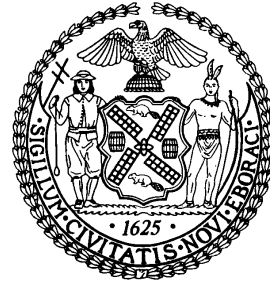


**The City Of New York  
Office of the Comptroller**

**Scott M. Stringer  
Comptroller**



# QUARTERLY CASH REPORT

October - December 2015  
Second Quarter of Fiscal Year 2016

March 2016

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## **Summary**

### **Cash Balances**

At the end of 2Q16 (December 31, 2015), the City recorded an unrestricted cash balance of \$11.604 billion, the highest 2Q close on record. The average daily balance in the second quarter has increased in each fiscal year since FY10, reaching \$8.831 billion in FY16.

Typically, the lowest daily cash balance of a fiscal year occurs during the second quarter. This year's seasonal low occurred on December 14, 2015, and stood at \$7.086 billion. Last year's low occurred on December 11, 2014, and stood at \$4.609 billion. As seen in Chart 2, 2Q16 low continues a five-year trend of rising annual troughs.

This year, as in most years past, balances recovered sharply in the second half of December due to incoming real estate tax receipts.

Receipts exceeded expenditures by \$2.113 billion during the quarter. About every two weeks the City receives large infusions of cash from bond sales, which finance the City's spending on infrastructure and other capital assets. Capital transfers in 2Q16 totaled \$1.910 billion, versus \$1.337 billion in 2Q15.

The 1H16 daily cash balance averaged \$9.448 billion, compared to \$8.126 billion during the same period last year. For the twelfth consecutive year, the City sustained sufficient operating cash without short-term notes.

### **Cash Receipts**

Total cash receipts in 2Q16 were the highest second quarter inflows on record, increasing by 20.8% versus a year-ago, to a new record of \$24.666 billion. Removing the effect of capital transfers, receipts increased 19.2%.

Total tax inflows in 2Q16 rose 8.8% versus a year-ago. The greatest percentage increases occurred in general corporation tax (up 17.9%), commercial rent tax (up 13.8%), real property tax (up 10.9%), and sales tax (up 10.7%).

Total cash receipts for 1H16 increased 18.2% versus a year-ago. The cash receipts figure includes debt service funding for General Obligation (GO) and Transitional Finance Authority Personal Income Tax (TFA PIT) bonds with personal income and real property tax revenues. These revenues are retained by the Office of the New York State Comptroller and are usually shown as a negative inflow (rather than a positive expense). However, this time the State released \$1.186 billion back to the City because it had over-retained \$2.3 billion in real estate revenue for debt service payments through October 2015. As a result, funding of debt service showed a net positive inflow of \$1.128 billion for 1H16.

Also impacting receipts was an \$853 million increase in capital transfers (represented within the "Other" category). Removing the impact of capital transfers, 1H16 cash receipts rose 17.2% compared to 1H15.

Tax receipts in 1H16 measured \$26.447 billion, compared to \$24.868 billion during the same period last year. Real property tax, personal income tax, sales tax, NYS education aid, and general corporation tax were the major sources of receipts in the first half of the last five years.

The combined 1H16 total of Federal and State aid increased 1.5% compared to the same period last year. Federal aid rose 14.5% boosted by the receipt of \$932 million in education aid. Meanwhile, state aid receipts were about 7.9% lower than during the same period last year.

## **Cash Expenditures**

Cash expenditures, including capital, totaled \$22.553 billion in 2Q16, averaging \$364 million daily. During the same period last year, cash expenditures totaled \$20.235 billion and averaged \$326 million daily. Gross payroll increased 15%, while fringe benefits rose 4.9%. Other than personal service expenditures grew 2.6%, driven by higher spending on public assistance and vendor products and services. Outlays in the “All Other” category jumped 34.8%, due to increased capital spending and a positive Fund 700 adjustment.

Cash expenditures for 1H16 rose 11.2% versus 1H15, to a new record of \$45.570 billion. Personal service expenditures grew 8.9%, public assistance rose 7.5%, and vendor and other payments increased 3.6%. The surge in payroll spending can be attributed in large part to terms of the contract settlements with the City’s workforce. In September, United Federation of Teachers (UFT) members received the first of five structured lump-sum payments of 12.5% associated with the two 4% increases dating back to November 1, 2009 and November 1, 2010. DC 37 members and managerial employees received a 2.5% pay hike for 2015 in their September paychecks. Members of the Organization of Staff Analysts (OSA) received a one-time \$1,000 ratification bonus and a 4.5% pay hike for 2012, 2013, 2014, and 2015 in their December paychecks.

## **Capital Expenditures (CapEx)**

Total 2Q16 CapEx increased 22.8% versus a year-ago, driven by a 17.3% jump in City-funded CapEx. Non-City-funded CapEx increased \$141 million, or 43.4%, to \$466 million.

Reimbursements to the Central Treasury for CapEx exceeded reimbursable expenditures during 2Q16. CapEx is initially paid from the City Treasury and then reimbursed from bond proceeds as appropriate. Over the long term, CapEx and reimbursements should balance. However, from quarter to quarter, the lag between an expenditure and the offsetting reimbursement can result in a gain or loss to the Central Treasury. In 2Q16, this dynamic resulted in a gain of \$219 million. Total CapEx equaled \$3.975 billion in 1H16 compared to \$3.571 billion during the same period last year. The increase was attributable to an expansion of both City-Funded and non-City CapEx.

Total CapEx equaled \$3.975 billion in 1H16 compared to \$3.571 billion during the same period last year. The increase was attributable to an expansion of both City-Funded and Non-City-funded CapEx.

1H16 reimbursements exceeded eligible spending, resulting in a \$302 million gain to the Central Treasury during 1H16. Over the past ten years, 1H reimbursements have exceeded eligible spending by 8.3%.

## **Financings**

In FY16, the City plans to issue \$5.73 billion in GO, TFA PIT, and Transitional Finance Authority Building Aid Revenue Bonds (TFA BARBs) for new money capital purposes. The City issued \$2.15 billion of new money debt in 1H16, leaving \$3.58 billion of issuance planned for the remainder of the current fiscal year.

In 2Q16, the Transitional Finance Authority sold \$350 million of tax-exempt new money bonds, \$400 million of tax-exempt refunding bonds, and \$250 million of taxable new money bonds. The refunding produced \$67.8 million in budget savings, or more than \$63.2 million on a present-value basis.

The pace of bond issuance in 1H16 has not changed from last year. In 1H16 the City issued \$2.9 billion in new money and refunding bonds, compared to \$2.8 billion in 1H15.

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## Rounding of Large Numbers in the Quarterly Cash Report

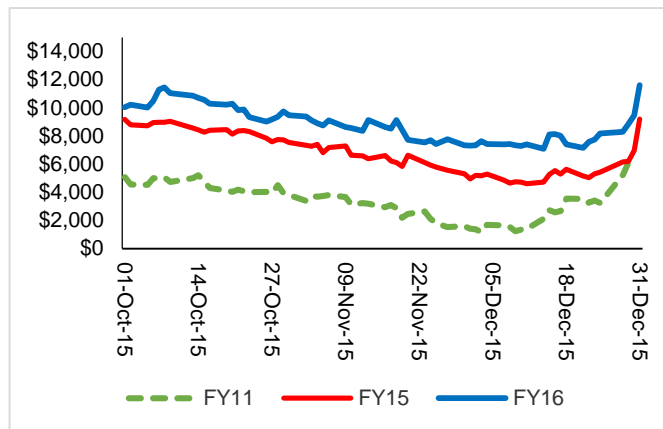
When dealing with numbers as large as those in this report, for conservation of space, numbers are rounded to the nearest tenths, hundredths, or thousandths. Because of rounding, some components appear not to equal the given total when added together. Examples occur throughout this report and are the result of rounding, not miscalculation.

# I. Cash Balances<sup>1</sup>

## October 2015 - December 2015 (2Q16)

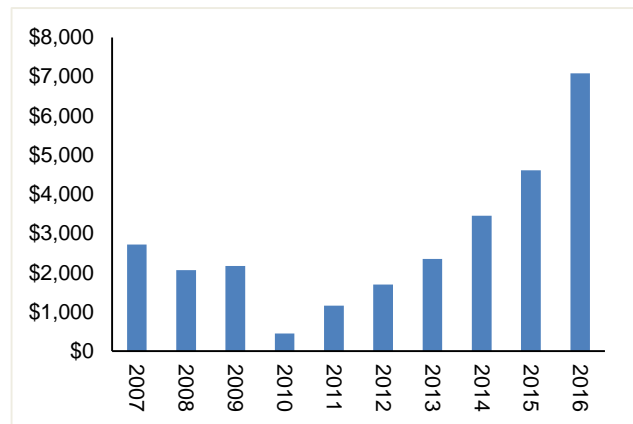
**Chart 1. Daily Cash Balances in the NYC Central Treasury, 2Q11, 2Q15, & 2Q16**

(\$ in millions)



**Chart 2. NYC Cash Balance Lows, FY07 - FY16**

(\$ in millions)



At the end of 2Q16 (December 31, 2015), the City recorded an unrestricted cash balance of \$11.604 billion, the highest 2Q close on record. The average daily balance in the second quarter has increased in each fiscal year since FY10, reaching \$8.831 billion in FY16.

Typically, the lowest daily cash balance of a fiscal year occurs during the second quarter. This year's seasonal low occurred on December 14, 2015, and stood at \$7.086 billion. Last year's low occurred on December 11, 2014, and stood at \$4.609 billion. As seen in Chart 2, 2Q16 low continues a five-year trend of rising annual troughs.

This year, as in most years past, balances recovered sharply in the second half of December due to incoming real estate tax receipts.

**Table 1. Cash Position in the NYC Central Treasury, 2Q, FY07 - FY16**

(\$ in millions)

Central Treasury	2Q07	2Q08	2Q09	2Q10	2Q11	2Q12	2Q13	2Q14	2Q15	2Q16
Opening Balance <sup>a</sup>	\$6,164	\$5,686	\$6,370	\$4,596	\$5,350	\$5,135	\$6,235	\$5,773	\$9,011	\$9,491
Total Receipts	16,545	18,712	15,061	19,233	18,761	19,753	18,923	22,301	20,423	24,666
Total Expenditures <sup>b</sup>	15,853	17,648	18,611	18,737	17,967	18,534	18,962	19,537	20,235	22,553
Closing Balance <sup>a</sup>	\$6,856	\$6,750	\$2,820	\$5,092	\$6,144	\$6,354	\$6,196	\$8,537	\$9,199	\$11,604
<b>Avg. Daily Balance</b>	<b>\$4,377</b>	<b>\$3,960</b>	<b>\$4,348</b>	<b>\$3,046</b>	<b>\$3,331</b>	<b>\$3,408</b>	<b>\$4,440</b>	<b>\$5,206</b>	<b>\$6,766</b>	<b>\$8,831</b>

a. Balances as measured before City audits

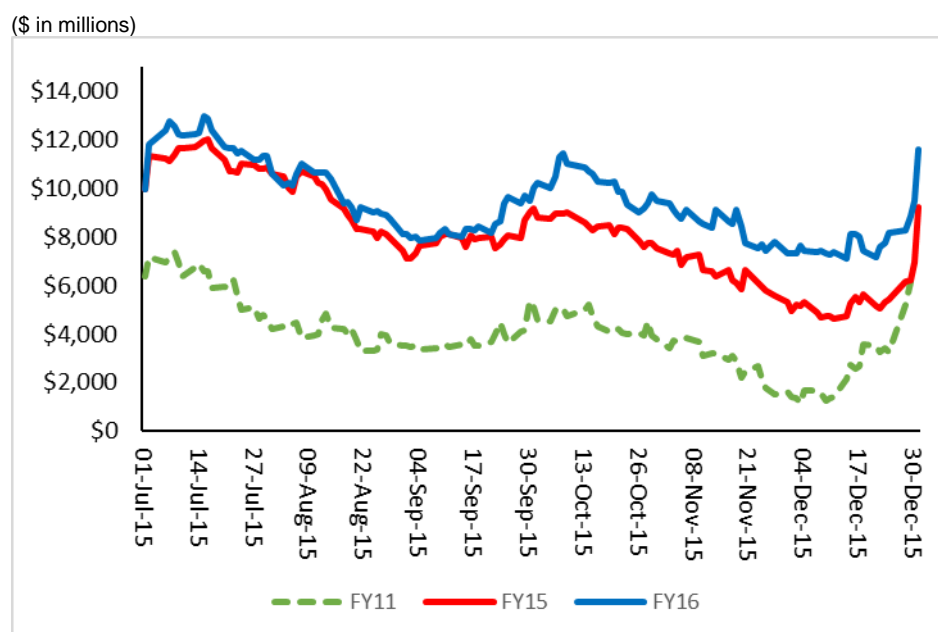
b. Total expenditures include capital expenditures.

<sup>1</sup> The data in this report are based on the book balances in the New York City Central Treasury as calculated by the Bureau of Financial Analysis, Office of the New York City Comptroller. Receipts are reported based on cash receipts and the analysis of bank deposits. Expenditures are reported based on warrants issued.

Receipts exceeded expenditures by \$2.113 billion during the quarter. About every two weeks the City receives large infusions of cash from bond sales, which finance the City's spending on infrastructure and other capital assets. Capital transfers in 2Q16 totaled \$1.910 billion, versus \$1.337 billion in 2Q15.

### **July 2015 - December 2015 (1H16)**

**Chart 3. Cash Position in the NYC Central Treasury, 1H11, 1H15, & 1H16**



The 1H16 daily cash balance averaged \$9.448 billion, compared to \$8.126 billion during the same period last year. For the twelfth consecutive year, the City sustained sufficient operating cash without short-term notes.

**Table 2. Cash Position in the NYC Central Treasury, 1H, FY07 - FY16**

(\$ in millions)

<b>Central Treasury</b>	<b>1H07</b>	<b>1H08</b>	<b>1H09</b>	<b>1H10</b>	<b>1H11</b>	<b>1H12</b>	<b>1H13</b>	<b>1H14</b>	<b>1H15</b>	<b>1H16</b>
Opening Balance <sup>a</sup>	\$6,386	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502
Total Receipts	31,715	35,533	34,811	36,565	38,672	39,068	37,946	41,662	40,326	47,672
Total Expenditures <sup>b</sup>	31,245	33,256	36,979	37,312	37,132	37,755	38,048	41,068	40,985	45,570
Closing Balance <sup>a</sup>	\$6,856	\$6,750	\$2,820	\$5,092	\$6,144	\$6,354	\$6,196	\$8,537	\$9,199	\$11,604
<b>Avg. Daily Balance</b>	<b>\$5,358</b>	<b>\$4,777</b>	<b>\$5,412</b>	<b>\$4,737</b>	<b>\$4,000</b>	<b>\$4,665</b>	<b>\$5,426</b>	<b>\$6,256</b>	<b>\$8,126</b>	<b>\$9,448</b>

a. Balances as measured before City audits

b. Total expenditures include capital expenditures.



## II. Cash Receipts

**October 2015 - December 2015 (2Q16)**

### Receipts at a Glance

**Table 3. Cash Receipts by Category, 2Q, FY07 - FY16**

(\$ in millions)

	2Q07	2Q08	2Q09	2Q10	2Q11	2Q12	2Q13	2Q14	2Q15	2Q16
Real Property Tax	\$3,608	\$3,734	\$1,461	\$4,612	\$4,489	\$4,866	\$5,116	\$5,377	\$5,861	\$6,497
Other Taxes	5,968	6,143	5,108	4,923	5,231	5,517	5,763	6,222	7,000	7,498
<i>Total taxes</i>	<i>9,576</i>	<i>9,877</i>	<i>6,569</i>	<i>9,535</i>	<i>9,720</i>	<i>10,383</i>	<i>10,879</i>	<i>11,599</i>	<i>12,861</i>	<i>13,995</i>
Federal and State Aid	2,837	3,339	3,607	3,900	4,152	4,314	4,207	4,232	3,836	4,359
Debt Service Funding	(147)	0	0	0	(158)	(146)	(652)	(134)	(1,054)	658
Miscellaneous	1,200	1,696	1,027	1,463	1,459	1,305	1,361	1,902	1,778	1,843
Intergovernmental Aid	265	4	165	193	0	1	1	0	0	4
Other	2,814	3,796	3,693	4,142	3,588	3,896	3,127	4,702	3,002	3,807
<b>Total</b>	<b>\$16,545</b>	<b>\$18,712</b>	<b>\$15,061</b>	<b>\$19,233</b>	<b>\$18,761</b>	<b>\$19,753</b>	<b>\$18,923</b>	<b>\$22,301</b>	<b>\$20,423</b>	<b>\$24,666</b>
<b>Total, Net of Reimbursement for CapEx</b>	<b>\$15,012</b>	<b>\$16,182</b>	<b>\$12,337</b>	<b>\$16,112</b>	<b>\$16,301</b>	<b>\$17,100</b>	<b>\$17,427</b>	<b>\$19,679</b>	<b>\$19,085</b>	<b>\$22,756</b>

Total cash receipts in 2Q16 were the highest second quarter inflows on record, increasing by 20.8% versus a year-ago, to a new record of \$24.666 billion. In 2Q16, the City received \$1.910 billion in reimbursements for capital expenditures, versus \$1.337 billion in 2Q15. Removing the effect of capital transfers, receipts increased 19.2%.

## Taxes<sup>2</sup>

**Table 4. Tax Receipts, 2Q11, 2Q15, & 2Q16**

(\$ in millions)

	2Q11	2Q15	2Q16	% Change 2Q16/ 2Q11	% Change 2Q16/ 2Q15
Real Property Tax	\$4,489	\$5,861	\$6,497	45%	11%
Personal Income Tax	1,512	2,241	2,458	63	10
Sales Tax	1,542	1,849	2,047	33	11
General Corporation Tax	911	833	982	8	18
Mortgage and Real Property Transfer Taxes	270	692	736	173	6
Banking Corporation Tax	309	578	424	37	(27)
Unincorporated Business Tax	244	274	301	23	10
Commercial Rent Tax	161	188	214	33	14
Hotel Occupancy Tax	123	170	163	33	(4)
Utility Tax	88	93	86	(2)	(8)
All Other Taxes	72	82	87	21	6
<b>Total</b>	<b>\$9,721</b>	<b>\$12,861</b>	<b>\$13,995</b>	<b>44%</b>	<b>9%</b>

Total tax inflows in 2Q16 rose 8.8% versus year-ago. The greatest percentage increases occurred in general corporation tax (up 17.9%), commercial rent tax (up 13.8%), real property tax (up 10.9%), and sales tax (up 10.7%).

## Selected Cash Receipts

**Table 5. Selected Cash Receipts, 2Q, FY12 - FY16**

(\$ in millions)

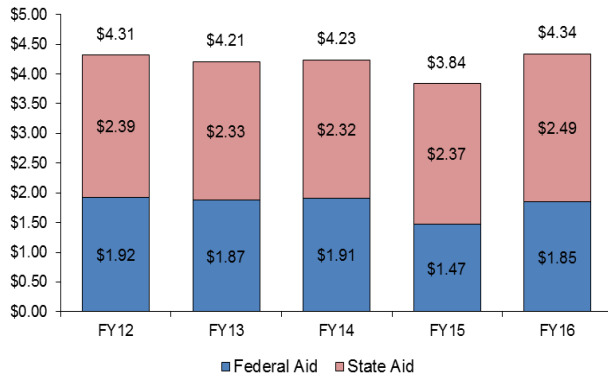
	2Q12	2Q13	2Q14	2Q15	2Q16
Real Property Tax	\$4,866	\$5,116	\$5,377	\$5,861	\$6,497
Personal Income Tax	1,780	1,847	2,088	2,241	2,458
Sales Tax	1,600	1,651	1,753	1,849	2,047
NYS Education Aid	1,289	1,416	1,488	1,499	1,647
General Corporation Tax	756	839	727	833	982
Mortgage and Real Property Transfer Taxes	302	427	637	692	736
Federal Welfare Aid	975	823	789	625	623
Federal Education Aid	378	433	327	101	605
Water and Sewer Fees	245	295	465	673	567
Banking Corporation Tax	387	298	320	578	424
Fines and Forfeitures	259	288	243	261	332
NYS Higher Education Aid	288	292	294	306	312
NYS Welfare Aid	539	360	295	299	311
Unincorporated Business Tax	205	210	199	274	301
Commercial Rent Tax	154	173	173	188	214
Senior College Fees	159	170	182	174	212

<sup>2</sup> In this report, tax receipts, with the exception of personal income tax, are gross of refunds. Real property tax and personal income tax are gross of debt service funding.

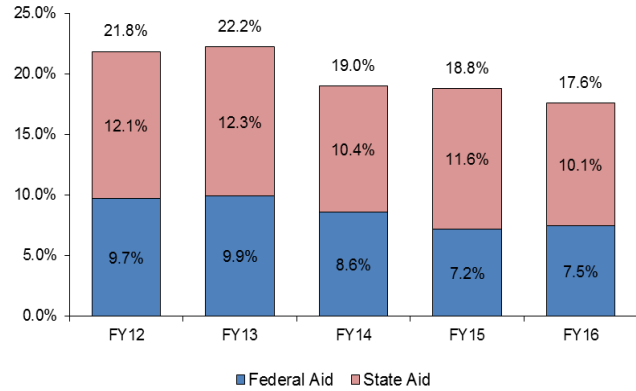
## Federal and State Aid

**Chart 4. Federal & State Aid to NYC, 2Q, FY12 - FY16**

(\$ in billions)

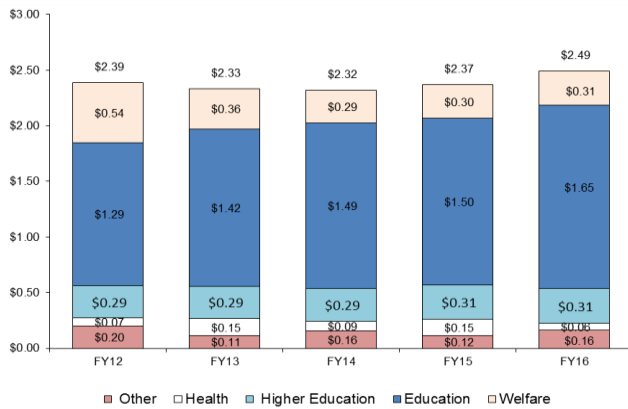


**Chart 5. Federal & State Aid as % of Total Cash Receipts, 2Q, FY12 - FY16**



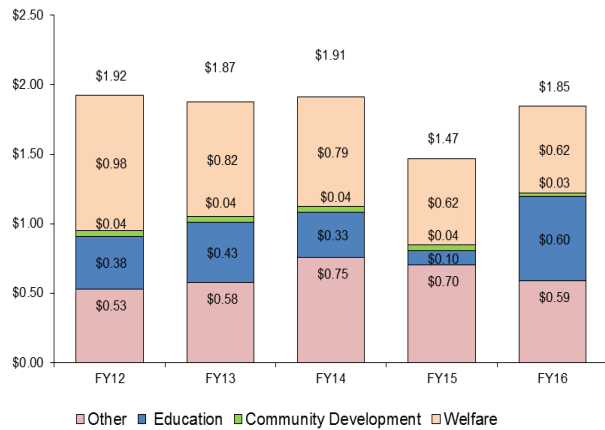
**Chart 6. Components of State Aid, 2Q, FY12 - FY16**

(\$ in billions)



**Chart 7. Components of Federal Aid, 2Q, FY12 - FY16**

(\$ in billions)



## July 2015 - December 2015 (1H16)

### Receipts at a Glance

**Table 6. Cash Receipts by Category, 1H, FY07 - FY16**

(\$ in millions)

	1H07	1H08	1H09	1H10	1H11	1H12	1H13	1H14	1H15	1H16
Real Property Tax	\$7,024	\$7,978	\$6,467	\$8,390	\$9,127	\$10,020	\$9,901	\$10,950	\$11,273	\$12,084
Other Taxes	11,294	11,783	10,664	9,429	10,422	11,060	11,444	12,272	13,595	14,363
<i>Total taxes</i>	<i>18,318</i>	<i>19,761</i>	<i>17,131</i>	<i>17,819</i>	<i>19,549</i>	<i>21,080</i>	<i>21,345</i>	<i>23,222</i>	<i>24,868</i>	<i>26,447</i>
Federal and State Aid	6,140	6,329	7,319	8,179	8,872	8,204	8,395	8,183	8,469	8,615
Debt Service Funding	(428)	0	0	0	(266)	(146)	(1,657)	(1,025)	(2,737)	1,128
Miscellaneous	2,688	3,134	2,828	3,259	3,087	3,012	3,030	3,395	3,327	3,870
Intergovernmental Aid	328	10	228	256	0	1	1	0	0	4
Other	4,669	6,299	7,305	7,052	7,430	6,917	6,832	7,887	6,400	7,608
<b>Total</b>	<b>\$31,715</b>	<b>\$35,533</b>	<b>\$34,811</b>	<b>\$36,565</b>	<b>\$38,672</b>	<b>\$39,068</b>	<b>\$37,946</b>	<b>\$41,662</b>	<b>\$40,327</b>	<b>\$47,672</b>
<b>Total, Net of Reimbursement for CapEx</b>	<b>\$29,357</b>	<b>\$31,721</b>	<b>\$29,731</b>	<b>\$31,504</b>	<b>\$33,328</b>	<b>\$34,532</b>	<b>\$33,825</b>	<b>\$37,339</b>	<b>\$37,343</b>	<b>\$43,837</b>

Total cash receipts for 1H16 increased 18.2% versus a year-ago. The cash receipts figure includes debt service funding for GO and TFA PIT bonds with personal income and real property tax revenues. These revenues are retained by the Office of the New York State Comptroller and are usually shown as a negative inflow (rather than a positive expense). However, this time the State released \$1.186 billion back to the City because it had over-retained \$2.3 billion in real estate revenue for debt service payments through October 2015. As a result, funding of debt service showed a net positive inflow of \$1.128 billion for 1H16.

Also impacting receipts was an \$853 million increase in capital transfers (represented within the “Other” category). Removing the impact of capital transfers, 1H16 cash receipts rose 17.2% compared to 1H15.

## Taxes <sup>3</sup>

**Table 7. Major Tax Receipts, 1H11, 1H15, & 1H16**

(\$ in millions)

	1H11	1H15	1H16	% Change 1H16/ 1H11	% Change 1H16/ 1H15
Real Property Tax	\$9,127	\$11,273	\$12,084	32%	7%
Personal Income Tax	2,992	4,267	4,694	57	10
Sales Tax	2,735	3,331	3,606	32	8
General Corporation Tax	1,595	1,551	1,882	18	21
Mortgage and Real Property Transfer Taxes	550	1,382	1,476	168	7
Unincorporated Business Tax	626	780	772	23	(1)
Banking Corporation Tax	846	1,012	639	(24)	(37)
Commercial Rent Tax	319	404	430	35	6
Hotel Occupancy Tax	229	299	313	37	5
STAR	102	203	187	83	(8)
All Other Taxes	429	366	364	(15)	(1)
<b>Total Taxes</b>	<b>\$19,550</b>	<b>\$24,868</b>	<b>\$26,447</b>	<b>35%</b>	<b>6%</b>

## Selected Cash Receipts

**Table 8. Selected Cash Receipts, 1H12 - 1H16**

(\$ in millions)

	1H12	1H13	1H14	1H15	1H16
Real Property Tax	\$10,020	\$9,901	\$10,950	\$11,273	\$12,084
Personal Income Tax	3,484	3,568	3,949	4,267	4,694
Sales Tax	2,879	2,968	3,178	3,331	3,606
NYS Education Aid	2,600	2,740	2,739	3,137	3,011
General Corporation Tax	1,484	1,508	1,441	1,551	1,882
Federal Welfare Aid	1,845	1,846	1,741	1,886	1,764
Mortgage and Real Property Transfer Taxes	752	848	1,138	1,382	1,476
Water and Sewer Fees	831	925	1,123	1,393	1,397
Federal Education Aid	* 675	574	719	347	932
Unincorporated Business Tax	609	621	634	780	772
NYS Welfare Aid	1,121	715	641	578	752
Banking Corporation Tax	699	760	743	1,012	639
Fines and Forfeitures	502	577	468	511	613
Commercial Rent Tax	322	347	361	404	430
Hotel Occupancy Tax	260	265	289	299	313
NYS Higher Education Aid	288	646	294	688	312

\* 1H12 Federal Education Aid has been amended from \$636 million (in 2Q12 QCR) to \$675 million.

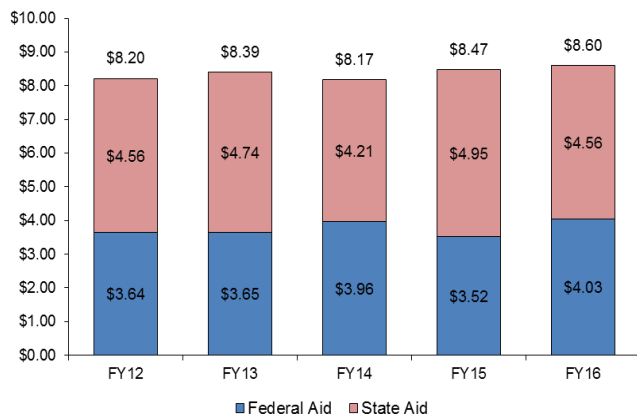
Tax receipts in 1H16 measured \$26.447 billion, compared to \$24.868 billion during the same period last year. Real property tax, personal income tax, sales tax, NYS education aid, and general corporation tax were the major sources of receipts in the first half of the last five years.

<sup>3</sup> In this report, tax receipts, with the exception of personal income tax, are gross of refunds. Real property tax and personal income tax are gross of debt service funding.

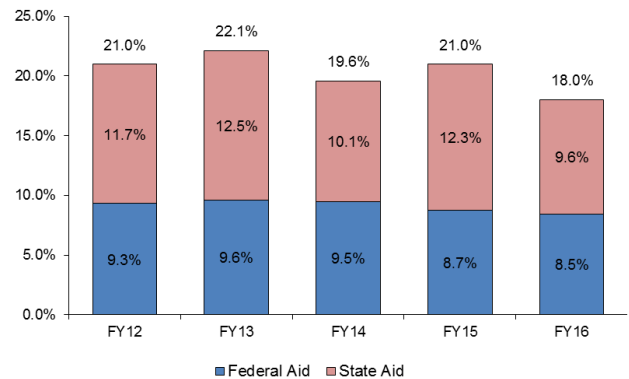
## Federal and State Aid

**Chart 8. Federal & State Aid to NYC, 1H, FY12 - FY16**

(\$ in billions)

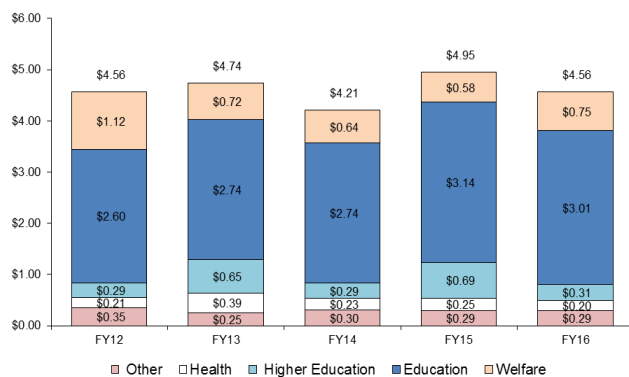


**Chart 9. Federal & State Aid as % of Total Revenue, 1H, FY12 - FY**



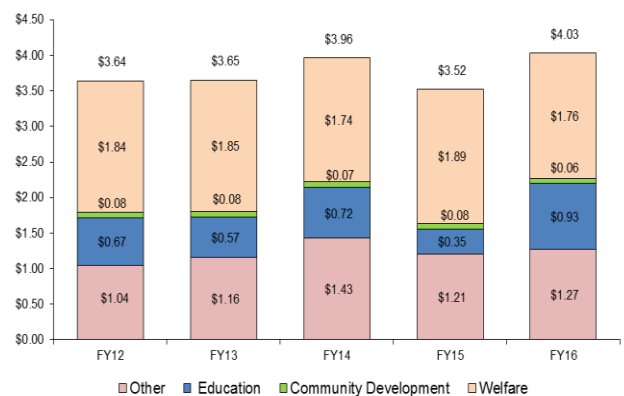
**Chart 10. Components of State Aid, 1H, FY12 - FY16**

(\$ in billions)



**Chart 11. Components of Federal Aid, 1H, FY12 - FY16**

(\$ in billions)



The combined 1H16 total of Federal and State aid increased 1.5% compared to the same period last year. Federal aid rose 14.5% boosted by the receipt of \$932 million in education aid. Meanwhile, state aid receipts were about 7.9% lower than during the same period last year.

### III. Cash Expenditures (Including Capital)

**October 2015 - December 2015 (2Q16)**

#### Cash Expenditures at a Glance

**Table 9. PS & OTPS, 2Q, FY07 - FY16**

(\$ in millions)

	2Q07	2Q08	2Q09	2Q10	2Q11	2Q12	2Q13	2Q14	2Q15	2Q16
Gross Payroll	\$5,330	\$5,799	\$6,124	\$6,071	\$6,154	\$5,775	\$5,953	\$5,961	\$6,333	\$7,284
Fringe and Other	2,423	2,806	2,886	3,289	2,821	3,402	3,600	3,573	3,715	3,897
<b>Total PS</b>	<b>\$7,753</b>	<b>\$8,605</b>	<b>\$9,010</b>	<b>\$9,360</b>	<b>\$8,975</b>	<b>\$9,177</b>	<b>\$9,553</b>	<b>\$9,534</b>	<b>\$10,048</b>	<b>\$11,181</b>
% of 2Q Total Exp	49%	49%	48%	50%	50%	50%	50%	49%	50%	50%
# of Bi-weekly Payrolls	7	7	7	7	7	6	6	6	6	7
Public Assistance	\$519	\$543	\$643	\$646	\$629	\$591	\$610	\$629	\$634	\$673
Medical Assistance	1,065	1,172	1,166	1,066	1,330	1,262	1,466	1,386	1,524	1,431
Other Social Services	610	600	585	742	595	621	557	584	649	644
Vendor and Other	3,212	3,381	3,394	3,330	3,399	3,701	3,909	4,244	4,530	4,782
<b>Total OTPS</b>	<b>\$5,406</b>	<b>\$5,696</b>	<b>\$5,788</b>	<b>\$5,784</b>	<b>\$ 5,953</b>	<b>\$6,175</b>	<b>\$6,542</b>	<b>\$6,843</b>	<b>\$7,337</b>	<b>\$7,530</b>
% of 2Q Total Exp	34%	32%	31%	31%	33%	33%	35%	35%	36%	33%
<b>All Other</b>	<b>\$2,694</b>	<b>\$3,347</b>	<b>\$3,813</b>	<b>\$3,593</b>	<b>\$3,039</b>	<b>\$3,182</b>	<b>\$2,868</b>	<b>\$3,160</b>	<b>\$2,850</b>	<b>\$3,842</b>
% of 2Q Total Exp	17%	19%	20%	19%	17%	17%	15%	16%	14%	17%
<b>Total Expenditures</b>	<b>\$15,853</b>	<b>\$17,648</b>	<b>\$18,611</b>	<b>\$18,737</b>	<b>\$17,967</b>	<b>\$18,534</b>	<b>\$18,963</b>	<b>\$19,537</b>	<b>\$20,235</b>	<b>\$22,553</b>
<b>Total Expenditures Net of CapEx</b>	<b>\$14,219</b>	<b>\$15,591</b>	<b>\$16,153</b>	<b>\$16,037</b>	<b>\$15,869</b>	<b>\$16,263</b>	<b>\$17,182</b>	<b>\$17,632</b>	<b>\$18,684</b>	<b>\$20,648</b>

Cash expenditures, including capital, totaled \$22.553 billion in 2Q16, averaging \$364 million daily. During the same period last year, cash expenditures totaled \$20.235 billion and averaged \$326 million daily. Gross payroll increased 15%, while fringe benefits rose 4.9%. Other than personal service expenditures grew 2.6%, driven by higher spending on public assistance and vendor products and services. Outlays in the “All Other” category jumped 34.8%, due to increased capital spending and a positive Fund 700 adjustment.

## “All Other” Spending

**Table 10. Major Components of “All Other” Spending, 2Q15 & 2Q16**

(\$ in millions)

	2Q15	2Q16	Difference
<b>Transit Authority</b>	\$50	\$35	\$(15)
<b>Housing Authority</b>	15	45	30
<b>Lump Sum Payments</b>	671	686	15
<b>HHC</b>	129	68	(61)
<b>Refunds</b>	195	290	95
<b>City-Funded Capital</b>	1,226	1,438	212
<b>Non-City Funded Capital</b>	325	466	141
<b>F-700 Adjustment</b>	202	843	641

## July 2015 - December 2015 (1H16)

### Cash Expenditures at a Glance

**Table 11. PS & OTPS, 1H, FY07 - FY16**

(\$ in millions)

	1H07	1H08	1H09	1H10	1H11	1H12	1H13	1H14	1H15	1H16
Gross Payroll	\$10,372	\$10,999	\$12,285	\$11,830	\$12,121	\$11,951	\$12,012	\$12,095	\$12,758	\$14,320
Fringe and Other	4,842	5,292	5,678	6,329	6,029	6,694	6,966	7,233	7,611	7,853
<b>Total PS</b>	<b>\$15,214</b>	<b>\$16,291</b>	<b>\$17,963</b>	<b>\$18,159</b>	<b>\$18,150</b>	<b>\$18,645</b>	<b>\$18,978</b>	<b>\$19,328</b>	<b>\$20,369</b>	<b>\$22,173</b>
% of Total Exp	49%	49%	49%	49%	49%	49%	50%	47%	50%	48%
Public Assistance	\$1,112	\$1,104	\$1,209	\$1,413	\$1,282	\$1,223	\$1,190	\$1,269	\$1,283	\$1,379
Medical Assistance	2,159	2,284	2,380	2,438	2,511	2,912	3,088	2,763	2,877	2,883
Other Social Services	1,260	1,170	1,310	1,423	1,250	1,182	1,195	1,236	1,274	1,307
Vendor and Other	6,385	6,790	7,122	6,984	7,219	7,735	7,726	8,769	9,566	9,910
<b>Total OTPS</b>	<b>\$10,916</b>	<b>\$11,348</b>	<b>\$12,021</b>	<b>\$12,258</b>	<b>\$12,262</b>	<b>\$13,052</b>	<b>\$13,199</b>	<b>\$14,037</b>	<b>\$15,000</b>	<b>\$15,479</b>
% of Total Exp	35%	34%	33%	33%	33%	35%	35%	34%	36%	35%
<b>All Other</b>	<b>\$5,115</b>	<b>\$5,617</b>	<b>\$6,995</b>	<b>\$6,895</b>	<b>\$6,720</b>	<b>\$6,058</b>	<b>\$5,871</b>	<b>\$7,703</b>	<b>\$5,616</b>	<b>\$7,918</b>
% of Total Exp	16%	17%	19%	18%	18%	16%	15%	19%	14%	17%
<b>Total Expenditures</b>	<b>\$31,245</b>	<b>\$33,256</b>	<b>\$36,979</b>	<b>\$37,312</b>	<b>\$37,132</b>	<b>\$37,755</b>	<b>\$38,048</b>	<b>\$41,068</b>	<b>\$40,985</b>	<b>\$45,570</b>
<b>Total Expenditures Net of CapEx</b>	<b>\$28,112</b>	<b>\$29,637</b>	<b>\$32,213</b>	<b>\$32,084</b>	<b>\$32,137</b>	<b>\$33,607</b>	<b>\$34,118</b>	<b>\$36,790</b>	<b>\$37,414</b>	<b>\$41,594</b>

Cash expenditures for 1H16 rose 11.2% versus 1H15, to a new record of \$45.570 billion. Personal service expenditures grew 8.9%, public assistance rose 7.5%, and vendor and other payments increased 3.6%. The surge in payroll spending can be attributed in large part to terms of the contract settlements with the City’s workforce. In September, United Federation of Teachers (UFT) members received the first of five structured lump-sum payments of 12.5% associated with the two 4% increases dating back to November 1, 2009 and November 1, 2010. DC 37 members and managerial employees received a 2.5% pay hike for 2015 in their September paychecks. Members of the Organization of Staff Analysts (OSA) received a one-time \$1,000 ratification bonus and a 4.5% pay hike for 2012, 2013, 2014, and 2015 in their December paychecks.



## “All Other” Spending

**Table 12. Major Components of “All Other” Spending, 1H15 & 1H16**

(\$ in millions)

	1H15	1H16	Difference
<b>Transit Authority</b>	\$281	\$264	\$(17)
<b>Housing Authority</b>	15	63	48
<b>Lump Sum Payments</b>	1,298	1,375	77
<b>HHC</b>	421	560	139
<b>Refunds</b>	498	499	1
<b>City-Funded Capital</b>	2,735	2,974	239
<b>Non-City Funded Capital</b>	836	1,001	165
<b>F-700 Adjustment</b>	(504)	1,158	1,662

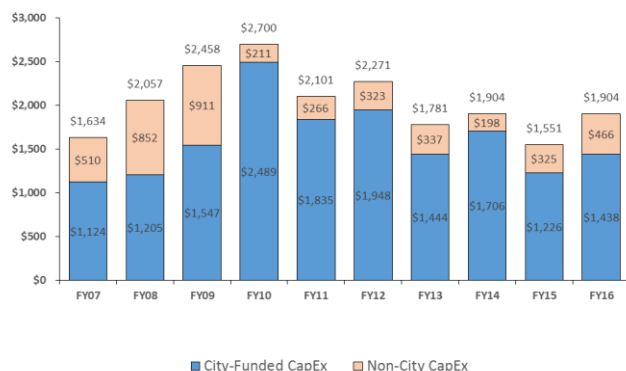
## IV. Capital Expenditures (Including Capital)

City-funded capital expenditures are primarily financed from the proceeds of General Obligation (GO), New York City Transitional Finance Authority (TFA), and New York City Municipal Water Finance Authority (NY Water) debt. Beginning in 2Q07, non-City-funded capital expenditures for education were financed by TFA Building Aid bonds and Expanding Our Children's Education and Learning (EXCEL) capital grant funding from the Dormitory Authority of the State of New York (DASNY). Capital expenditures are initially paid from the New York City Central Treasury and then reimbursed from various capital accounts and State sources.

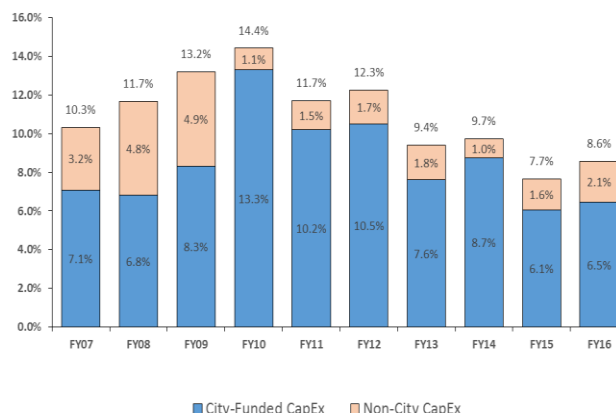
### October 2015 - December 2015 (2Q16)

**Chart 12. Total CapEx, 2Q, FY07 - FY16**

(\$ in millions)



**Chart 13. Total CapEx as % of Total Expenditures, 2Q, FY07 - FY16**



Total 2Q16 CapEx increased 22.8% versus a year-ago, driven by a 17.3% jump in City-funded CapEx. Non-City-funded CapEx increased \$141 million, or 43.4%, to \$466 million.

**Table 13. Reimbursements to the NYC Central Treasury for CapEx, 2Q, FY07 - FY16**

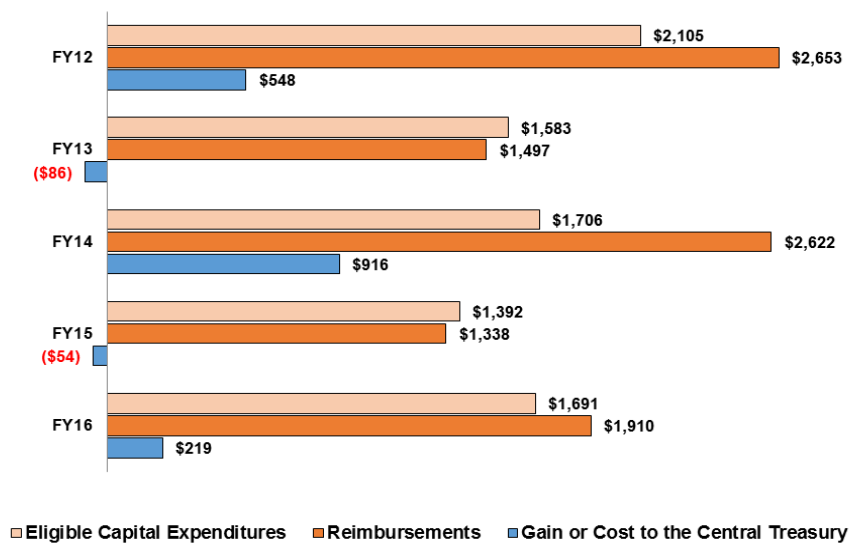
(\$ in millions)

	2Q07	2Q08	2Q09	2Q10	2Q11	2Q12	2Q13	2Q14	2Q15	2Q16	Total
GO	\$40	\$1,144	\$1,412	\$1,399	\$885	\$977	\$127	\$901	\$24	\$47	\$6,956
NY Water	219	674	659	785	693	582	470	397	315	334	5,128
TFA	761	208	2	937	613	797	768	1,324	999	1,529	7,938
<b>City-Funded Sub-Total</b>	<b>\$1,020</b>	<b>\$2,026</b>	<b>\$2,073</b>	<b>\$3,121</b>	<b>\$2,191</b>	<b>\$2,356</b>	<b>\$1,365</b>	<b>\$2,622</b>	<b>\$1,338</b>	<b>\$1,910</b>	<b>\$20,022</b>
TFA Building Aid	300	372	610	0	269	297	132	0	0	0	1,980
DASNY	213	132	41	0	0	0	0	0	0	0	386
<b>Non-City Sub-Total</b>	<b>\$513</b>	<b>\$504</b>	<b>\$651</b>	<b>\$0</b>	<b>\$269</b>	<b>\$297</b>	<b>\$132</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,366</b>
<b>Total</b>	<b>\$1,533</b>	<b>\$2,530</b>	<b>\$2,724</b>	<b>\$3,121</b>	<b>\$2,460</b>	<b>\$2,653</b>	<b>\$1,497</b>	<b>\$2,622</b>	<b>\$1,338</b>	<b>\$1,910</b>	<b>\$22,388</b>
2Q Reimbursable Capital Expenditures	\$1,492	\$1,964	\$2,303	\$2,442	\$1,962	\$2,105	\$1,583	\$1,706	\$1,392	\$1,691	\$18,640
2Q Reimbursements Less 2Q Reimbursable Capital Expenditures	\$41	\$566	\$421	\$679	\$498	\$548	(\$86)	\$916	(\$54)	\$219	\$3,748
2Q Reimbursements as a % of 2Q Reimbursable Capital Expenditures	102.7%	128.8%	118.3%	127.8%	125.4%	126.0%	94.6%	153.7%	96.1%	113.0%	120.1%
2Q Reimbursements as a % of 2Q Total Receipts	9.3%	13.5%	18.1%	16.2%	13.1%	13.4%	7.9%	11.8%	6.6%	7.7%	11.5%

Reimbursements to the Central Treasury for CapEx exceeded reimbursable expenditures during 2Q16. CapEx is initially paid from the City Treasury and then reimbursed from bond proceeds as appropriate. Over the long term, CapEx and reimbursements should balance. However, from quarter to quarter, the lag between an expenditure and the offsetting reimbursement can result in a gain or loss to the Central Treasury. In 2Q16, this dynamic resulted in a gain of \$219 million.

**Chart 14. Bond-Funded Reimbursements for Eligible CapEx, 2Q, FY12 - FY16**

(\$ in millions)



## July 2015 - December 2015 (1H16)

Chart 15. Total CapEx, 1H, FY07 - FY16

(\$ in millions)

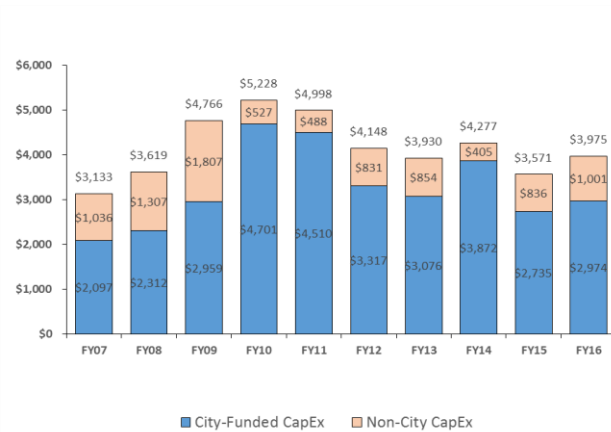
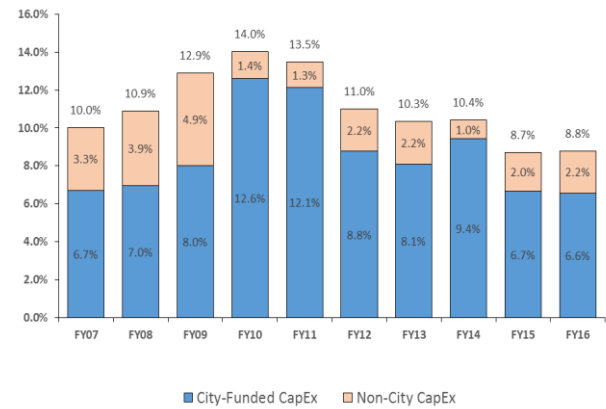


Chart 16. Total CapEx as % of Total Expenditures, 1H, FY07 - FY16



Total CapEx equaled \$3.975 billion in 1H16 compared to \$3.571 billion during the same period last year. The increase was attributable to an expansion of both City-Funded and Non-City-funded CapEx.

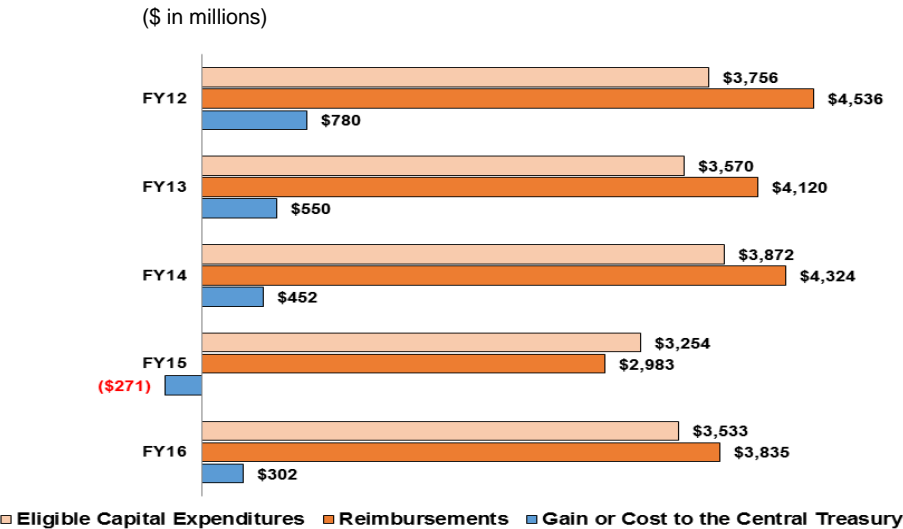
Table 14. Reimbursements to the NYC Central Treasury, 1H, FY07 - FY16

(\$ in millions)

	1H07	1H08	1H09	1H10	1H11	1H12	1H13	1H14	1H15	1H16	Total
GO	\$392	\$1,426	\$2,541	\$1,932	\$1,644	\$1,433	\$422	\$1,372	\$357	\$609	\$12,127
NY Water	692	922	1,343	1,396	1,648	1,157	986	817	673	687	10,321
TFA	761	494	7	1,545	1,783	1,369	1,982	2,135	1,953	1,707	13,737
<b>City-Funded Sub-Total</b>	<b>\$1,845</b>	<b>\$2,842</b>	<b>\$3,891</b>	<b>\$4,873</b>	<b>\$5,075</b>	<b>\$3,959</b>	<b>\$3,390</b>	<b>\$4,324</b>	<b>\$2,983</b>	<b>\$3,003</b>	<b>\$36,185</b>
TFA Building Aid	300	650	820	182	269	577	730	0	0	832	4,360
DASNY	213	320	367	6	0	0	0	0	0	0	907
<b>Non-City Sub-Total</b>	<b>\$513</b>	<b>\$970</b>	<b>\$1,187</b>	<b>\$188</b>	<b>\$269</b>	<b>\$577</b>	<b>\$730</b>	<b>\$0</b>	<b>\$0</b>	<b>\$832</b>	<b>\$5,267</b>
<b>Total</b>	<b>\$2,358</b>	<b>\$3,812</b>	<b>\$5,078</b>	<b>\$5,061</b>	<b>\$5,344</b>	<b>\$4,536</b>	<b>\$4,120</b>	<b>\$4,324</b>	<b>\$2,983</b>	<b>\$3,835</b>	<b>\$41,452</b>
1H Reimbursable Capital Expenditures	\$2,863	\$3,446	\$4,465	\$4,823	\$4,683	\$3,757	\$3,570	\$3,872	\$3,254	\$3,533	\$38,265
1H Reimbursements Less 1H Reimbursable Capital Expenditures	(\$505)	\$366	\$613	\$238	\$661	\$779	\$550	\$452	(\$271)	\$302	\$3,187
1H Reimbursements as a % of 1H Reimbursable Capital Expenditures	82.4%	110.6%	113.7%	104.9%	114.1%	120.8%	115.4%	111.7%	91.7%	108.5%	108.3%
1H Reimbursements as a % of 1H Total Receipts	7.4%	10.7%	14.6%	13.8%	13.8%	11.6%	10.9%	10.4%	7.4%	8.0%	10.8%

1H16 reimbursements exceeded eligible spending, resulting in a \$302 million gain to the Central Treasury during 1H16. Over the past ten years, 1H reimbursements have exceeded eligible spending by 8.3%.

**Chart 17. Bond-Funded Reimbursements for Eligible CapEx, 1H12 - 1H16**



## V. Financings<sup>4</sup>

**Table 15. FY 2016 Projected vs. 1H16 Actual GO, TFA PIT, and TFA BARBs Issuance**

(\$ in billions)

	FY16 Projected Issuance	1H16 Issuance	Remaining Issuance
GO	\$1.10	\$0.00	\$1.10
TFA PIT	3.95	2.15	1.80
TFA BARBs	0.68	0.00	0.68
Total	\$5.73	\$2.15	\$3.58

Projected bond issuance is based on the OMB's FY16 January Financial Plan.

In FY16, the City plans to issue \$5.73 billion in GO, TFA PIT, and TFA BARBs for new money capital purposes. The City issued \$2.15 billion of new money debt in 1H16, leaving \$3.58 billion of issuance planned for the remainder of the current fiscal year.

**Table 16. GO and TFA PIT Bond Issuance, 1H16**

(\$ in millions)

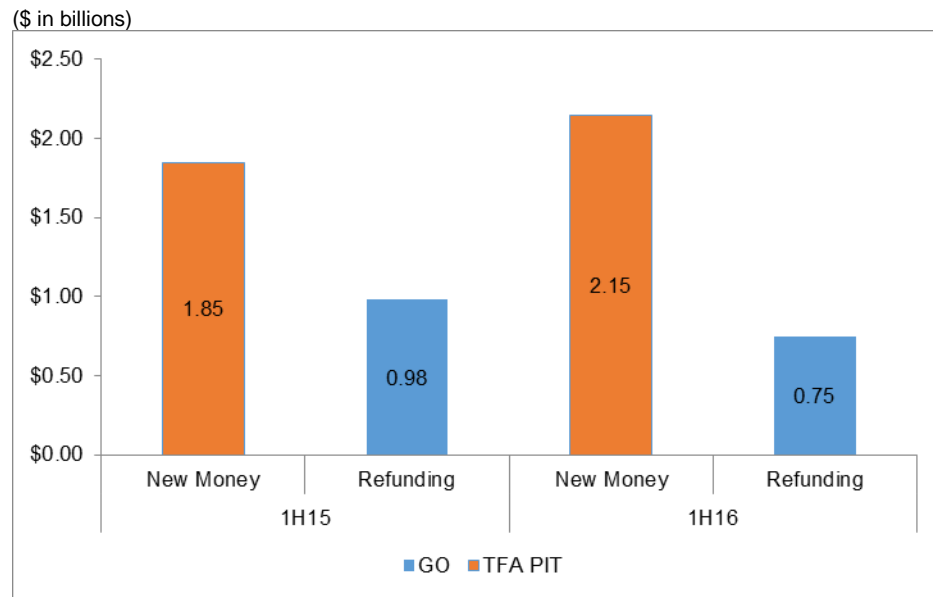
Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	Total Par
8/13/2015	GO 2016 AB	Refunding	\$750	\$0	\$0	\$750
9/29/2015	TFA PIT 2016 A	New Money	\$750	\$250	\$150	\$1,150
11/5/2015	TFA PIT 2016 BCD	New Money	\$750	\$250	\$0	\$1,000

\*Designates series of bonds that were sold via competitive sale  
The table excludes conversions and re-offerings.

In 2Q16, the Transitional Finance Authority sold \$350 million of tax-exempt new money bonds, \$400 million of tax-exempt refunding bonds, and \$250 million of taxable new money bonds. The refunding produced \$67.8 million in budget savings, or more than \$63.2 million on a present-value basis.

<sup>4</sup> We gratefully acknowledge the assistance of the Public Finance Division (NYC Comptroller's Office) in the preparation of the Financings section of this report.

**Chart 18. *GO, TFA PIT, and TFA BARBs Issues, 1H15 & 1H16***



The pace of bond issuance in 1H16 has not changed from last year. In 1H16 the City issued \$2.9 billion in new money and refunding bonds, compared to \$2.8 billion in 1H15.



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