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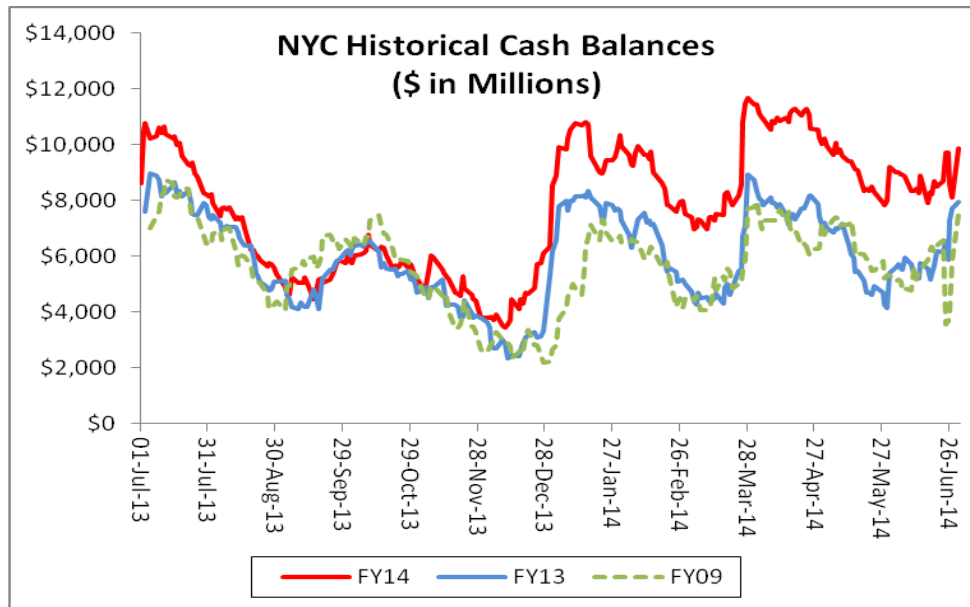
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To: Distribution
 From: Irina Livshits, Division Chief, Financial Analysis
 Subject: NYC Cash Balance Projection (July 2014 - November 2014)
 Date: July 31, 2014

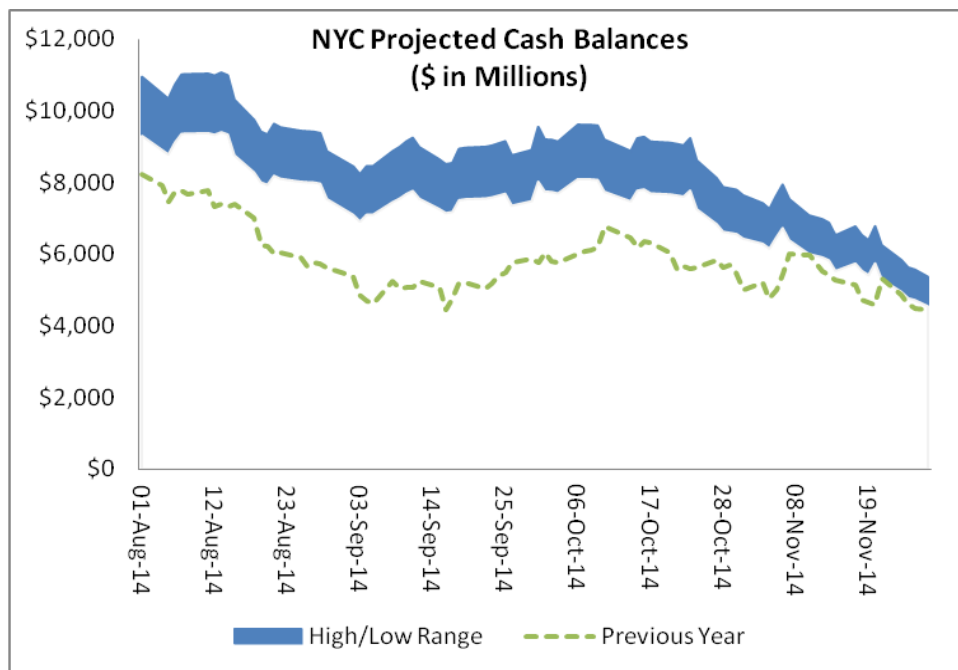
The City recorded FY14 closing cash balance of \$9.858 billion, the highest year-end closing balance on record, up \$1.914 billion versus year-ago. The FY 2014 average cash balance of \$7.766 billion exceeded the year-ago mark by \$1.807 billion.

As has been the practice for more than thirty years, the City has prepaid a portion of next year’s expenses prior to the end of the current fiscal year. This year’s prepayment totaled \$1.983 billion, compared to \$2.791 billion at the end of FY13.

Our May projection indicated a fiscal year-end closing balance in the range of \$12.3 to \$10.4 billion. The actual fell below the projection range because the City made an additional payment of \$864 million to the NYC Retiree Health Benefits Trust Fund at the end of the fiscal year.



The forecast that follows incorporates guidance from the Adapted Budget and outlines expected cash (book) balances in the New York City Treasury from August 1, 2014 to November 30, 2014.



The projection incorporates higher payroll expenditures associated with the collective bargaining settlements. The City has settled labor contracts with the United Federation of Teachers (UFT), the New York State Nurses Association (NYSNA), and 1199SEIU United Healthcare Workers East (1199SEIU) and reached a tentative agreement with District Council 37 (DC 37). Both the NYSNA and 1199SEIU agreements are patterned after the UFT contract. The DC 37 agreement is patterned after the 10 percent increase granted in the final seven year of the UFT contract.

The projection assumes that, at the end of September, the City will disburse the \$180 million in a claims fund to pay claims for retroactive pay for the prior round of collective bargaining by eligible retirees who retired before July 1, 2014. Other projected September payments include the retroactive payments to UFT members related to wage increases in May of 2013, 2014, and 2015 and the \$1,000 per member ratification bonus for DC 37 members. Retroactive payments related to the September 3, 2012, September 3, 2013, and September 3, 2014 wage increases for DC 37 members are projected to be made at the end of October, 2014. Higher payroll expenditures in FY 2015 pose no concern from the cash flow perspective.

There is no projected cash disbursements related to the NYSNA and 1199SEIU settlements for the projection period. NYSNA and most of 1199SEIU members are employees of the Health and Hospitals Corporation (HHC). The City pays a subsidy to the HHC and is not directly responsible for its payroll. While the increased labor cost from the labor settlements will be reflected in the City's subsidy, we do not expect the cost to be reflected in the subsidy payments in the current projection period.

Projection details are contained in the following pages of this document. For a complete discussion of NYC cash flows, please visit our Quarterly Cash Report at <http://comptroller.nyc.gov/reports/cash-reports/>.

NYC Projected Cash Balances
(\$ Millions)

| | <u>High</u> | <u>Low</u> | <u>Baseline</u> |
|-----------|-------------|------------|-----------------|
| 01-Aug-14 | 10939 | 9299 | 10119 |
| 04-Aug-14 | 10479 | 8908 | 9693 |
| 05-Aug-14 | 10323 | 8776 | 9550 |
| 06-Aug-14 | 10719 | 9112 | 9916 |
| 07-Aug-14 | 11003 | 9354 | 10179 |
| 08-Aug-14 | 11012 | 9361 | 10187 |
| 11-Aug-14 | 11026 | 9373 | 10200 |
| 12-Aug-14 | 10971 | 9327 | 10149 |
| 13-Aug-14 | 11057 | 9400 | 10228 |
| 14-Aug-14 | 10981 | 9335 | 10158 |
| 15-Aug-14 | 10299 | 8756 | 9528 |
| 18-Aug-14 | 9731 | 8273 | 9002 |
| 19-Aug-14 | 9411 | 8000 | 8706 |
| 20-Aug-14 | 9325 | 7928 | 8627 |
| 21-Aug-14 | 9626 | 8183 | 8904 |
| 22-Aug-14 | 9526 | 8098 | 8812 |
| 25-Aug-14 | 9431 | 8018 | 8725 |
| 26-Aug-14 | 9416 | 8005 | 8711 |
| 27-Aug-14 | 9405 | 7995 | 8700 |
| 28-Aug-14 | 9369 | 7965 | 8667 |
| 29-Aug-14 | 8862 | 7533 | 8198 |
| 02-Sep-14 | 8437 | 7090 | 7764 |
| 03-Sep-14 | 8216 | 6905 | 7560 |
| 04-Sep-14 | 8443 | 7095 | 7769 |
| 05-Sep-14 | 8448 | 7100 | 7774 |
| 08-Sep-14 | 8868 | 7453 | 8160 |
| 09-Sep-14 | 8978 | 7545 | 8262 |
| 10-Sep-14 | 9129 | 7672 | 8401 |
| 11-Sep-14 | 9238 | 7764 | 8501 |
| 12-Sep-14 | 8973 | 7541 | 8257 |
| 15-Sep-14 | 8635 | 7257 | 7946 |
| 16-Sep-14 | 8500 | 7143 | 7821 |
| 17-Sep-14 | 8532 | 7170 | 7851 |
| 18-Sep-14 | 8928 | 7503 | 8215 |
| 19-Sep-14 | 8959 | 7529 | 8244 |
| 22-Sep-14 | 8983 | 7550 | 8266 |
| 23-Sep-14 | 9019 | 7580 | 8299 |
| 24-Sep-14 | 9080 | 7631 | 8355 |
| 25-Sep-14 | 9139 | 7681 | 8410 |
| 26-Sep-14 | 8744 | 7349 | 8047 |
| 29-Sep-14 | 8895 | 7475 | 8185 |
| 30-Sep-14 | 9542 | 8019 | 8780 |

NYC Projected Cash Balances
(\$ Millions)

| | <u>High</u> | <u>Low</u> | <u>Baseline</u> |
|-----------|-------------|------------|-----------------|
| 01-Oct-14 | 9189 | 7741 | 8465 |
| 02-Oct-14 | 9180 | 7733 | 8456 |
| 03-Oct-14 | 9129 | 7691 | 8410 |
| 06-Oct-14 | 9605 | 8091 | 8848 |
| 07-Oct-14 | 9598 | 8086 | 8842 |
| 08-Oct-14 | 9595 | 8083 | 8839 |
| 09-Oct-14 | 9577 | 8068 | 8823 |
| 10-Oct-14 | 9186 | 7739 | 8463 |
| 14-Oct-14 | 8866 | 7469 | 8168 |
| 15-Oct-14 | 9223 | 7770 | 8497 |
| 16-Oct-14 | 9264 | 7805 | 8534 |
| 17-Oct-14 | 9129 | 7691 | 8410 |
| 20-Oct-14 | 9096 | 7663 | 8379 |
| 21-Oct-14 | 9062 | 7634 | 8348 |
| 22-Oct-14 | 9024 | 7602 | 8313 |
| 23-Oct-14 | 9225 | 7771 | 8498 |
| 24-Oct-14 | 8606 | 7250 | 7928 |
| 27-Oct-14 | 8112 | 6834 | 7473 |
| 28-Oct-14 | 7857 | 6619 | 7238 |
| 29-Oct-14 | 7822 | 6590 | 7206 |
| 30-Oct-14 | 7785 | 6559 | 7172 |
| 31-Oct-14 | 7632 | 6430 | 7031 |
| 03-Nov-14 | 7409 | 6285 | 6847 |
| 04-Nov-14 | 7250 | 6149 | 6700 |
| 05-Nov-14 | 7606 | 6451 | 7028 |
| 06-Nov-14 | 7931 | 6727 | 7329 |
| 07-Nov-14 | 7524 | 6382 | 6953 |
| 10-Nov-14 | 7070 | 5996 | 6533 |
| 12-Nov-14 | 6965 | 5908 | 6437 |
| 13-Nov-14 | 6867 | 5824 | 6346 |
| 14-Nov-14 | 6515 | 5526 | 6020 |
| 17-Nov-14 | 6760 | 5734 | 6247 |
| 18-Nov-14 | 6518 | 5528 | 6023 |
| 19-Nov-14 | 6378 | 5410 | 5894 |
| 20-Nov-14 | 6771 | 5743 | 6257 |
| 21-Nov-14 | 6239 | 5292 | 5765 |
| 24-Nov-14 | 5824 | 4940 | 5382 |
| 25-Nov-14 | 5618 | 4765 | 5192 |
| 26-Nov-14 | 5560 | 4716 | 5138 |
| 28-Nov-14 | 5355 | 4542 | 4948 |

NYC Cash Balance Monthly Detail
(\$ Millions)

| | <u>Aug-14</u> | <u>Sep-14</u> | <u>Oct-14</u> | <u>Nov-14</u> | <u>Total</u> |
|--|-----------------|----------------|-----------------|-----------------|-----------------|
| Opening Balance | 10607.91 | 8197.51 | 8780.401 | 7030.885 | 10607.91 |
| Sales Tax | 502.76 | 503.39 | 640.85 | 522.18 | 2169.18 |
| Utility Tax | 36.83 | 31.22 | 32.26 | 25.76 | 126.07 |
| Commercial Rent Tax | 10.15 | 162.25 | 10.99 | 6.86 | 190.25 |
| Personal Income Tax | 536.52 | 886.13 | 817.86 | 442.35 | 2682.86 |
| General Corporation Tax | 81.06 | 533.40 | 97.68 | 59.76 | 771.90 |
| Banking Tax | 18.90 | 307.44 | 68.42 | 20.70 | 415.46 |
| Unincorporated Business Tax | 29.40 | 402.15 | 38.50 | 38.34 | 508.39 |
| Real Property Tax | 216.23 | 1184.77 | 526.80 | 112.15 | 2039.95 |
| Other Taxes | 223.24 | 560.21 | 243.23 | 314.53 | 1341.21 |
| Less Refunds All Taxes | -76.02 | -76.02 | -76.02 | -76.02 | -304.09 |
| Total Taxes | 1579.06 | 4494.94 | 2400.58 | 1466.61 | 9941.19 |
| Federal Welfare | 73.14 | 54.53 | 130.24 | 122.22 | 380.13 |
| Federal Education | 27.30 | 6.93 | 24.42 | 23.94 | 82.59 |
| Federal Community Development | 9.24 | 9.03 | 11.66 | 8.64 | 38.57 |
| Federal Other | 71.82 | 93.03 | 97.02 | 128.88 | 390.75 |
| Total Federal Aid | 181.50 | 163.52 | 263.34 | 283.68 | 892.04 |
| NYS Welfare | 0.42 | 0.21 | 62.48 | 85.68 | 148.79 |
| NYS Health | 55.23 | 16.38 | 45.98 | 9.36 | 126.95 |
| NYS Education | 36.96 | 911.20 | 59.31 | 440.89 | 1448.36 |
| NYS Higher Education | 0.00 | 0.00 | 350.34 | 0.00 | 350.34 |
| NYS Other | 34.65 | 46.62 | 20.68 | 37.98 | 139.93 |
| Total New York State Aid | 127.26 | 974.41 | 538.79 | 573.91 | 2214.37 |
| NYS Revenue Sharing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Intergovernmental Aid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Intergovernmental | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Water Board | 133.80 | 97.90 | 106.90 | 169.40 | 508.00 |
| Interest Income | 1.68 | 1.68 | 1.76 | 1.80 | 6.92 |
| Fines and Forfeitures | 77.07 | 77.07 | 77.00 | 77.04 | 308.18 |
| Miscellaneous Revenue | 277.00 | 277.00 | 277.00 | 277.00 | 1108.00 |
| Senior College Tuition and Fees | 0.21 | 0.21 | 196.46 | 0.18 | 197.06 |
| Capital Interest | 0.03 | 0.08 | 0.08 | 0.00 | 0.19 |
| Housing Revenue | 3.36 | 3.36 | 3.30 | 3.24 | 13.26 |
| Total Miscellaneous | 493.15 | 457.30 | 662.50 | 528.66 | 2141.61 |
| Prior Federal Aid | 727.86 | 318.36 | 405.02 | 232.92 | 1684.16 |
| Prior NYS Aid | 544.53 | 292.32 | 200.86 | 79.56 | 1117.27 |
| Total Federal And NYS Prior Aid | 1272.39 | 610.68 | 605.88 | 312.48 | 2801.43 |
| Balance Sheet Inflows | 14.49 | 14.49 | 14.52 | 14.58 | 58.08 |
| Federal/State Capital | 76.23 | 76.23 | 76.12 | 76.14 | 304.72 |
| Transfers from Capital Proceeds | 617.65 | 528.38 | 616.54 | 828.39 | 2590.96 |
| Payroll Taxes Inflows | 192.05 | 191.08 | 174.65 | 155.38 | 713.16 |
| Seasonal Borrowing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Operating Inflow | 441.42 | 441.42 | 441.32 | 441.36 | 1765.52 |
| Total Other Inflows | 1341.84 | 1251.60 | 1323.15 | 1515.85 | 5432.44 |
| Total Inflows | 4995.20 | 7952.46 | 5794.24 | 4681.18 | 23423.08 |

NYC Cash Balance Monthly Detail
(\$ Millions)

| | <u>Aug-14</u> | <u>Sep-14</u> | <u>Oct-14</u> | <u>Nov-14</u> | <u>Total</u> |
|-----------------------------|-----------------|----------------|-----------------|-----------------|-----------------|
| Payroll | 1626.41 | 1618.20 | 1479.02 | 1315.83 | 6039.47 |
| Pensions | 683.20 | 688.00 | 687.06 | 685.53 | 2743.79 |
| Social Security | 485.24 | 638.47 | 678.53 | 494.77 | 2297.01 |
| Health Plan | 276.06 | 414.09 | 276.06 | 276.06 | 1242.27 |
| Other PS | 75.05 | 71.43 | 89.23 | 94.56 | 330.28 |
| Total PS | 3145.96 | 3430.19 | 3209.90 | 2866.76 | 12652.81 |
| PA | 202.95 | 190.01 | 202.51 | 223.92 | 819.38 |
| MA | 501.98 | 483.97 | 486.36 | 495.77 | 1968.08 |
| Other DOSS | 189.02 | 189.99 | 195.77 | 213.60 | 788.38 |
| HHC | 67.38 | 83.01 | 70.09 | 38.32 | 258.80 |
| TA | 104.58 | 0.00 | 0.00 | 0.00 | 104.58 |
| HA | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Lump Sum | 209.79 | 209.79 | 209.66 | 209.70 | 838.94 |
| Vendor Payments | 1257.21 | 1013.62 | 1208.02 | 1156.26 | 4635.11 |
| Other OTPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total OTPS | 2532.90 | 2170.38 | 2372.42 | 2337.57 | 9413.27 |
| City Capital | 558.50 | 558.50 | 558.50 | 558.50 | 2234.00 |
| Other Outflow Capital | 79.35 | 79.35 | 79.35 | 79.35 | 317.40 |
| GO Debt Service Funding | 216.23 | 110.36 | 306.38 | 67.88 | 700.85 |
| NYCTFA Debt Service Funding | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Debt Service Funding | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Repay Seasonal Borrowing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Payroll Taxes Outflow | 682.76 | 870.41 | 939.91 | 684.16 | 3177.24 |
| Other Outflows | 189.90 | 150.37 | 77.30 | 169.64 | 587.21 |
| Total Other Outflows | 1726.74 | 1768.99 | 1961.43 | 1559.53 | 7016.69 |
| Total Outflows | 7405.61 | 7369.57 | 7543.75 | 6763.85 | 29082.77 |
| Net Flow | -2410.40 | 582.89 | -1749.52 | -2082.67 | -5659.69 |
| Ending Balance | 8197.51 | 8780.40 | 7030.88 | 4948.22 | 4948.22 |