,997**	**$ 45,327**	**$ 43,510**
Business-type activities:					
Invested in capital assets, net of related debt	$ 23	$ 63	$ 9	$ 207	$ 353
Restricted for:					
Unemployment benefits	372	596	1,130	1,308	1,313
Higher education	1,082	1,104	1,257	1,344	1,634
Future lottery prizes	142	151	130	104	110
Unrestricted (deficit)	469	731	610	636	807
Total business-type activities net position	**$ 2,088**	**$ 2,645**	**$ 3,136**	**$ 3,599**	**$ 4,217**
Primary government:					
Invested in capital assets, net of related debt	$ 60,464	$ 61,438	$ 62,080	$ 62,707	$ 63,153
Restricted for:					
Unemployment benefits	372	596	1,130	1,308	1,313
Debt service	2,454	2,821	2,270	2,210	2,304
Higher education	1,082	1,104	1,257	1,344	1,634
Future lottery prizes	142	151	130	104	110
Other government programs	240	374	2,566	2,313	1,231
Unrestricted (deficit)	(23,580)	(22,649)	(20,300)	(21,060)	(22,018)
Total primary government net position	**$ 41,174**	**$ 43,835**	**$ 49,133**	**$ 48,926**	**$ 47,727**

Source: Office of the State Comptroller

Fiscal Year

2009	2010	2011	2012	2013
$ 63,476	$ 63,797	$ 65,118	$ 65,875	$ 67,162
2,321	2,277	2,506	2,502	2,508
517	387	508	649	981
(35,420)	(38,485)	(40,484)	(42,693)	(44,380)
$ 30,894	**$ 27,976**	**$ 27,648**	**$ 26,333**	**$ 26,271**
$ 569	$ 468	$ 685	$ 920	$ 1,390
351	—	—	—	—
1,619	1,021	1,003	1,204	1,037
72	79	105	141	185
420	(1,452)	(2,411)	(2,923)	(3,534)
$ 3,031	**$ 116**	**$ (618)**	**$ (658)**	**$ (922)**
$ 64,045	$ 64,265	$ 65,803	$ 66,795	$ 68,552
351	—	—	—	—
2,321	2,277	2,506	2,502	2,508
1,619	1,021	1,003	1,204	1,037
72	79	105	141	185
517	387	508	649	981
(35,000)	(39,937)	(42,895)	(45,616)	(47,914)
$ 33,925	**$ 28,092**	**$ 27,030**	**$ 25,675**	**$ 25,349**

Changes in Net Position

LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Amounts in millions)

	Fiscal Year 2004	2005	2006	2007	2008
EXPENSES:					
Governmental activities:					
Education	$ 22,845	$ 24,023	$ 25,303	$ 28,222	$ 31,215
Public health	38,013	39,540	41,631	44,869	44,777
Public welfare	11,642	10,697	10,669	11,291	12,491
Public safety	5,961	5,597	5,001	5,521	6,011
Transportation	4,740	4,614	5,836	5,893	6,595
Environment and recreation	1,259	1,324	1,193	1,226	1,275
Support and regulate business	1,250	927	1,507	1,062	1,288
General government	7,041	6,937	8,280	8,684	7,841
Interest on long-term debt	1,851	1,684	1,712	1,478	1,862
Total governmental activities expenses	**94,602**	**95,343**	**101,132**	**108,246**	**113,355**
Business-type activities:					
Lottery	3,993	4,298	4,721	4,945	5,044
Unemployment insurance	3,877	2,638	2,507	2,344	2,412
State University of New York	5,732	6,138	6,396	7,003	7,965
City University of New York	1,953	1,903	2,056	2,246	2,443
Total business-type activities expenses	**15,555**	**14,977**	**15,680**	**16,538**	**17,864**
Total primary government expenses	**$ 110,157**	**$ 110,320**	**$ 116,812**	**$ 124,784**	**$ 131,219**
PROGRAM REVENUES:					
Governmental activities:					
Charges for services:					
Education	$ 158	$ 125	$ 123	$ 95	$ 88
Public health	3,305	3,437	8,273	5,141	4,676
Public welfare	708	313	702	385	597
Public safety	158	193	198	185	208
Transportation	1,018	914	974	1,069	1,033
Environment and recreation	321	246	227	258	291
Support and regulate business	398	247	276	487	539
General government	1,627	2,122	1,724	1,050	1,050
Operating grants and contributions	36,526	36,020	35,333	36,752	36,509
Capital grants and contributions	1,047	1,423	1,277	1,392	1,305
Total governmental activities program revenues	**45,266**	**45,040**	**49,107**	**46,814**	**46,296**
Business-type activities:					
Charges for services:					
Lottery	5,848	6,271	6,803	7,175	7,548
State University of New York	2,152	2,726	2,700	2,948	3,219
City University of New York	373	437	463	484	504
Operating grants and contributions	5,389	4,762	4,736	4,504	4,518
Capital grants and contributions	116	15	80	73	61
Total business-type activities program revenues	**13,878**	**14,211**	**14,782**	**15,184**	**15,850**
Total primary government program revenues	**$ 59,144**	**$ 59,251**	**$ 63,889**	**$ 61,998**	**$ 62,146**
NET (EXPENSE)/REVENUE:					
Governmental activities:	$ (50,036)	$ (51,008)	$ (52,783)	$ (62,266)	$ (67,828)
Business-type activities:	(1,551)	(525)	(590)	(1,058)	(1,660)
Total primary government net expense	**$ (51,587)**	**$ (51,533)**	**$ (53,373)**	**$ (63,324)**	**$ (69,488)**

Fiscal Year

2009	2010	2011	2012	2013
$ 32,184	$ 31,075	$ 32,478	$ 30,828	$ 31,125
47,233	51,499	52,618	58,817	55,042
13,824	16,226	17,091	12,703	15,931
6,066	5,641	6,143	6,264	8,264
7,164	8,112	7,778	8,347	8,928
1,276	1,338	1,625	1,653	1,376
1,911	1,713	1,827	1,625	1,423
9,457	9,234	9,707	5,641	7,394
1,752	1,839	2,040	1,922	1,823
120,867	**126,677**	**131,307**	**127,800**	**131,306**
5,235	5,221	5,250	5,587	5,914
4,562	10,267	9,414	7,363	6,718
8,379	9,509	9,032	9,709	9,940
2,617	2,847	2,950	2,937	3,022
20,793	**27,844**	**26,646**	**25,596**	**25,594**
$ 141,660	**$ 154,521**	**$ 157,953**	**$ 153,396**	**$ 156,900**
$ 73	$ 118	$ 119	$ 99	$ 94
4,459	5,086	5,687	6,159	5,671
458	1,024	751	636	490
194	173	167	163	141
1,109	1,317	1,425	1,483	1,371
297	324	315	269	245
822	1,528	1,413	1,527	1,855
1,920	1,989	1,848	2,426	3,664
40,401	50,058	53,072	46,627	48,337
1,344	1,240	1,427	1,429	1,370
51,077	**62,857**	**66,224**	**60,818**	**63,238**
7,660	7,818	7,868	8,439	8,934
3,279	3,533	3,803	4,004	4,140
519	541	614	622	659
5,667	10,903	11,445	10,020	9,066
69	48	76	95	64
17,194	**22,843**	**23,806**	**23,180**	**22,863**
$ 68,271	**$ 85,700**	**$ 90,030**	**$ 83,998**	**$ 86,101**
$ (70,563)	$ (63,820)	$ (65,083)	$ (66,982)	$ (68,068)
(3,599)	(5,001)	(2,840)	(2,416)	(2,731)
$ (74,162)	**$ (68,821)**	**$ (67,923)**	**$ (69,398)**	**$ (70,799)**

(Continued)

Changes in Net Position (cont'd)

LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Amounts in millions)

	Fiscal Year 2004	2005	2006	2007	2008
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:					
Governmental activities:					
Taxes:					
Personal income	$ 25,129	$ 28,344	$ 31,694	$ 34,745	$ 38,756
Consumption and use	11,828	12,998	13,079	12,727	13,087
Business	4,832	5,676	6,901	8,527	8,157
Other	1,217	1,817	1,897	2,022	2,291
Grants and contributions not restricted to specific programs	645	—	—	—	—
Investment earnings	444	683	685	833	997
Miscellaneous	3,171	4,107	4,055	4,240	3,876
Transfers	(1,240)	(1,218)	(1,479)	(2,332)	(1,922)
Total governmental activities	**46,026**	**52,407**	**56,832**	**60,762**	**65,242**
Business-type activities:					
Investment earnings	169	81	127	366	639
Miscellaneous	173	453	505	292	119
Transfers	923	789	757	1,159	1,543
Total business-type activities	**1,265**	**1,323**	**1,389**	**1,817**	**2,301**
Total primary government	**$ 47,291**	**$ 53,730**	**$ 58,221**	**$ 62,579**	**$ 67,543**
CHANGE IN NET POSITION:					
Governmental activities	$ (3,310)	$ 2,104	$ 4,807	$ (670)	$ (1,817)
Business-type activities	(412)	557	491	463	287
Total primary government	**$ (3,722)**	**$ 2,661**	**$ 5,298**	**$ (207)**	**$ (1,530)**

Source: Office of the State Comptroller

Note: Figures restated for prior period adjustments.

Fiscal Year

2009	2010	2011	2012	2013
$ 33,108	$ 34,521	$ 37,629	$ 38,329	$ 41,975
13,137	13,076	14,115	14,492	14,593
7,661	7,662	6,892	7,782	8,285
1,898	2,780	3,187	3,128	3,078
—	—	—	—	—
256	115	84	—	54
3,983	4,906	4,663	3,682	2,103
(2,226)	(2,158)	(1,739)	(1,746)	(2,082)
57,817	**60,902**	**64,831**	**65,667**	**68,006**
270	39	208	367	131
300	235	593	474	619
1,845	1,812	1,307	1,535	1,717
2,415	**2,086**	**2,108**	**2,376**	**2,467**
$ 60,232	**$ 62,988**	**$ 66,939**	**$ 68,043**	**$ 70,473**
$ (11,973)	$ (2,918)	$ (252)	$ (1,315)	$ (62)
(1,184)	(2,915)	(732)	(40)	(264)
$ (13,157)	**$ (5,833)**	**$ (984)**	**$ (1,355)**	**$ (326)**

Fund Balances

GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)
(Amounts in millions)

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund (per GASBS 54):					
Restricted	$ —	$ —	$ —	$ —	$ —
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Unassigned	—	—	—	—	—
General Fund (prior to GASBS 54):					
Reserved	1,782	1,773	1,798	2,011	3,546
Unreserved	(2,063)	(1,227)	384	373	405
Total general fund	**$ (281)**	**$ 546**	**$ 2,182**	**$ 2,384**	**$ 3,951**
All Other Governmental Funds (per GASBS 54):					
Restricted	$ —	$ —	$ —	$ —	$ —
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Unassigned	—	—	—	—	—
All Other Governmental Funds (prior to GASBS 54):					
Reserved	9,051	9,099	11,277	10,652	10,257
Unreserved, reported in:					
Federal special revenue funds	(700)	(768)	(1,026)	(900)	(964)
Special revenue funds	2,260	3,110	3,938	3,584	3,558
Capital projects funds	(4,580)	(4,121)	(4,544)	(4,089)	(5,144)
Debt service funds	447	441	329	480	93
Total all other governmental funds	**$ 6,478**	**$ 7,761**	**$ 9,974**	**$ 9,727**	**$ 7,800**

Source: Office of the State Comptroller

Note: 2011 figures restated for GASBS 54 implementation.

Tax Receipts by Source

GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)
(Amounts in millions)

Fiscal Year	Personal Income	Sales and Use	Motor Fuel	Corporate Franchise	Cigarette	Corporate & Utility	Other Miscellaneous	Total Taxes Collected by Year
2003-2004	$ 25,150	$ 10,433	$ 543	$ 1,657	$ 442	$ 860	$ 4,006	$ 43,091
2004-2005	28,382	11,587	557	2,070	427	812	5,072	48,907
2005-2006	31,695	11,199	530	2,985	974	813	5,427	53,623
2006-2007	34,615	10,828	517	4,170	993	809	5,929	57,861
2007-2008	38,792	11,197	520	3,964	967	795	6,113	62,348
2008-2009	33,096	10,906	500	3,265	1,330	875	5,735	55,707
2009-2010	34,536	10,705	516	2,541	1,389	965	7,253	57,905
2010-2011	37,705	11,479	513	2,782	1,608	796	7,298	62,181
2011-2012	38,355	11,839	501	3,128	1,628	785	7,520	63,756
2012-2013	41,962	11,975	491	2,941	1,549	874	8,016	67,808

Source: Office of the State Comptroller
New York State Division of the Budget

Note: Figures restated for prior period adjustments.

Fiscal Year				
2009	2010	2011	2012	2013
$ —	$ —	$ —	$ —	$ —
—	—	219	567	398
—	—	989	1,574	1,240
—	—	(3,217)	(4,009)	(2,377)
2,624	3,125	—	—	—
(5,568)	(6,663)	—	—	—
$ (2,944)	**$ (3,538)**	**$ (2,009)**	**$ (1,868)**	**$ (739)**
$ —	$ —	$ 3,649	$ 3,151	$ 3,101
—	—	3,480	3,715	2,946
—	—	1,784	1,772	2,045
—	—	(1,128)	(375)	(822)
9,787	11,406	—	—	—
(1,081)	(1,341)	—	—	—
2,677	2,093	—	—	—
(4,798)	(5,279)	—	—	—
111	534	—	—	—
$ 6,696	**$ 7,413**	**$ 7,785**	**$ 8,263**	**$ 7,270**

Program Revenues by Function/Program

LAST TEN FISCAL YEARS

(Accrual basis of accounting)
(Amounts in millions)

	Program Revenues				
	2004	2005	2006	2007	2008
FUNCTION/PROGRAM:					
Governmental activities:					
Education	$ 3,259	$ 3,480	$ 3,833	$ 3,766	$ 3,315
Public health	26,505	26,878	31,526	29,514	28,900
Public welfare	8,321	7,678	8,204	7,882	8,315
Public safety	2,170	1,452	480	697	916
Transportation	2,320	2,578	2,540	2,758	2,613
Environment and recreation	538	496	428	451	493
Support and regulate business	406	266	299	503	552
General government	1,747	2,212	1,797	1,243	1,192
Interest on long-term debt	—	—	—	—	—
Total governmental activities	**45,266**	**45,040**	**49,107**	**46,814**	**46,296**
Business-type activities:					
Lottery	5,848	6,271	6,803	7,175	7,548
Unemployment insurance	3,590	2,727	2,754	2,490	2,389
State University of New York	3,510	4,123	4,110	4,379	4,719
City University of New York	930	1,090	1,115	1,140	1,194
Total business-type activities	**13,878**	**14,211**	**14,782**	**15,184**	**15,850**
Total primary government	**$ 59,144**	**$ 59,251**	**$ 63,889**	**$ 61,998**	**$ 62,146**

Source: Office of the State Comptroller

Note: Figures restated for prior period adjustments.

New York State and Local Retirement System— Changes in Net Position

LAST TEN FISCAL YEARS

(Amounts in thousands)

	Fiscal Year				
	2004	2005	2006	2007	2008
Additions:					
Member contributions	$ 221,871	$ 227,308	$ 241,173	$ 250,158	$ 265,676
Employer contributions	1,286,455	2,964,843	2,782,147	2,718,551	2,648,448
Investment income (loss), net of expenses	27,334,752	9,679,979	17,615,876	17,416,082	3,163,728
Other	77,148	122,767	94,556	131,863	116,112
Total additions to plan net position	**28,920,226**	**12,994,897**	**20,733,752**	**20,516,654**	**6,193,964**
Deductions:					
Retirement allowances	5,190,147	5,512,849	5,867,718	6,218,783	6,653,820
Death benefits	157,314	161,857	161,249	164,632	181,693
Administrative expenses	69,612	65,324	78,506	79,772	90,304
Other	76,816	16,159	43,901	48,316	47,521
Total deductions from plan net position	**5,493,889**	**5,756,189**	**6,151,374**	**6,511,503**	**6,973,338**
Change in net position	**$ 23,426,337**	**$ 7,238,708**	**$ 14,582,378**	**$ 14,005,151**	**$ (779,374)**

Source: New York State and Local Retirement System

Note: For additional information, please see www.osc.state.ny.us/retire/publications/index.htm.

Program Revenues

2009	2010	2011	2012	2013
$ 3,684	$ 3,853	$ 4,322	$ 4,221	$ 3,709
31,402	38,314	38,733	34,984	34,972
9,056	12,021	12,590	12,011	12,689
481	758	730	762	2,211
2,931	3,017	3,491	3,365	3,248
413	521	742	625	608
835	1,542	1,430	1,546	1,882
2,275	2,826	4,156	3,261	3,876
—	5	30	43	43
51,077	**62,857**	**66,224**	**60,818**	**63,238**
7,660	7,818	7,868	8,439	8,934
3,582	8,603	8,813	7,323	6,474
4,740	5,154	5,646	5,893	5,952
1,212	1,268	1,479	1,525	1,503
17,194	**22,843**	**23,806**	**23,180**	**22,863**
$ 68,271	**$ 85,700**	**$ 90,030**	**$ 83,998**	**$ 86,101**

Fiscal Year

2009	2010	2011	2012	2013
$ 273,316	$ 284,291	$ 286,199	$ 273,247	$ 269,134
2,456,223	2,344,222	4,164,571	4,585,178	5,336,045
(40,428,820)	28,422,361	19,339,896	7,868,313	14,717,622
155,918	81,981	127,709	157,625	131,853
(37,543,363)	**31,132,855**	**23,918,375**	**12,884,363**	**20,454,654**
7,031,621	7,480,101	8,272,262	8,677,822	9,256,052
180,491	183,023	192,265	184,960	194,170
99,229	100,029	101,333	100,649	105,720
53,387	55,748	55,696	75,049	71,314
7,364,728	**7,818,901**	**8,621,556**	**9,038,480**	**9,627,256**
$ (44,908,091)	**$ 23,313,954**	**$ 15,296,819**	**$ 3,845,883**	**$ 10,827,398**

Personal Income Tax Filers and Liability by Income Level

FOR TEN YEARS STATED

(Amounts in thousands)

2001
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2001

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,099,726	14%	$ (36,957)	0%
$ 5,000–9,999	865,739	11%	(138,532)	–1%
10,000–19,999	1,335,044	17%	(123,275)	–1%
20,000–29,999	1,052,949	13%	484,510	3%
30,000–39,999	837,757	10%	897,780	5%
40,000–49,999	619,279	8%	996,088	5%
50,000–59,999	464,371	6%	995,479	5%
60,000–74,999	515,464	6%	1,466,090	8%
75,000–99,999	515,543	6%	2,033,086	11%
100,000–199,999	528,198	6%	3,746,962	20%
200,000 and over	203,001	3%	8,507,936	45%
Total	**8,037,071**	**100%**	**$18,829,167**	**100%**

2002
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2002

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,147,330	14%	$ (46,412)	0%
$ 5,000–9,999	851,799	11%	(144,238)	–1%
10,000–19,999	1,314,760	16%	(188,667)	–1%
20,000–29,999	1,033,443	13%	416,859	2%
30,000–39,999	825,347	10%	858,914	5%
40,000–49,999	621,435	8%	980,604	6%
50,000–59,999	459,327	6%	968,129	6%
60,000–74,999	519,994	6%	1,457,215	8%
75,000–99,999	525,565	7%	2,041,915	12%
100,000–199,999	533,802	7%	3,746,124	21%
200,000 and over	196,969	2%	7,379,544	42%
Total	**8,029,771**	**100%**	**$17,469,989**	**100%**

2005
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2005

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,145,067	14%	$ (66,663)	0%
$ 5,000–9,999	826,503	10%	(148,495)	–1%
10,000–19,999	1,275,641	16%	(289,586)	–1%
20,000–29,999	1,002,581	12%	294,028	1%
30,000–39,999	814,589	10%	789,437	3%
40,000–49,999	629,992	8%	968,166	4%
50,000–59,999	469,666	6%	973,557	4%
60,000–74,999	528,785	6%	1,456,936	6%
75,000–99,999	574,255	7%	2,191,923	9%
100,000–199,999	637,544	8%	4,451,432	19%
200,000 and over	257,867	3%	13,244,481	56%
Total	**8,162,490**	**100%**	**$23,865,215**	**100%**

2006
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2006

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,118,894	13%	$ (91,631)	0%
$ 5,000–9,999	824,596	10%	(172,332)	–1%
10,000–19,999	1,290,097	15%	(386,792)	–1%
20,000–29,999	1,016,079	12%	184,324	1%
30,000–39,999	829,814	10%	706,969	3%
40,000–49,999	640,364	8%	917,624	4%
50,000–59,999	480,661	6%	939,863	4%
60,000–74,999	543,846	7%	1,424,481	6%
75,000–99,999	597,498	7%	2,185,284	9%
100,000–199,999	704,317	8%	4,815,069	19%
200,000 and over	293,425	4%	14,291,890	56%
Total	**8,339,591**	**100%**	**$24,814,750**	**100%**

2009
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2009

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,268,716	15%	$ (102,968)	0%
$ 5,000–9,999	811,045	10%	(177,287)	–1%
10,000–19,999	1,301,282	15%	(444,632)	–2%
20,000–29,999	987,772	12%	89,498	0%
30,000–39,999	799,520	9%	631,541	2%
40,000–49,999	634,187	7%	918,218	4%
50,000–59,999	493,064	6%	991,028	4%
60,000–74,999	551,325	6%	1,480,225	6%
75,000–99,999	623,467	7%	2,323,477	9%
100,000–199,999	803,594	9%	5,531,643	21%
200,000 and over	296,502	4%	14,674,350	57%
Total	**8,570,474**	**100%**	**$25,915,093**	**100%**

2010[1]
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2010

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,282,711	15%	$ (92,214)	0%
$ 5,000–9,999	800,816	9%	(157,452)	0%
10,000–19,999	1,326,538	15%	(425,938)	–1%
20,000–29,999	1,019,577	12%	134,398	0%
30,000–39,999	799,696	9%	644,131	2%
40,000–49,999	626,044	7%	918,924	3%
50,000–59,999	491,094	6%	999,461	3%
60,000–74,999	551,121	6%	1,495,589	5%
75,000–99,999	626,636	7%	2,364,101	8%
100,000–199,999	822,011	10%	5,728,904	20%
200,000 and over	324,565	4%	17,367,109	60%
Total	**8,670,809**	**100%**	**$28,977,013**	**100%**

Source: New York State Department of Taxation and Finance

Note: (1) Calendar years after 2010 are not yet available; please see www.tax.ny.gov for additional information.

2003
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2003

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,174,853	15%	$ (53,777)	0%
$ 5,000–9,999	833,759	10%	(164,814)	–1%
10,000–19,999	1,285,687	16%	(279,415)	–1%
20,000–29,999	1,017,276	13%	336,793	2%
30,000–39,999	820,358	10%	816,554	4%
40,000–49,999	619,173	8%	959,105	5%
50,000–59,999	459,446	6%	956,322	5%
60,000–74,999	515,069	6%	1,428,386	7%
75,000–99,999	536,852	7%	2,068,743	11%
100,000–199,999	560,063	7%	3,954,366	21%
200,000 and over	203,810	2%	8,924,744	47%
Total	**8,026,346**	**100%**	**$18,947,007**	**100%**

2004
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2004

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,170,424	15%	$ (62,168)	0%
$ 5,000–9,999	823,368	10%	(145,378)	–1%
10,000–19,999	1,264,123	16%	(282,049)	–1%
20,000–29,999	990,224	12%	301,752	1%
30,000–39,999	815,073	10%	795,065	4%
40,000–49,999	628,266	8%	965,901	4%
50,000–59,999	466,514	6%	966,540	5%
60,000–74,999	524,742	6%	1,446,315	7%
75,000–99,999	554,372	7%	2,121,162	10%
100,000–199,999	596,606	7%	4,183,689	19%
200,000 and over	230,838	3%	11,299,366	52%
Total	**8,064,550**	**100%**	**$21,590,194**	**100%**

2007
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2007

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,221,819	14%	$ (126,447)	0%
$ 5,000–9,999	847,130	10%	(188,932)	–1%
10,000–19,999	1,317,075	15%	(406,225)	–1%
20,000–29,999	1,024,299	12%	168,782	1%
30,000–39,999	848,679	10%	720,900	2%
40,000–49,999	657,263	7%	948,389	3%
50,000–59,999	498,842	6%	983,954	3%
60,000–74,999	561,981	6%	1,482,444	5%
75,000–99,999	622,813	7%	2,288,409	8%
100,000–199,999	768,436	9%	5,276,023	18%
200,000 and over	332,655	4%	18,490,962	62%
Total	**8,700,992**	**100%**	**$29,638,258**	**100%**

2008
Income Tax Components of Full-Year Residents by Size of Income (All Returns) in 2008

Income Class	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Under $5,000	1,292,795	15%	$ (84,305)	0%
$ 5,000–9,999	787,894	9%	(147,595)	–1%
10,000–19,999	1,256,101	15%	(386,794)	–1%
20,000–29,999	985,422	11%	148,501	0%
30,000–39,999	815,979	10%	681,716	3%
40,000–49,999	646,905	8%	942,276	3%
50,000–59,999	496,499	6%	992,709	4%
60,000–74,999	556,628	6%	1,486,364	6%
75,000–99,999	625,853	7%	2,323,346	9%
100,000–199,999	801,428	9%	5,518,224	21%
200,000 and over	321,736	4%	14,850,163	56%
Total	**8,587,240**	**100%**	**$26,324,603**	**100%**

Personal Income by Industry

LAST TEN CALENDAR YEARS

(Amounts in millions)

	Calendar Year 2003	2004	2005	2006	2007
Total personal income	**$ 691,123**	**$ 737,755**	**$ 805,717**	**$ 818,426**	**$ 914,432**
Farm earnings	**781**	**805**	**1,029**	**592**	**1,170**
Nonfarm earnings	**557,906**	**595,910**	**640,427**	**667,882**	**724,080**
Private earnings	**474,881**	**508,731**	**547,340**	**574,142**	**622,711**
Agricultural services, forestry, fishing	1,214	1,245	1,300	1,255	1,216
Mining	829	934	1,044	2,175	1,739
Utilities	5,576	5,708	6,056	5,762	6,855
Construction	23,450	24,559	25,880	27,266	28,776
Manufacturing	43,133	43,719	44,750	45,552	46,153
Wholesale trade	26,278	27,831	29,324	30,446	31,959
Retail trade	29,067	30,537	32,704	33,112	34,444
Transportation and warehousing	11,941	12,559	13,368	13,636	14,657
Information	34,470	36,015	37,930	38,277	41,203
Finance and insurance	89,925	102,607	112,614	120,710	144,606
Real estate, rental and leasing	15,570	14,893	16,105	17,321	17,938
Professional and technical services	58,694	62,741	69,610	76,751	80,728
Management of companies and enterprises	15,591	16,591	17,411	18,708	21,174
Administrative and waste services	17,433	18,596	20,562	20,661	22,334
Educational services	12,100	12,880	14,195	14,588	15,381
Health care and social assistance	57,000	60,445	64,775	67,272	69,867
Arts, entertainment, and recreation	7,629	8,300	8,818	8,790	9,532
Accommodation and food services	12,346	13,112	14,150	14,757	16,010
Other services, except public administration	14,806	15,451	16,745	17,100	18,136
Government and government enterprises	**83,025**	**87,179**	**93,086**	**93,740**	**101,369**
Federal, civilian	10,189	10,813	11,330	10,939	11,813
Military	2,442	2,626	2,921	3,340	3,555
State and local	70,392	73,738	78,835	79,460	86,002

Source: U.S. Bureau of Economic Analysis

Notes:

Deviation between personal income and earnings by industry are due to dividends, interest, rent, personal current transfer receipts, employer contributions for government social insurance, employee and self-employed contributions for government social insurance, and adjustments for residence.

Calendar year 2012 data is estimated. For more information, please see www.bea.gov.

Calendar Year

2008	2009	2010	2011	2012
$ 937,010	**$ 917,610**	**$ 946,054**	**$ 983,868**	**$ 1,019,514**
1,015	**806**	**1,209**	**1,694**	**1,605**
752,457	**700,447**	**721,629**	**754,162**	**780,436**
644,763	**588,548**	**606,487**	**640,345**	**664,592**
1,300	343	389	300	437
2,456	1,417	2,087	646	784
6,672	5,671	5,738	5,663	6,294
30,092	28,584	28,398	29,984	32,251
46,448	37,575	37,994	38,582	37,794
32,434	29,851	30,781	31,950	33,586
35,081	33,982	34,857	38,372	39,977
14,614	14,391	14,618	15,141	15,514
44,959	38,250	41,032	41,832	43,117
147,543	116,255	114,662	127,417	135,500
16,196	13,338	13,859	14,634	16,823
88,121	80,161	83,742	89,879	91,492
20,949	19,055	21,302	22,543	22,311
23,332	21,721	23,553	24,710	25,451
16,354	17,838	18,368	18,889	20,197
72,827	78,312	82,971	83,918	84,460
9,807	11,563	11,204	12,262	13,166
16,718	17,354	18,141	20,722	21,381
18,859	22,887	22,791	22,901	24,057
107,694	**111,899**	**115,142**	**113,817**	**115,844**
12,072	12,532	12,510	13,019	13,067
3,831	4,421	4,591	4,512	4,629
91,791	94,945	98,041	96,286	98,148

Personal Income Tax Rates

LAST TEN CALENDAR YEARS

Year	Top Rate	Top Income Tax Rate is Applied to Taxable Income in Excess of: Single	Married Filing Jointly	Head of Household	Average Effective Rate[1]
2003	7.70%	$ 500,000	$ 500,000	$ 500,000	3.24%
2004	7.70%	500,000	500,000	500,000	3.64%
2005	7.70%	500,000	500,000	500,000	3.85%
2006	6.85%	20,000	40,000	30,000	3.93%
2007	6.85%	20,000	40,000	30,000	4.23%
2008	6.85%	20,000	40,000	30,000	4.24%
2009	8.97%	500,000	500,000	500,000	3.53%
2010	8.97%	500,000	500,000	500,000	3.76%
2011	8.97%	500,000	500,000	500,000	3.99%
2012	8.82%	1,000,000	2,000,000	1,500,000	3.90%

Source: New York State Department of Taxation and Finance (www.tax.ny.gov)

Notes:

(1) Fiscal year personal income tax collections divided by prior-year personal income.

See Exhibit Demographic and Economic Statistics I for personal income and population data.

See Exhibit Tax Receipts by Source for personal income tax collections.

Ratios of Outstanding Debt by Type

LAST TEN FISCAL YEARS

(Amounts in millions except per capita)

Fiscal Year	Governmental Activities: General Obligation Bonds[1]	Governmental Activities: Other Financing Arrangements[2]	Business-type Activities: Other Financing Arrangements[3]	Total Primary Government	Percentage of Personal Income[4]	Debt Per Capita[4]
2003-2004	$ 3,825	$ 35,084	$ 8,025	$ 46,934	7%	$ 2,446
2004-2005	3,692	35,911	7,938	47,541	6%	2,473
2005-2006	3,511	35,763	7,825	47,099	6%	2,446
2006-2007	3,344	37,031	8,386	48,761	6%	2,526
2007-2008	3,264	38,511	8,787	50,562	6%	2,620
2008-2009	3,367	40,191	8,935	52,493	6%	2,693
2009-2010	3,461	42,410	9,413	55,284	6%	2,829
2010-2011	3,625	42,279	10,222	56,126	6%	2,896
2011-2012	3,611	42,574	11,875	58,060	6%	2,983
2012-2013	3,688	41,582	12,375	57,645	6%	2,946

Source: Office of the State Comptroller

Notes:

(1) General Obligation Debt figures include par value, premiums and discounts.

(2) Other Financing Arrangements for Governmental Activities include Tobacco Settlement Financing Corporation bonds, Municipal Bond Bank Agency Special Purpose School Aid bonds, Capital Lease Obligations, Unamortized Bond Premiums and Discounts, Accumulated accretion on capital appreciation bonds and other State-Supported debt as defined by the State Finance Law.

(3) Other Financing Arrangements for Business-type Activities include Capital Lease Obligations, Mortgage Loan Commitments, Unamortized Bond Premiums and other State-Supported debt as defined by the State Finance Law.

(4) See Exhibit: Demographic and Economic Statistics I for personal income and population data.

Legal Debt Margin Information

LAST TEN FISCAL YEARS

(Amounts in millions)

	Fiscal Year 2004	2005	2006	2007	2008
Authorized debt limit—General Obligation debt:					
Transportation bonds	$ 7,500	$ 7,500	$ 10,400	$ 10,400	$ 10,400
Environmental bonds	5,650	5,650	5,650	5,650	5,650
Housing bonds	1,135	1,135	1,135	1,135	1,135
Education bonds	250	250	250	250	—
Total General Obligation debt	**14,535**	**14,535**	**17,435**	**17,435**	**17,185**
Local Government Assistance Corporation	4,700	4,700	4,700	4,700	4,700
Other lease purchase and contractual financing arrangements	44,079	58,575[1]	64,315	69,889	76,538
Total Authorized debt	**$ 63,314**	**$ 77,810**	**$ 86,450**	**$ 92,024**	**$ 98,423**
Total debt applicable to limit:[2]					
General Obligation[3]	$ 3,804	$ 3,652	$ 3,470	$ 3,302	$ 3,221
Local Government Assistance Corporation	4,569	4,449	4,317	4,204	4,021
Other lease purchase and contractual financing arrangements	36,696	37,279	36,908	38,750	40,823
Direct debt	**45,069**	**45,380**	**44,695**	**46,256**	**48,065**
Legal debt margin	**$ 18,245**	**$ 32,430**	**$ 41,755**	**$ 45,768**	**$ 50,358**
Total net debt applicable to the limit as a percentage of debt limit	**71.18%**	**58.32%**	**51.70%**	**50.27%**	**48.84%**

Sources:

Office of the State Comptroller

New York State Division of the Budget, Annual Information Statement

Notes:

(1) The increase in 2005 Other lease purchase and contractual financing arrangements relates to the increase in authorization of lease purchases for the Thruway Authority and SUNY, resulting in an increase of the legal debt margin for 2005.

(2) Amount of debt applicable to limitations is dependent upon authorization language.

(3) General Obligation debt stated at par.

For additional information, please see the notes to the financial statements and www.budget.ny.gov.

Balances have been restated for prior period adjustments, corrections and reclassifications.

Fiscal Year

2009	2010	2011	2012	2013
$ 10,400	$ 10,400	$ 10,400	$ 10,400	$ 10,400
5,650	5,650	5,650	5,450	5,650
1,135	1,135	1,135	1,135	1,135
—	—	—	—	—
17,185	**17,185**	**17,185**	**16,985**	**17,185**
4,700	4,700	4,700	4,700	4,700
79,696	79,696	82,058	86,364	91,956
$ 101,581	**$ 101,581**	**$ 103,943**	**$ 108,049**	**$ 113,841**
$ 3,323	$ 3,400	$ 3,525	$ 3,494	$ 3,524
3,849	3,639	3,330	3,119	2,836
42,868	45,638	46,857	48,286	47,839
50,040	**52,677**	**53,712**	**54,899**	**54,199**
$ 51,541	**$ 48,904**	**$ 50,231**	**$ 53,150**	**$ 59,642**
49.26%	**51.86%**	**51.67%**	**50.81%**	**47.61%**

Ratios of General Obligation Debt Outstanding and Legal Debt Margin

LAST TEN FISCAL YEARS

(Amounts in millions)

	Fiscal Year				
	2004	**2005**	**2006**	**2007**	**2008**
General Obligation Debt Outstanding:					
General obligation bonds[1]	**$ 3,804**	**$ 3,652**	**$ 3,470**	**$ 3,302**	**$ 3,221**
Per capita	**$ 198**	**$ 190**	**$ 180**	**$ 171**	**$ 167**
Legal debt limit	$ 14,535	$ 14,535	$ 17,435[2]	$ 17,435	$ 17,185
Total net debt applicable to debt limit	3,804	3,652	3,470	3,302	3,221
Legal debt margin	**$ 10,731**	**$ 10,883**	**$ 13,965**	**$ 14,133**	**$ 13,964**
Legal debt margin as a percentage of the debt limit	**73.83%**	**74.87%**	**80.10%**	**81.06%**	**81.26%**

Sources:

Office of the State Comptroller

New York State Division of the Budget, Annual Information Statement

Notes:

(1) General Obligation debt stated at par.

(2) The increase in the legal debt limit in 2006 is related to the increase in authorization of Transportation bonds.

For additional information, please see the notes to the financial statements and www.budget.ny.gov.

Fiscal Year				
2009	**2010**	**2011**	**2012**	**2013**
$ 3,323	**$ 3,400**	**$ 3,525**	**$ 3,494**	**$ 3,524**
$ 170	**$ 174**	**$ 182**	**$ 180**	**$ 180**
$ 17,185	$ 17,185	$ 17,185	$ 16,985	$ 17,185
3,323	3,400	3,525	3,494	3,524
$ 13,862	**$ 13,785**	**$ 13,660**	**$ 13,491**	**$ 13,661**
80.66%	**80.22%**	**79.49%**	**79.43%**	**79.49%**

Pledged Revenue Coverage

TEN FISCAL YEARS STATED
(Cash basis of accounting)
(Amounts in thousands)

New York Local Government Assistance Corporation Bonds[(a)]

	Sales Tax Revenues				
Fiscal Year	**Sales Tax Receipts**	**Operating Expenses**	**Net Available Revenues**	**Annual Debt Service**	**Debt Service Coverage**
2004	$ 2,266,814	$ 4,000	$ 2,262,814	$ 291,618	7.76
2005	2,492,739	6,000	2,486,739	306,023	8.13
2006	2,614,565	8,000	2,606,565	313,265	8.32
2007	2,511,476	6,000	2,505,476	418,770	5.98
2008	2,645,580	6,000	2,639,580	278,891	9.46
2009	2,566,957	10,963	2,555,994	360,771	7.08
2010	2,466,528	11,218	2,455,310	332,596	7.38
2011	2,697,197	6,634	2,690,563	339,865	7.92
2012	2,779,505	5,146	2,774,359	378,663	7.33
2013	2,808,654	3,757	2,804,897	389,054	7.21

New York State Personal Income Tax Revenue Bonds[(b)]

	Personal Income Tax Revenues				
Fiscal Year	**Revenue Bond Tax Fund Receipts**	**Operating Expenses**	**Net Available Revenues**	**Annual Debt Service**	**Debt Service Coverage**
2004	$ 5,456,943	$ 884	$ 5,456,059	$ 257,967	21.15
2005	6,260,277	1,069	6,259,208	346,895	18.04
2006	6,899,930	2,058	6,897,872	515,627	13.38
2007	7,646,505	4,010	7,642,495	670,600	11.40
2008	9,140,962	7,292	9,133,670	873,653	10.45
2009	9,210,005	8,571	9,201,434	1,016,423	9.05
2010	8,687,845	9,136	8,678,709	1,411,673	6.15
2011	9,052,304	15,056	9,037,248	1,871,476	4.83
2012	9,691,957	13,086	9,678,871	2,141,504	4.52
2013	10,056,679	12,842	10,043,837	2,330,114	4.31

Source: Office of the State Comptroller

Notes:

New York Local Government Assistance Corporation Bonds

(a) An amount equal to one-cent of the State's sales tax, less refunds to taxpayers, is to be deposited in the Local Government Assistance Tax Fund. The monies of such Fund are reserved for payment to the New York Local Assistance Corporation to enable it to meet principal and interest on its bonds. Monies in the Local Government Assistance Tax Fund in excess of debt service requirements and administrative expenses of the New York Local Government Assistance Corporation are required to be transferred to the General Fund.

New York State Personal Income Tax Revenue Bonds

(b) 25 percent of New York State Personal Income Tax Receipts less refunds to taxpayers, is to be deposited in the Revenue Bond Tax Fund. The monies of such Fund are reserved for payment of debt service on Personal Income Tax Revenue Bonds, since the enabling act originally has been in effect, beginning in the 2003-2004 fiscal year. Monies in the Revenue Bond Tax Fund in excess of debt service requirements are required to be transferred to the General Fund.

Ratios of General Bonded Debt Outstanding

LAST TEN FISCAL YEARS
(Amounts in millions)

	General Bonded Debt Outstanding	
Fiscal Year	General Obligation Bonds[1]	Per Capita[2]
2003-2004	$ 3,825	$ 199
2004-2005	3,692	192
2005-2006	3,511	182
2006-2007	3,344	173
2007-2008	3,264	169
2008-2009	3,367	173
2009-2010	3,461	177
2010-2011	3,625	187
2011-2012	3,611	186
2012-2013	3,688	188

Source: Office of the State Comptroller

Notes:

(1) General Obligation debt figures include par value, premiums and discounts.

(2) See Exhibit: Demographic and Economic Statistics I for population data.

Government Employees by Level of Government

NEW YORK STATE 2002–2011
(Annual averages in thousands)

	Employees	
Fiscal Years	State[1]	Local[2]
2002	267.8	1,086.6
2003	263.7	1,088.9
2004	261.8	1,091.6
2005	261.4	1,098.3
2006	259.1	1,101.3
2007	261.7	1,115.7
2008	262.7	1,126.1
2009	261.2	1,135.8
2010	260.8	1,117.9
2011	259.1	1,102.3

Sources:

New York State Department of Labor

2008 New York State Statistical Yearbook, Rockefeller Institute of Government

Notes:

(1) State employees figures represent the annual average of the number of checks issued as of the pay period including the 12th of the month, regardless of funding source, to individuals in: State departments and agencies; the Legislature; the Judiciary; public authorities; and miscellaneous boards and commissions.

(2) Local government employees include full- and part-time employees of counties, cities, villages and towns, engaged in educational or noneducational functions.

Demographic and Economic Statistics I

LAST TEN CALENDAR YEARS

Year	Population (1000s)	Personal Income (1000s)	Per Capita Personal Income	Unemployment Rate
2003	19,190	$ 691,123,302	$ 36,015	6.0%
2004	19,227	737,755,932	38,371	5.5%
2005	19,255	805,717,000	41,845	4.8%
2006	19,306	818,426,220	42,392	4.4%
2007	19,298	914,431,670	47,385	4.2%
2008	19,490	937,009,617	48,076	4.9%
2009	19,541	917,610,217	46,958	8.1%
2010	19,378	946,053,718	48,821	8.3%
2011	19,465	983,867,508	50,545	7.8%
2012	19,570	1,019,514,062	52,095	8.4%

Sources:

U.S. Census Bureau

U.S. Bureau of Economic Analysis

New York State Department of Labor

Demographic and Economic Statistics II

LAST TEN CALENDAR YEARS

	Population			
Year	U.S. Population (1000s)	Change from Prior Period	State of New York (1000s)	Change from Prior Period
2003	290,850	0.99%	19,190	0.17%
2004	293,657	0.97%	19,227	0.19%
2005	296,410	0.94%	19,255	0.15%
2006	299,398	1.01%	19,306	0.26%
2007	301,621	0.74%	19,298	–0.04%
2008	304,060	0.81%	19,490	0.99%
2009	307,007	0.97%	19,541	0.26%
2010	308,746	0.57%	19,378	–0.83%
2011	311,592	0.92%	19,465	0.45%
2012	313,914	0.75%	19,570	0.54%

Sources:

U.S. Census Bureau

U.S. Bureau of Economic Analysis

New York State Department of Labor

New York State Department of Motor Vehicles

New York State Education Department

Per Capita Personal Income			Civilian Labor Force				
U.S.	State of New York	New York as a Percentage of U.S.	Employed (1000s)	Unemployed (1000s)	Unemployment Rate	Public School Enrollment	Motor Vehicles Registered
$ 31,484	$ 36,015	114.4%	8,675	556	6.0%	2,875,088	10,414,200
33,050	38,371	116.1%	8,741	506	5.5%	2,857,079	10,449,816
34,586	41,845	121.0%	8,902	444	4.8%	2,864,037	10,476,513
36,276	42,392	116.9%	9,033	412	4.4%	2,776,870	10,551,341
38,611	47,385	122.7%	9,046	395	4.2%	2,715,068	10,664,811
39,751	48,076	120.9%	9,147	472	4.9%	2,684,024	10,697,644
39,138	46,958	120.0%	8,888	786	8.1%	2,654,700	10,699,846
40,584	48,821	120.3%	8,816	800	8.3%	2,647,840	10,749,952
41,663	50,545	121.3%	8,736	735	7.8%	2,635,066	10,727,796
42,693	52,095	122.0%	8,769	804	8.4%	2,604,881	10,791,198

Employment by Industry

TEN YEARS STATED

	2002	2003	2004	2005	2006
Total employment	**10,415,119**	**10,459,857**	**10,610,532**	**10,763,487**	**10,952,095**
Wage and salary employment	8,769,557	8,727,501	8,775,838	8,840,376	8,925,539
Proprietors employment	1,645,562	1,732,356	1,834,694	1,923,111	2,026,556
Farm proprietors employment	38,549	37,633	36,481	36,475	35,724
Nonfarm proprietors employment	1,607,013	1,694,723	1,798,213	1,886,636	1,990,832
Farm employment	**59,916**	**59,641**	**54,827**	**54,243**	**52,102**
Nonfarm employment	**10,355,203**	**10,400,216**	**10,555,705**	**10,709,244**	**10,899,993**
Private employment	**8,849,377**	**8,897,484**	**9,056,795**	**9,208,323**	**9,399,820**
Forestry, fishing, related activities, and other	24,455	22,684	23,280	23,271	23,707
Mining	8,733	10,022	9,516	9,866	9,959
Utilities	43,301	42,213	40,623	40,651	40,506
Construction	449,250	456,704	467,615	483,981	508,530
Manufacturing	680,268	642,125	626,157	612,145	598,993
Wholesale trade	387,074	384,490	389,951	391,525	394,772
Retail trade	1,022,037	1,025,356	1,039,785	1,058,146	1,065,731
Transportation and warehousing	311,291	309,902	317,870	327,069	337,573
Information	325,881	308,447	305,139	310,275	312,293
Finance and insurance	698,378	688,840	696,548	711,845	733,599
Real estate, rental and leasing	361,088	380,434	407,062	436,758	466,261
Professional and technical services	782,981	794,919	823,816	835,753	866,101
Management of companies and enterprises	127,630	126,239	125,968	130,060	135,334
Administrative and waste services	511,429	513,021	529,832	537,833	539,449
Educational services	350,635	363,734	376,935	388,285	401,273
Health care and social assistance	1,358,742	1,400,504	1,421,958	1,440,752	1,466,699
Arts, entertainment, and recreation	268,588	270,871	283,129	287,510	295,198
Accommodation and food services	558,728	572,337	583,087	591,426	598,360
Other services, except public administration	578,888	584,642	588,524	591,172	605,482
Government and government enterprises	**1,505,826**	**1,502,732**	**1,498,910**	**1,500,921**	**1,500,173**
Federal, civilian	133,580	135,408	130,490	128,925	127,015
Military	57,603	57,140	56,362	56,257	57,590
State government	253,528	250,308	249,034	247,293	246,101
Local government	1,061,115	1,059,876	1,063,024	1,068,446	1,069,467

Source: Regional Economic Information System, U.S. Bureau of Economic Analysis

Note: Full- and Part-Time Employment data shown.

2007	2008	2009	2010	2011
11,039,874	**11,289,001**	**10,929,753**	**10,979,188**	**11,154,532**
9,047,065	9,004,901	8,738,853	8,738,192	8,837,168
1,992,809	2,284,100	2,190,900	2,240,996	2,317,364
34,782	32,683	32,491	32,228	32,075
1,958,027	2,251,417	2,158,409	2,208,768	2,285,289
50,784	**51,724**	**51,219**	**50,628**	**51,584**
10,989,090	**11,237,277**	**10,878,534**	**10,928,560**	**11,102,948**
9,478,570	**9,708,898**	**9,352,706**	**9,410,362**	**9,625,140**
23,744	14,341	14,274	13,574	13,504
10,675	14,286	16,157	13,474	16,354
40,119	40,355	41,026	39,746	38,853
527,531	533,932	481,531	460,003	457,019
584,955	565,032	501,685	488,760	486,728
397,410	390,550	368,081	362,207	368,266
1,073,776	1,066,636	1,017,181	1,037,002	1,049,816
334,622	346,712	324,256	319,556	322,951
302,404	301,954	292,108	288,921	293,900
731,480	789,048	785,910	813,265	840,182
470,170	565,276	523,673	525,680	560,100
869,279	900,523	857,138	836,836	865,670
137,157	139,224	139,298	145,749	144,407
559,928	567,179	526,294	547,991	565,216
405,562	412,051	414,554	426,934	439,928
1,483,772	1,500,582	1,507,891	1,532,549	1,552,866
299,829	320,716	316,950	313,381	322,386
616,162	628,012	628,254	652,705	685,582
609,995	612,489	596,445	592,029	601,412
1,510,520	**1,528,379**	**1,525,828**	**1,518,198**	**1,477,808**
127,046	127,037	127,052	132,803	121,187
57,087	59,940	60,058	60,269	61,472
247,038	250,133	246,748	242,306	236,299
1,079,349	1,091,269	1,091,970	1,082,820	1,058,850

Select State Agency Employment

MARCH 2013

Agency	Actual March 2012	Estimated March 2013
Major Agencies:		
State University	42,800	43,249
Corrections and Community Supervision	29,387	29,337
People with Developmental Disabilities	20,299	19,834
Mental Health	14,822	14,453
Transportation	8,974	8,359
Health	4,761	4,635
State Police	5,187	5,232
Taxation and Finance	4,910	4,175
Children and Family Services	3,093	3,263
Environmental Conservation	2,981	2,916
Education	2,590	2,664
Temporary and Disability Assistance	2,039	1,860
Subtotal	**141,843**	**139,977**
Other Major Agencies	12,308	15,184
Minor Agencies	8,228	7,816
Other	17,219	17,588
GRAND TOTAL	**179,598**	**180,565**

Source: New York State Division of Budget 2013-14 Executive Budget Five-Year Financial Plan (www.budget.ny.gov)

Note: Does not include: the Legislature; the Judiciary; public authorities; or miscellaneous boards and commissions.

Operating Indicators

LAST TEN YEARS

	2004	2005	2006	2007	2008
State Police Protection:					
Number of Troops	11	11	11	11	11
Number of Employees	5,608	5,608	5,977	5,927	5,989
State University of New York:					
Campuses	64	64	64	64	64
Students	410,700	410,700	412,000	417,000	427,000
Recreation:					
Parks & Historic Sites	203	203	207	211	213
Expected Visitors	60 million	60 million	60 million	60 million	55 million

Sources:

New York State Executive Budget Agency Presentations

Division of State Police

State University of New York

State Office of Parks, Recreation and Historical Preservation

2009	2010	2011	2012	2013
11	11	11	11	11
5,989	5,530	5,309	5,220	5,408
64	64	64	64	64
440,000	477,000	468,000	468,000	468,000
213	214	213	213	214
55 million	55 million	55 million	57 million	59 million

Capital Asset Balances by Function

LAST TEN FISCAL YEARS

(Amounts in millions)

Function	Fiscal Year 2004	2005	2006	2007	2008
Land and Land Improvements:					
General government	$ 128	$ 129	$ 127	$ 96	$ 95
Public safety	184	195	204	226	247
Public welfare	24	24	24	24	24
Support/regulate business	6	6	6	6	6
Environment/recreation	991	1,019	1,101	1,155	1,241
Education	1	1	1	1	2
Public health	170	183	187	193	196
Transportation	2,080	2,146	2,201	2,252	2,262
Depreciation (Land Improvements)	(242)	(256)	(281)	(291)	(300)
Total, net of depreciation	**3,342**	**3,447**	**3,570**	**3,662**	**3,773**
Land Preparation:					
Transportation (Roads)	**2,734**	**2,786**	**2,856**	**2,981**	**3,083**
Buildings:					
General government	1,991	2,109	2,168	1,939	1,954
Public safety	2,728	2,795	2,937	3,028	3,146
Public welfare	178	165	171	171	174
Support/regulate business	33	33	33	34	34
Environment/recreation	279	309	334	356	371
Education	81	89	90	97	106
Public health	2,957	2,600	2,682	2,792	2,910
Transportation	251	307	315	327	289
Depreciation	(3,941)	(4,095)	(4,332)	(4,557)	(4,776)
Total, net of depreciation	**4,557**	**4,312**	**4,398**	**4,187**	**4,208**
Equipment:					
General government	175	157	139	117	125
Public safety	84	81	83	83	90
Public welfare	41	14	14	18	19
Support/regulate business	8	7	4	4	4
Environment/recreation	33	33	36	38	41
Education	10	9	5	5	5
Public health	63	58	61	64	64
Transportation	246	258	266	282	280
Depreciation	(386)	(365)	(364)	(392)	(403)
Total, net of depreciation	**274**	**252**	**244**	**219**	**225**
Construction in Progress:					
Buildings	548	687	455	331	510
Transportation (Roads and bridges)	2,241	3,103	3,122	3,038	3,079
Computer software	—	—	—	—	—
Total	**2,789**	**3,790**	**3,577**	**3,369**	**3,589**
Infrastructure:[1]					
General government	—	—	—	5	11
Public safety	—	6	28	55	62
Public welfare	—	—	—	—	—
Environment/recreation	18	20	20	29	29
Public health	4	24	15	16	25
Depreciation	(1)	(2)	(3)	(6)	(11)
Total, net of depreciation	**21**	**48**	**60**	**99**	**116**
Infrastructure:[2]					
Transportation	**62,934**	**63,056**	**63,303**	**63,803**	**64,200**
Intangible Assets:					
Easements	—	—	—	—	—
Computer software	—	—	—	—	—
Amortization	—	—	—	—	—
Total, net of amortization	—	—	—	—	—
Business-Type Activities, Net	**6,201**	**6,499**	**6,927**	**7,296**	**7,773**

Source: Office of the State Comptroller

Notes:

(1) Depreciable

(2) Roads and Bridges, non-depreciable

Figures restated for prior period adjustments.

Fiscal Year

2009	2010	2011	2012	2013
$ 125	$ 125	$ 125	$ 125	$ 125
257	271	282	289	296
27	32	30	36	38
6	6	6	6	6
1,360	1,211	1,240	1,268	1,289
3	3	3	3	3
208	218	225	225	225
2,306	2,349	2,400	2,453	2,506
(314)	(332)	(348)	(369)	(386)
3,978	**3,883**	**3,963**	**4,036**	**4,102**
3,191	**3,271**	**3,314**	**3,430**	**3,517**
2,192	2,222	2,254	2,290	2,412
3,344	3,476	3,542	3,683	3,804
180	186	189	218	226
34	34	36	36	36
399	451	453	459	464
107	111	120	123	121
3,073	3,146	3,247	3,348	3,437
299	302	303	315	321
(5,033)	(5,293)	(5,581)	(5,876)	(6,162)
4,595	**4,635**	**4,563**	**4,596**	**4,659**
162	161	157	152	151
90	92	98	97	97
19	21	21	21	21
5	6	6	6	6
51	51	51	53	55
5	5	5	5	7
57	57	58	58	59
278	324	347	363	363
(431)	(460)	(489)	(498)	(537)
236	**257**	**254**	**257**	**222**
444	499	477	537	651
3,248	3,405	4,271	4,356	4,805
—	—	63	113	11
3,692	**3,904**	**4,811**	**5,006**	**5,467**
11	11	11	11	12
91	102	128	140	148
—	13	18	19	19
33	33	31	34	34
42	46	46	46	46
(17)	(24)	(33)	(42)	(52)
160	**181**	**201**	**208**	**207**
64,567	**65,141**	**65,451**	**65,926**	**66,237**
—	163	193	194	194
—	—	32	64	270
—	—	(6)	(21)	(53)
—	**163**	**219**	**237**	**411**
8,445	**9,206**	**10,374**	**11,746**	**13,087**

Membership by Type of Benefit Plan

AS OF MARCH 31, 2013

Retirement System	Retirement Plan Membership: Tier 1	Tier 2	Tiers 3, 4, 5 & 6
New York State and Local Employees Retirement System	6,230	7,538	600,162
New York State and Local Police and Fire Retirement System	172	30,295	3,177

Source: New York State and Local Retirement System

Note: Please see www.osc.state.ny.us/retire/publications/index.htm for more information.

Principal Participating Employers

TEN MOST RECENT FISCAL YEARS

	2004			2005			2006		
Participating Government	**Covered Employees**	**Rank**	**Percentage of Total System**	**Covered Employees**	**Rank**	**Percentage of Total System**	**Covered Employees**	**Rank**	**Percentage of Total System**
State	213,539	1	33.28%	214,937	1	33.18%	216,996	1	33.17%
Schools	123,616	2	19.26%	126,068	2	19.46%	126,925	2	19.40%
Counties	123,328	3	19.22%	123,839	3	19.12%	121,322	3	18.54%
Miscellaneous	88,249	4	13.75%	89,285	4	13.79%	93,327	4	14.26%
Towns	44,072	5	6.87%	44,778	5	6.91%	45,654	5	7.13%
Cities	31,307	6	4.88%	31,092	6	4.80%	31,038	6	4.74%
Villages	17,610	7	2.74%	17,759	7	2.74%	18,029	7	2.76%
Total	**641,721**		**100.00%**	**647,758**		**100.00%**	**653,291**		**100.00%**

	2011			2012			2013		
Participating Government	**Covered Employees**	**Rank**	**Percentage of Total System**	**Covered Employees**	**Rank**	**Percentage of Total System**	**Covered Employees**	**Rank**	**Percentage of Total System**
State	218,868	1	32.53%	208,822	1	31.82%	208,200	1	31.82%
Schools	135,358	2	20.12%	133,442	2	20.34%	131,236	2	20.34%
Counties	119,610	3	17.78%	116,423	3	17.74%	113,378	3	17.74%
Miscellaneous	100,785	4	14.98%	99,837	4	15.21%	97,746	4	15.21%
Towns	48,621	5	7.23%	48,822	5	7.44%	48,560	5	7.44%
Cities	30,804	6	4.58%	30,394	6	4.63%	30,044	6	4.63%
Villages	18,677	7	2.78%	18,484	7	2.82%	18,410	7	2.82%
Total	**672,723**		**100.00%**	**656,224**		**100.00%**	**647,574**		**100.00%**

Source: New York State and Local Retirement System

Notes:

Total includes inactive members identified with their last employer as active members.

Please see www.osc.state.ny.us/retire/publications/index.htm for more information.

2007			2008			2009			2010		
Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
221,515	1	33.43%	226,439	1	33.43%	225,963	1	33.23%	222,555	1	32.77%
128,518	2	19.40%	132,132	2	19.51%	133,876	2	19.69%	136,203	2	20.05%
121,817	3	18.38%	122,982	3	18.16%	122,356	3	18.00%	121,282	3	17.86%
95,262	4	14.38%	98,283	4	14.51%	100,052	4	14.72%	100,684	4	14.82%
46,284	5	6.98%	47,567	5	7.02%	47,743	5	7.02%	48,610	5	7.16%
31,049	6	4.69%	31,406	6	4.64%	31,326	6	4.61%	31,186	6	4.59%
18,188	7	2.74%	18,512	7	2.73%	18,592	7	2.73%	18,697	7	2.75%
662,633		**100.00%**	**677,321**		**100.00%**	**679,908**		**100.00%**	**679,217**		**100.00%**

STATE OF NEW YORK
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STATE OF NEW YORK
Office of the State Comptroller

Organization

THOMAS P. DINAPOLI
Comptroller

Alexander B. Grannis
First Deputy Comptroller

Shawn Thompson
Chief of Staff

Margaret Becker
Deputy Comptroller
Contracts and Expenditures

Kenneth Bleiwas
Deputy Comptroller
Office of the State Deputy Comptroller (NYC)

Cathy Calhoun
Deputy Comptroller
Intergovernmental Relations

Angela Dixon
Deputy Comptroller
Human Resources and Administration

Jennifer Freeman
Deputy Comptroller
Communications

Vicki Fuller
Chief Investment Officer
Pension Investment and Cash Management

Christopher Gorka
Deputy Comptroller
Payroll, Accounting and Revenue Services

Nancy Groenwegen
Counsel to the Comptroller

Steve Hamilton
Inspector General

Nancy Hernandez
Deputy Comptroller
Diversity Programs

Robert Loomis
Deputy Comptroller
Chief Information Officer

Kevin Murray
Executive Deputy Comptroller
State and Local Retirement

Thomas Nitido
Deputy Comptroller
Retirement Services

Elliot Pagliaccio
Deputy Comptroller
State Government Accountability

Andrew SanFilippo
Executive Deputy Comptroller
State and Local Government Accountability

John Traylor
Executive Deputy Comptroller
Office of Operations

Robert Ward
Deputy Comptroller
Budget and Policy Analysis

Division of Payroll, Accounting and Revenue Services

Bureau of Financial Reporting and Oil Spill Remediation

Executive Director:
Suzette Barsoum Baker, CPA, CGFM

Assistant Director:
Timothy Reilly, Esq., CPA

Assistant Chief Accountants:
Deidre Clark
Carrie Piser

Principal Accountants:
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Michael B. Mezz, CGFM
Maureen Shaw

Supervising Accountants:
Donna Greenberg, CPA, CGFM
Jennifer Hallanan, CGFM
Rosemary Liss

Associate Accountants:
Renée Bult
Laura Canham-Lunde
Gregory Cerio
Bo Jiang
Maria Moran, CPA
Stephen Raptoulis, CPA
Bret M. Smith
Sandra Trzcinski, CGAP, APM
Christopher Tuohy

Senior Accountants:
Lisa Cardinale, CPA
Michael Donadio
Althea Medford

Associate Examiner:
Alison Cupernall

Agency Program Aide:
Kelly Nieves

Student Interns:
Tom Catalano
Mark Kiley