Office of the
New York City Comptroller
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Bureau of Budget
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QUARTERLY CASH REPORT

January - March 2016

Third Quarter of Fiscal Year 2016

May 2016

Contents

Summary 2
Cash Balances 2
Cash Receipts 2
Cash Expenditures 3
Capital Expenditures (CapEx) and Reimbursements 3
Financings 4

List of Tables 5
List of Charts 5

I. Cash Balances 6
January 2016 – March 2016 (3Q16) 6
July 2015 – March 2016 (FYTD16) 7

II. Cash Receipts 9
January 2016 – March 2016 (3Q16) 9
Receipts at a Glance 9
Taxes 9
Selected Cash Receipts 10
Federal and State Aid 11
July 2015 – March 2016 (FYTD16) 13
Receipts at a Glance 13
Taxes 13
Selected Cash Receipts 14
Federal and State Aid 15

III. Cash Expenditures (Including Capital) 17
January 2016 – March 2016 (3Q16) 17
Cash Expenditures at a Glance 17
"All Other" Spending 18
July 2015 – March 2016 (FYTD16) 18
Cash Expenditures at a Glance 18
"All Other" Spending 19

IV. Capital Expenditures 20
January 2016 – March 2016 (3Q16) 20
July 2015 – March 2016 (FYTD16) 23

V. Financings 26

Summary

Cash Balances

New York City's cash position remains strong. During 3Q16, daily cash balances in the New York City Central Treasury averaged $11.775 billion, compared to $10.692 billion at the same time last year. Cash balances faded through most of the quarter, slipping from January highs that came on the heels of semi-annual real estate tax receipts. This trend reversed in mid-March, behind the receipts of real estate tax due by April 1. The period finished strong with the receipt of $3 billion in State aid, which included the Spring advance, a component of State education aid.

The City of New York began FY16 (in July 2015) with $9.502 billion in cash-on-hand. By the end of 3Q16, the City's unrestricted cash balance reached $13.716 billion, a 10.9% rise compared to 3Q15. FYTD16 receipts exceeded expenditures by $4.2 billion. FYTD16, both cash receipts and expenditures reached new record highs.

Cash Receipts

Total receipts in 3Q16 totaled $23.557 billion, down 8.5% versus a year-ago. The receipts category titled "Other" decreased $2.6 billion compared to the same period last year. Last year the "Other" category was inflated by a $2.2 billion deposit from the New York County District Attorney's Office. The City received a portion of funds from an $8.9 billion court settlement with BNP Paribas over the bank's dealings with foreign governments subject to United States sanctions. The "Other" category also contains capital transfers. In 3Q16, capital transfers decreased $349 million, or 15.2% versus a year-ago.

The City collected $12.9 billion in tax revenues in 3Q16, $470 million more than during 3Q15. Real property tax collections rose 15.1%, and sales tax receipts increased 8.7%. PIT receipts fell 1.9%. The largest drag on tax receipts was the banking corporation tax, which slipped 74.8% versus a year-ago. Beginning in tax year 2015, the general corporation tax and the banking corporation tax merged. All New York City C-corporations now pay under the general corporation tax.

During 3Q16 the City received $6.6 billion in Federal and State Aid, up 8.5% compared to 3Q15. The City received $3.7 billion in education aid from NYS compared to $3.2 billion at the same time last year.

FYTD16 total cash receipts reached a record high of $71.229 billion, an increase of $5.162 billion from the previous year. Removing the effect of CapEx reimbursements, net cash receipts grew 7.7%.

The cash receipts figure reflects the retention of real property and personal income tax revenues to fund GO and TFA PIT debt service. 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 fiscal year 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 for debt service showed a net positive inflow of $229 million for FYTD16.

FYTD16 receipts were higher across the various major categories of tax, with the exception of the

banking corporation tax (down 48.2%) and STAR (down 2.5%). The fastest growing tax categories included general corporation tax (up 12.4%), and real property tax (up 9.2%).

The City received $15.2 billion from the Federal and State governments during FYTD16. Federal and State aid receipts accounted for 21.4% of total cash receipts, a smaller percentage than in previous years.

Cash Expenditures

Cash expenditures, including capital, totaled $21.445 billion in 3Q16, averaging $346 million daily. During the same period last year, cash expenditures totaled $22.570 billion and averaged $370 million daily. Personal service expenditures grew 1.6% versus a year-ago. Other-than-personal-service expenditures (OTPS) rose 9.2% during the same time frame. The growth in OTPS is attributable to the increase in medical assistance (up 11.5%) and other social services (up 13.0%). Other social services expenditures include, but are not limited to, payments made to various charitable and other non-for-profit organizations that provide services to the homeless, hungry or disabled people, senior citizens, disadvantaged children, and other people in need. Meantime, the expenditure category titled "Other" decreased by nearly $2 billion compared to the same period last year. Last year, the "Other" category was magnified by the transfer of $2.2 billion from the Trust and Agency account. These funds came from the court settlement with the bank BNP Paribas. The bank paid a hefty fee for doing business with countries that face United States sanctions.

FYTD16 total expenditures rose 5.4% versus a year-ago. Gross payroll increased 7.7% and other personal service expenditures increased 4%. Salary increases are due to the implementation of 2014 and 2015 collective bargaining agreements with the City workforce. OTPS outflows rose 5.1%, boosted by increases in spending on public assistance (up 7.2%), other social services (up 5.9%), vendor and other spending (up 5.1%) and medical assistance (up 4%). When the impact of CapEx is removed, FYTD16 net expenditures reflect a gain of 5.0% versus a year-ago.

Capital Expenditures (CapEx) and Reimbursements

CapEx totaled $2.224 billion in 3Q16, up 9.1% from $2.039 billion in 3Q15. City-funded CapEx increased 19% while Non-City-funded CapEx declined 14.1%.

During 3Q16, eligible CapEx exceeded reimbursements, decreasing the City's cash balance by $85 million. Table 13 shows that eligible CapEx exceeded reimbursements in seven out of the last ten 3Q periods (FY07-FY16), resulting in a total drain of $840 million to the Central Treasury.

FYTD16, total CapEx increased 10.5% versus a year-ago. The City-funded CapEx jumped 12.2%, while Non-City Cap increased 5.5%.

FYTD16 reimbursements exceeded eligible CapEx by $217 million, or 3.9%. Over the long term, CapEx and reimbursements offset each other. Over the past ten FYTD periods they have been closely paired, with reimbursements exceeding CapEx by only 4.1%.

Financings

In FY16, the City plans to issue $4.6 billion in General Obligation (GO), Transitional Finance Authority Personal Income Tax (TFA PIT), and Transitional Finance Authority Building Aid Revenue Bonds (TFA BARBs) for new money capital purposes. The City issued $3.7 billion of new money debt FYTD.

Three transactions closed in 3Q16. The first transaction was a new money sale of $1.1 billion of TFA bonds. The sale included $750 million of tax-exempt fixed rate bonds, $250 million of taxable fixed rate bonds, and $150 million of tax-exempt variable rate demand bonds. The second transaction was a GO sale of $800.5 million of refunding bonds. The refunding achieved $149.9 million in budget savings, or more than $139.3 million on a present-value basis. The third transaction was a new money sale of $750 million of TFA Building Aid Revenue Bonds.

FYTD16 bond issuance was higher than the bond issuance in FYTD15. In FYTD16 the City issued $5.7 billion in new money and refunding bonds versus $5.2 billion in FYTD15.

List of Tables

Table 1. *Cash Position in the NYC Central Treasury, 3Q, 2007 - 2016* 7
Table 2. *Cash Position in the NYC Central Treasury, FYTD07 - FYTD16* 8
Table 3. *Cash Receipts by Category, 3Q, FY07 - FY16* 9
Table 4. *Tax Receipts, 3Q11, 3Q15, & 3Q16* 9
Table 5. *Selected Cash Receipts, 3Q, 2012 - 2016* 10
Table 6. *Cash Receipts by Category, FYTD, 2007 - 2016* 13
Table 7. *Major Tax Receipts, FYTD, 2011, 2015, & 2016* 13
Table 8. *Selected Cash Receipts, FYTD, 2012 - 2016* 14
Table 9. *PS & OTPS, 3Q, FY07 - FY16* 17
Table 10. *Major Components of "All Other" Spending, 3Q15 & 3Q16* 18
Table 11. *PS and OTPS Cash Expenditures, FYTD07 - FYTD16* 18
Table 12. *Major Components of "All Other" Spending, FYTD15 & FYTD16* 19
Table 13. *Reimbursements to the NYC Central Treasury for CapEx, 3Q, FY07 - FY16* 22
Table 14. *Reimbursements to the NYC Central Treasury, FYTD, 2007 - 2016* 25
Table 15. *FY 2016 Projected vs. FYTD16 Actual GO, TFA PIT, and TFA BARBs Issuance* 26
Table 16. *GO, TFA PIT, and TFA BARBs Bond Issuance, FYTD16* 26

List of Charts

Chart 1. *Daily Cash Balances in the NYC Central Treasury, 3Q11, 3Q15, & 3Q16* 6
Chart 2. *Daily Cash Balances in the NYC Central Treasury, FYTD, 2011, 2015, & 2016* 7
Chart 3. *Federal & State Aid to NYC, 3Q, FY12 - FY16* 11
Chart 4. *Federal & State Aid as % of Total Cash Receipts, 3Q, FY12 - FY16* 11
Chart 5. *Components of State Aid, 3Q, FY12 - FY16* 12
Chart 6. *Components of Federal Aid, 3Q, FY12 - FY16* 12
Chart 7. *Federal & State Aid to NYC, FYTD, FY12 - FY16* 15
Chart 8. *Federal & State Aid as % of Total Cash Receipts, FYTD, FY12 - FY16* 15
Chart 9. *Components of State Aid, FYTD, FY12 - FY16* 16
Chart 10. *Components of Federal Aid, FYTD, FY12 - FY16* 16
Chart 11. *Total CapEx, 3Q, FY07 - FY16* 20
Chart 12. *Total CapEx as % of Total Expenditures, 3Q, FY07 - FY16* 21
Chart 13. *Bond-Funded Reimbursements for Eligible CapEx, 3Q, FY12 - FY16* 22
Chart 14. *Total CapEx, FYTD, FY07 - FY16* 23
Chart 15. *Total CapEx as % of Total Expenditures, FYTD, FY07 - FY16* 24
Chart 16. *Bond-Funded Reimbursements for Eligible CapEx, FYTD, 2012 - 2016* 25
Chart 17. *GO, TFA PIT, and TFA BARBs Issues, FYTD15 & FYTD16* 27

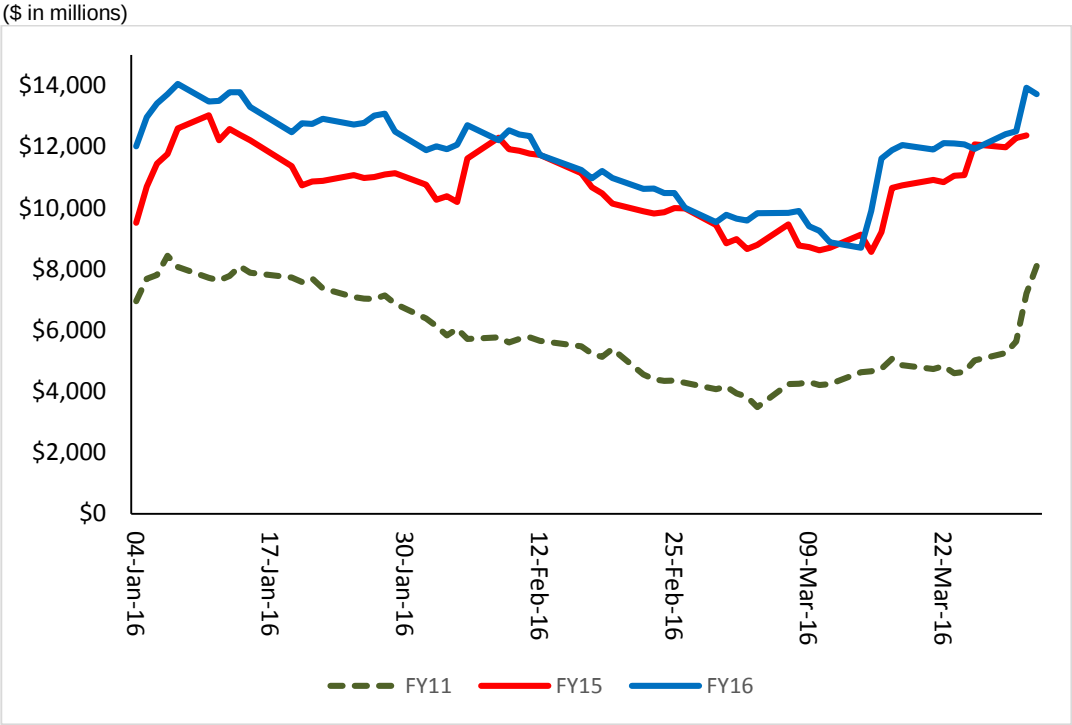
Rounding of Large Numbers in the Quarterly Cash Report

When dealing with numbers as large as those considered in this report, it becomes necessary, for conservation of space, to round representative figures to the nearest tenths, hundredths, or thousandths. Adding such a series of rounded figures often leads to a circumstance whereby components, when added together, do not appear to equal the given total. Examples occur throughout this report and are the result of rounding, not miscalculation.

I. Cash Balances[1]

January 2016 – March 2016 (3Q16)

Chart 1. ***Daily Cash Balances in the NYC Central Treasury, 3Q11, 3Q15, & 3Q16***



New York City's cash position remains strong. During 3Q16, daily cash balances in the New York City Central Treasury averaged $11.775 billion, compared to $10.692 billion at the same time last year. Cash balances faded through most of the quarter, slipping from January highs that came on the heels of semi-annual real estate tax receipts. This trend reversed in mid-March, behind the receipts of real estate tax due by April 1. The period finished strong with the receipt of $3 billion in State aid, which included the Spring advance, a component of State education aid.

[1] The data in this report are based on the book balances in the New York City Central Treasury as calculated by the Bureau of Budget, 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.

Table 1. ***Cash Position in the NYC Central Treasury, 3Q, 2007 - 2016***

($ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Opening Balance [a]	$6,856	$6,750	$2,820	$5,092	$6,144	$6,354	$6,196	$8,537	$9,199	$11,604
Total Receipts	20,031	20,539	22,492	18,439	20,967	20,004	22,179	22,377	25,740	23,557
Total Expenditures [b]	15,953	17,232	17,550	17,343	19,011	18,615	19,621	19,466	22,571	21,445
Closing Balance	$10,934	$10,057	$7,762	$6,188	$8,101	$7,742	$8,754	$11,448	$12,368	$13,716
Avg. Daily Balance	**$8,588**	**$8,318**	**$5,536**	**$5,426**	**$5,806**	**$5,709**	**$6,461**	**$9,029**	**$10,692**	**$11,775**

a. Opening balances are before City audits.
b. Total expenditures include capital expenditures.

July 2015 – March 2016 (FYTD16)

Chart 2. ***Daily Cash Balances in the NYC Central Treasury, FYTD, 2011, 2015, & 2016***

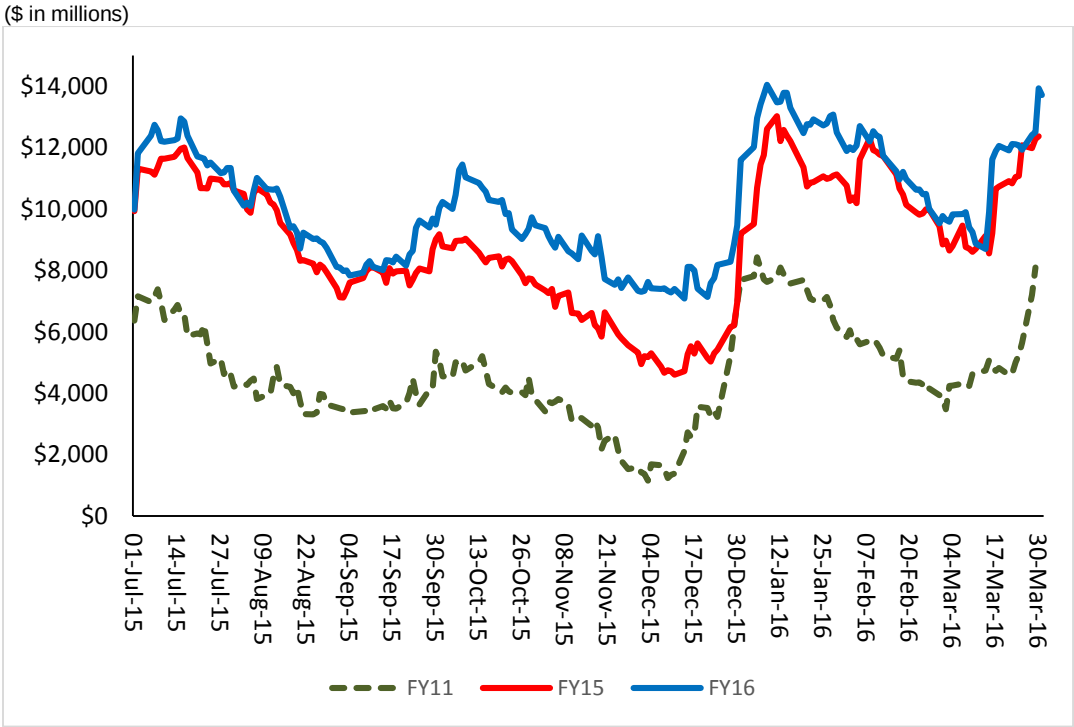


Table 2. ***Cash Position in the NYC Central Treasury, FYTD07 - FYTD16***

($ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Opening Balance [a]	$6,386	$4,473	$4,988	$5,839	$4,604	$5,041	$6,297	$7,944	$9,858	$9,502
Total Receipts	51,746	56,072	57,303	55,004	59,639	59,072	60,126	64,039	66,066	71,229
Total Expenditures [b]	47,198	50,488	54,529	54,655	56,142	56,370	57,669	60,535	63,556	67,015
Closing Balance	$10,934	$10,057	$7,762	$6,188	$8,101	$7,742	$8,754	$11,448	$12,368	$13,716
Avg. Daily Balance	**$6,441**	**$5,957**	**$5,453**	**$4,963**	**$4,602**	**$5,013**	**$5,766**	**$7,161**	**$8,963**	**$10,216**

a. Opening balances are before City audits.
b. Total expenditures include capital expenditures.

The City of New York began FY16 (in July 2015) with $9.502 billion in cash-on-hand. By the end of 3Q16, the City's unrestricted cash balance reached $13.716 billion, a 10.9% rise compared to 3Q15. FYTD16 receipts exceeded expenditures by $4.2 billion. FYTD16, both cash receipts and expenditures reached new record highs.

II. Cash Receipts

January 2016 – March 2016 (3Q16)

Receipts at a Glance

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

($ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Real Property Tax	$2,820	$2,737	$5,153	$3,176	$3,295	$3,399	$3,643	$3,789	$3,879	$4,464
Other Taxes	7,408	7,331	6,196	6,258	6,457	6,636	7,614	8,481	8,538	8,423
Total Taxes	*10,228*	*10,068*	*11,349*	*9,434*	*9,752*	*10,035*	*11,257*	*12,270*	*12,417*	*12,887*
Federal and State Aid	5,894	6,568	6,315	5,258	7,021	6,615	6,485	6,476	6,099	6,624
Debt Service Funding	(146)	(4)	(31)	0	(650)	(907)	(1,127)	(966)	(657)	(899)
Miscellaneous	1,393	1,417	1,569	1,462	1,525	1,726	1,945	1,944	1,872	1,491
Intergovernmental Aid	0	0	0	24	14	0	0	1	0	2
Other	2,662	2,490	3,290	2,261	3,305	2,534	3,619	2,652	6,009	3,452
3Q Total	**$20,031**	**$20,539**	**$22,492**	**$18,439**	**$20,967**	**$20,003**	**$22,179**	**$22,377**	**$25,740**	**$23,557**
Total, Net of Reimbursement for CapEx	**$18,738**	**$18,984**	**$20,041**	**$17,098**	**$18,583**	**$18,478**	**$20,097**	**$20,618**	**$23,451**	**$21,619**

Total receipts in 3Q16 totaled $23.557 billion, down 8.5% versus a year-ago. The receipts category titled "Other" decreased $2.6 billion compared to the same period last year. Last year the "Other" category was inflated by a $2.2 billion deposit from the New York County District Attorney's Office. The City received a portion of funds from an $8.9 billion court settlement with BNP Paribas over the bank's dealings with foreign governments subject to U.S. sanctions (as discussed in detail in 3Q15 Report). The "Other" category also contains capital transfers (as discussed in detail in the Capital Expenditures section of this report). In 3Q16, capital transfers decreased $349 million, or 15.2% versus a year-ago.

Taxes[2]

Table 4. ***Tax Receipts, 3Q11, 3Q15, & 3Q16***

($ in millions)

	FY11	FY15	FY16	% Change FY16/ FY11	% Change FY16/ FY15
Real Property Tax	$3,295	$3,879	$4,464	35.5%	15.1%
Personal Income Tax	2,468	3,205	3,144	27.4	(1.9)
Sales Tax	1,294	1,579	1,716	32.6	8.7
General Corporation Tax	1,021	1,282	1,303	27.6	1.6
Mortgage and Real Property Transfer Taxes	308	803	804	161.0	0.1
Unincorporated Business Tax	425	517	556	30.8	7.5
STAR	218	201	207	(5.0)	3.0
Commercial Rent Tax	156	192	206	32.1	7.3
Hotel Occupancy Tax	88	127	116	31.8	(8.7)
Banking Corporation Tax	279	429	108	(61.3)	(74.8)
Other Taxes	200	203	263	31.5	29.6
3Q Total	**$9,752**	**$12,417**	**$12,887**	**32.1**	**3.8**

[2] 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 any debt service funding.

The City collected $12.9 billion in tax revenues in 3Q16, $470 million more than during 3Q15. Real property tax collections rose 15.1%, and sales tax receipts increased 8.7%. PIT receipts fell 1.9%. The largest drag on tax receipts was the banking corporation tax, which slipped 74.8% versus a year-ago. Beginning in tax year 2015, the general corporation tax and the banking corporation tax merged. All New York City C-corporations now pay under the general corporation tax.

Selected Cash Receipts

Table 5. ***Selected Cash Receipts, 3Q, 2012 - 2016***

($ in millions)

	FY12	FY13	FY14	FY15	FY16
Real Property Tax	$3,399	$3,643	$3,789	$3,879	$4,464
NYS Education Aid	3,334	3,154	3,397	3,209	3,683
Personal Income Tax	2,358	2,721	2,966	3,205	3,144
Sales Tax	1,360	1,445	1,496	1,579	1,716
General Corporation Tax	1,055	1,190	1,614	1,282	1,303
Mortgage and Real Property Transfer Taxes	338	547	656	803	804
Federal Welfare	504	1,077	752	627	654
NYS Higher Education Aid	565	572	566	603	619
Unincorporated Business Tax	444	517	568	517	556
Senior College Fees	447	478	527	481	502
NYS Welfare	580	358	530	479	498
Federal Education Aid	719	252	439	432	376
Fines and Forfeitures	277	206	236	240	262
STAR	212	219	225	201	207
Commercial Rent Tax	183	192	204	192	206

Federal and State Aid

Chart 3. ***Federal & State Aid to NYC, 3Q, FY12 - FY16***

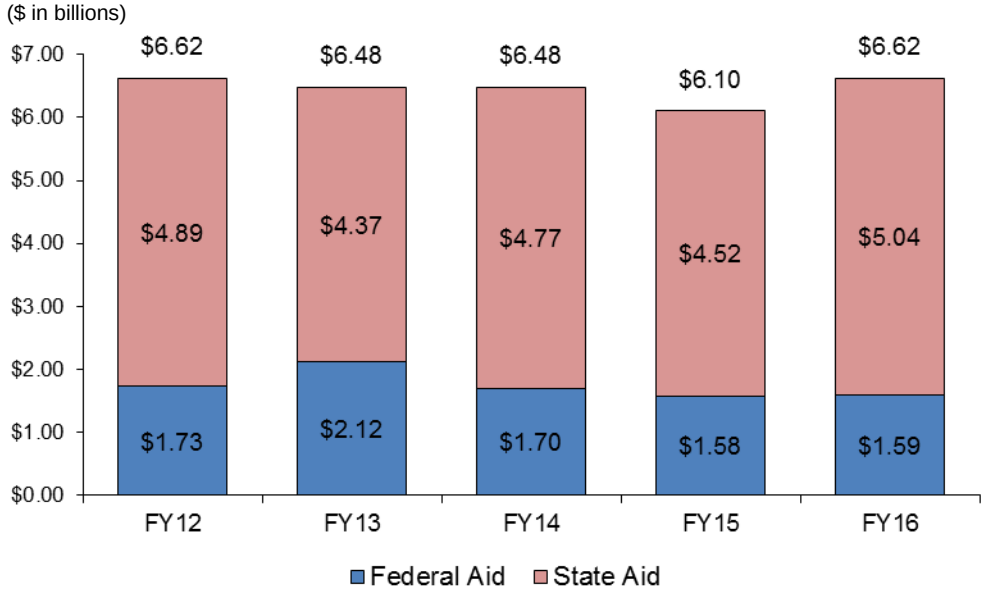


Chart 4. ***Federal & State Aid as % of Total Cash Receipts, 3Q, FY12 - FY16***

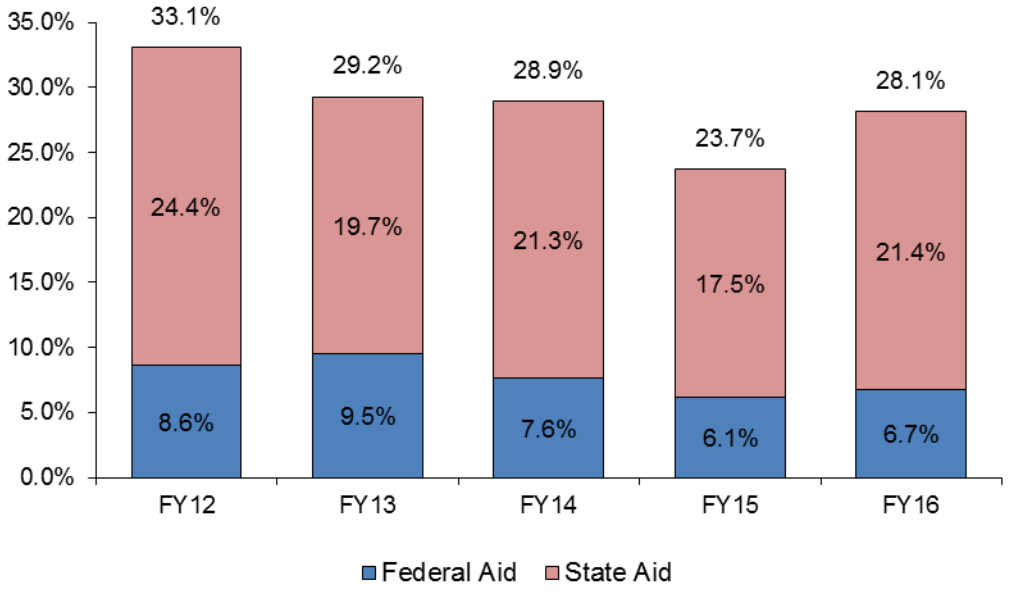


Chart 5. ***Components of State Aid, 3Q, FY12 - FY16***

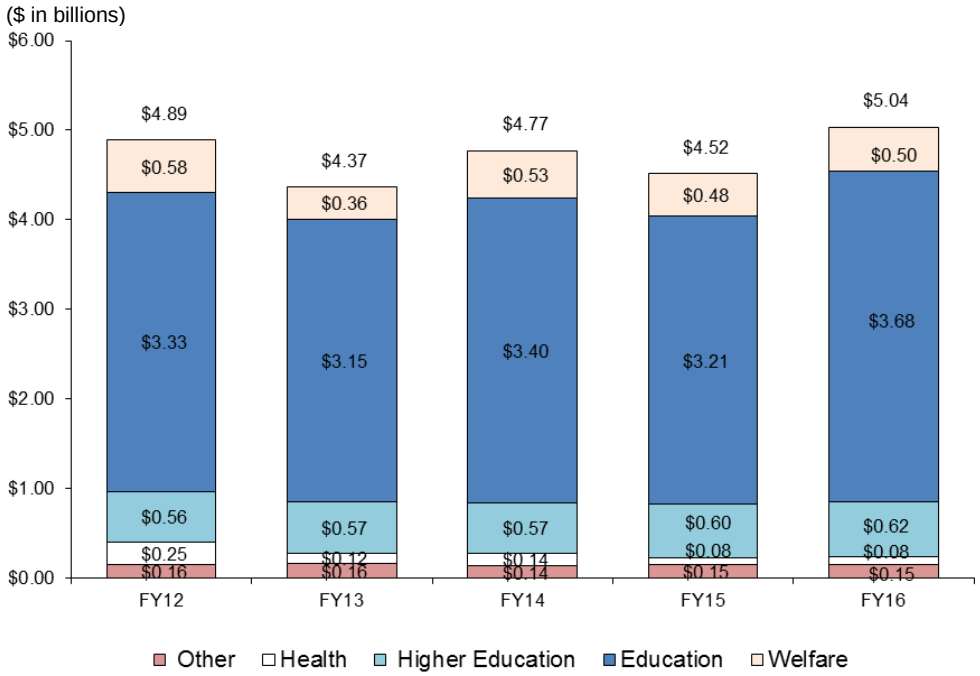
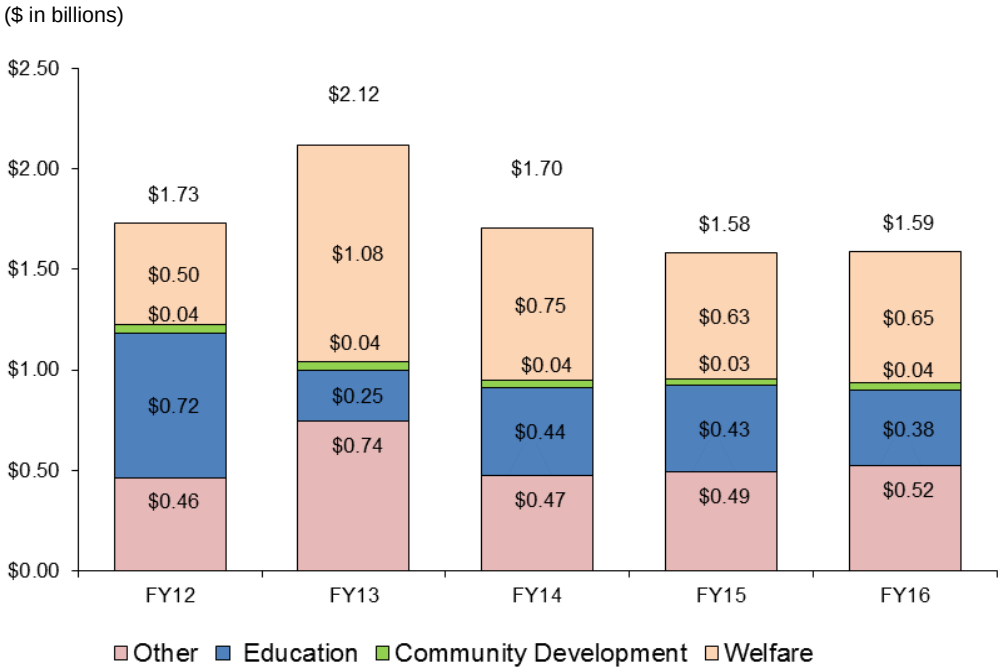


Chart 6. ***Components of Federal Aid, 3Q, FY12 - FY16***



During 3Q16 the City received $6.6 billion in Federal and State Aid, up 8.5% compared to 3Q15. The City received $3.7 billion in education aid from NYS compared to $3.2 billion at the same time last year.

July 2015 – March 2016 (FYTD16)

Receipts at a Glance

Table 6. ***Cash Receipts by Category, FYTD, 2007 - 2016***

($ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Real Property Tax	$9,844	$10,715	$11,620	$11,566	$12,422	$13,419	$13,544	$14,739	$15,152	$16,548
Other Taxes	18,702	19,114	16,860	15,687	16,879	17,696	19,058	20,753	22,133	22,786
Total Taxes	*28,546*	*29,829*	*28,480*	*27,253*	*29,301*	*31,115*	*32,602*	*35,492*	*37,285*	*39,334*
Federal and State Aid	12,034	12,897	13,634	13,437	15,893	14,819	14,880	14,659	14,568	15,239
Debt Service Funding	(574)	(4)	(31)	0	(916)	(1,053)	(2,784)	(1,991)	(3,394)	229
Miscellaneous	4,081	4,551	4,397	4,721	4,612	4,738	4,975	5,339	5,199	5,361
Intergovernmental Aid	328	10	228	280	14	1	1	1	0	6
Other	7,331	8,789	10,595	9,313	10,735	9,451	10,451	10,539	12,409	11,060
FYTD Total	**$51,746**	**$56,072**	**$57,303**	**$55,004**	**$59,639**	**$59,071**	**$60,125**	**$64,039**	**$66,067**	**$71,229**
Total, Net of Reimbursement for CapEx	**$48,095**	**$50,705**	**$49,772**	**$48,602**	**$51,911**	**$53,010**	**$53,922**	**$57,957**	**$60,794**	**$65,456**

FYTD16 total cash receipts reached a record high of $71.229 billion, an increase of $5.162 billion from the previous year. Removing the effect of CapEx reimbursements, net cash receipts grew 7.7%.

The cash receipts figure reflects the retention of real property and personal income tax revenues to fund GO and TFA PIT debt service. 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 fiscal year 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 for debt service showed a net positive inflow of $229 million for FYTD16.

Taxes[3]

Table 7. ***Major Tax Receipts, FYTD, 2011, 2015, & 2016***

($ in millions)

	FY11	FY15	FY16	% Change FY16/ FY11	% Change FY16/ FY15
Real Property Tax	$12,422	$15,152	$16,548	33.2%	9.2%
Personal Income Tax	5,460	7,472	7,838	43.6	4.9
Sales Tax	4,029	4,910	5,322	32.1	8.4
General Corporation Tax	2,616	2,833	3,185	21.8	12.4
Mortgage and Real Property Transfer Taxes	858	2,185	2,280	165.7	4.3
Unincorporated Business Tax	1,051	1,297	1,328	26.4	2.4
Banking Corporation Tax	1,125	1,441	747	(33.6)	(48.2)
Commercial Rent Tax	475	596	636	33.9	6.7
Hotel Occupancy Tax	317	426	429	35.3	0.7
STAR	320	404	394	23.1	(2.5)
All Other Taxes	629	569	627	(0.3)	10.2
FYTD Total	**$29,302**	**$37,285**	**$39,334**	**34.2%**	**5.5%**

FYTD16 receipts were higher across the various major categories of tax, with the exception of banking

[3] 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 any debt service funding.

corporation tax (down 48.2%) and STAR (down 2.5%). The fastest growing tax categories included general corporation tax (up 12.4%), and real property tax (up 9.2%).

Selected Cash Receipts

Table 8. ***Selected Cash Receipts, FYTD, 2012 - 2016***

($ in millions)

	FY12	FY13	FY14	FY15	FY16
Real Property Tax	$13,419	$13,544	$14,739	$15,152	$16,548
Personal Income Tax	5,842	6,289	6,915	7,472	7,838
NYS Education Aid	5,934	5,894	6,136	6,346	6,694
Sales Tax	4,239	4,413	4,674	4,910	5,322
General Corporation Tax	2,549	2,698	3,055	2,833	3,185
Federal Welfare	2,349	2,923	2,493	2,513	2,418
Mortgage and Real Property Transfer Taxes	1,090	1,395	1,794	2,185	2,280
Water and Sewer Fees	1,150	1,452	1,361	1,536	1,397
Unincorporated Business Tax	1,053	1,138	1,202	1,297	1,328
Federal Education Aid	1,355	826	1,158	779	1,308
NYS Welfare	1,701	1,073	1,171	1,057	1,250
NYS Higher Education Aid	853	1,218	860	1,291	931
Fines and Forfeitures	779	783	704	751	875
Banking Corporation Tax	1,071	1,241	1,160	1,441	747
Senior College Fees	608	649	715	668	715

Federal and State Aid

Chart 7. ***Federal & State Aid to NYC, FYTD, FY12 - FY16***

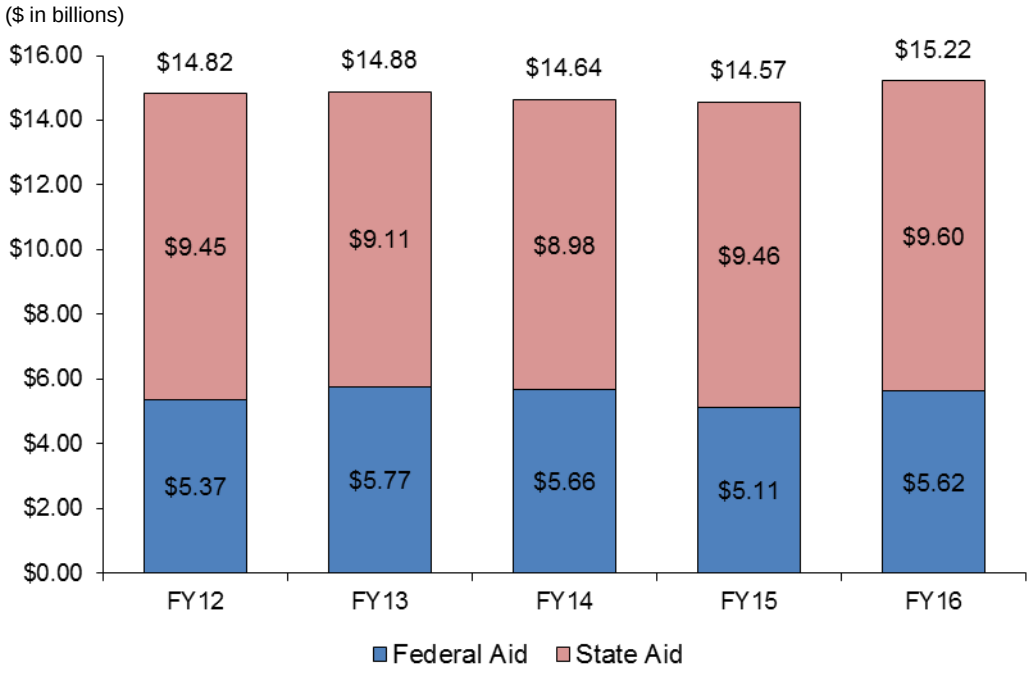


Chart 8. ***Federal & State Aid as % of Total Cash Receipts, FYTD, FY12 - FY16***

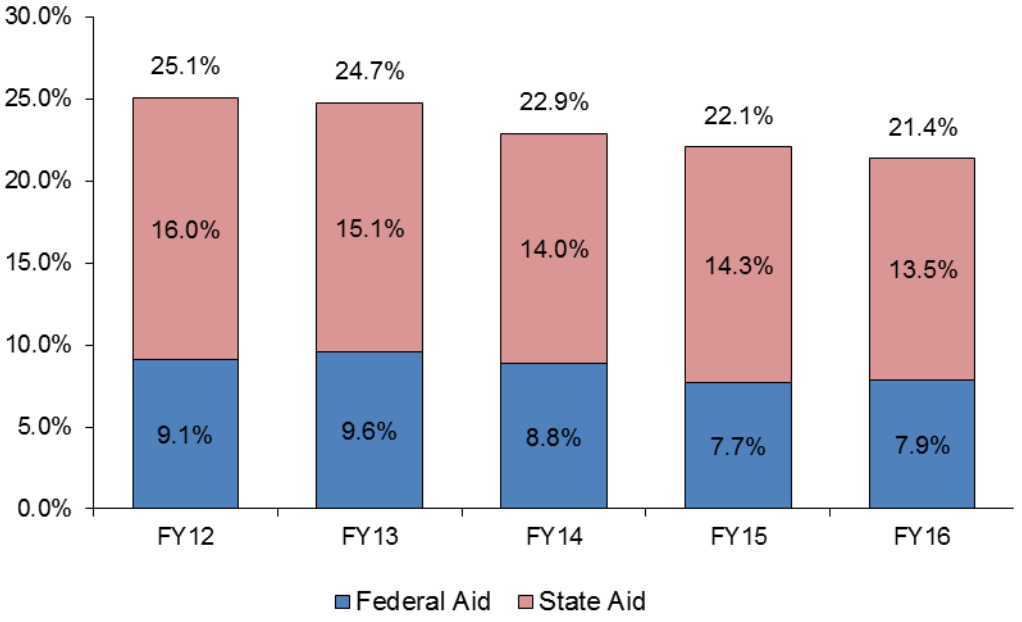


Chart 9. ***Components of State Aid, FYTD, FY12 - FY16***

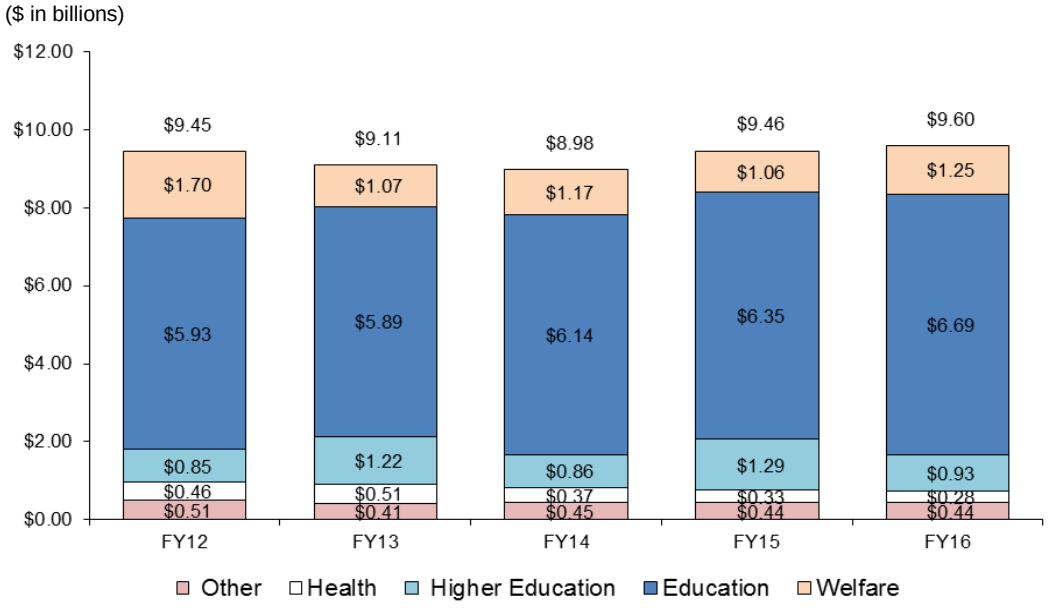
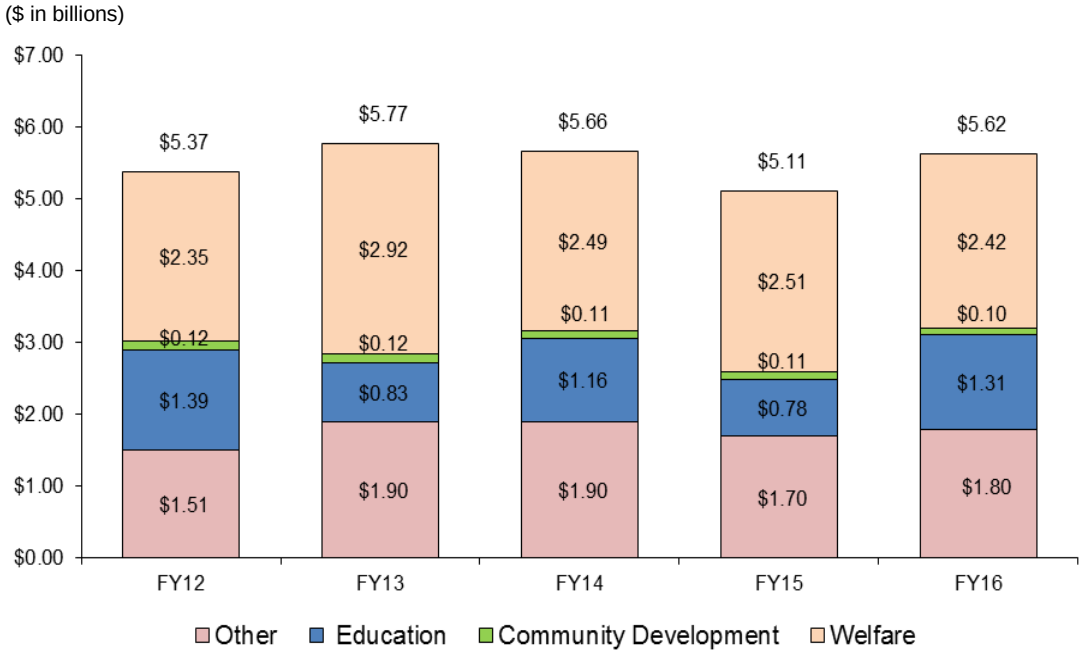


Chart 10. ***Components of Federal Aid, FYTD, FY12 - FY16***



The City received $15.2 billion from the Federal and State governments during FYTD16. Federal and State aid receipts accounted for 21.4% of total cash receipts, a smaller percentage than in previous years.

III. Cash Expenditures (Including Capital)

January 2016 – March 2016 (3Q16)

Cash Expenditures at a Glance

Table 9. ***PS & OTPS, 3Q, FY07 - FY16***

($ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Gross Payroll	$5,139	$5,284	$5,824	$5,603	$5,747	$5,959	$6,047	$6,146	$6,840	$6,792
Other PS	2,319	2,631	2,877	2,983	3,580	3,265	3,479	3,575	3,782	3,999
Total PS	**$7,458**	**$7,915**	**$8,701**	**$8,586**	**$9,327**	**$9,224**	**$9,526**	**$9,721**	**$10,622**	**$10,791**
% of 3Q Total Exp	**47%**	**46%**	**50%**	**50%**	**49%**	**50%**	**49%**	**50%**	**47%**	**50%**
# of Bi-weekly Payrolls	**6**	**6**	**6**	**6**	**6**	**7**	**7**	**7**	**7**	**6**
Public Assistance	521	530	560	590	630	583	603	598	681	727
Medical Assistance	1,634	1,672	1,309	1,037	1,061	1,486	1,239	1,554	1,470	1,639
Other Social Services	585	619	567	458	612	593	646	565	584	660
Vendor and Other	3,326	3,569	3,409	3,306	4,037	3,757	4,401	4,163	4,428	4,798
Total OTPS	**$6,066**	**$6,390**	**$5,845**	**$5,391**	**$6,340**	**$6,419**	**$6,889**	**$6,880**	**$7,163**	**$7,824**
% of 3Q Total Exp	**38%**	**37%**	**33%**	**31%**	**33%**	**34%**	**35%**	**35%**	**32%**	**36%**
All Other	**$2,429**	**$2,927**	**$3,004**	**$3,366**	**$3,344**	**$2,972**	**$3,205**	**$2,865**	**$4,786**	**$2,830**
% of 3Q Total Exp	**15%**	**17%**	**17%**	**19%**	**18%**	**16%**	**16%**	**15%**	**21%**	**13%**
Total Expenditures	**$15,953**	**$17,232**	**$17,550**	**$17,343**	**$19,011**	**$18,615**	**$19,621**	**$19,466**	**$22,570**	**$21,445**
Total Expenditures, Net of CapEx	**$14,347**	**$15,119**	**$15,608**	**$15,083**	**$16,676**	**$16,485**	**$17,396**	**$17,403**	**$20,532**	**$19,221**

Cash expenditures, including capital, totaled $21.445 billion in 3Q16, averaging $346 million daily. During the same period last year, cash expenditures totaled $22.570 billion and averaged $370 million daily. Personal service expenditures grew 1.6% versus a year-ago. Other-than-personal-service expenditures (OTPS) rose 9.2% during the same time frame. The growth in OTPS is attributable to the increase in medical assistance (up 11.5%) and other social services (up 13.0%). Other social services expenditures include, but are not limited to, payments made to various charitable and other non-for-profit organizations that provide services to the homeless, hungry or disabled people, senior citizens, disadvantaged children, and other people in need. Meantime, the expenditure category titled "Other" decreased by nearly $2 billion compared to the same period last year. Last year, the "Other" category was magnified by the transfer of $2.2 billion from the Trust and Agency account. These funds came from the court settlement with the bank BNP Paribas. The bank paid a hefty fee for doing business with countries that face United States sanctions (as discussed in detail in 3Q15 Report).

"All Other" Spending

Table 10. ***Major Components of "All Other" Spending, 3Q15 & 3Q16***

($ in millions)

	FY15	FY16	Difference
Transit Authority	$0	$0	$0
Housing Authority	12	16	4
Lump Sum Payments	515	557	42
HHC	121	151	30
Refunds	211	96	(115)
City-Funded Capital	1,430	1,701	271
Non-City Funded Capital	609	523	(86)
Fund-700 Adjustment	1,826	(281)	(2,107)

July 2015 – March 2016 (FYTD16)

Cash Expenditures at a Glance

Table 11. ***PS and OTPS Cash Expenditures, FYTD07 - FYTD16***

($ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Gross Payroll	$15,511	$16,283	$18,109	$17,433	$17,868	$17,910	$18,059	$18,241	$19,598	$21,112
Other PS	7,161	7,923	8,555	9,312	9,609	9,959	10,445	10,808	11,393	11,852
Total PS	**$22,672**	**$24,206**	**$26,664**	**$26,745**	**$27,477**	**$27,869**	**$28,504**	**$29,049**	**$30,991**	**$32,964**
% of 3Q Total Exp	**48%**	**48%**	**49%**	**49%**	**49%**	**49%**	**49%**	**48%**	**49%**	**49%**
Public Assistance	1,633	1,634	1,769	2,003	1,912	1,806	1,793	1,867	1,964	2,106
Medical Assistance	3,793	3,956	3,689	3,475	3,572	4,398	4,327	4,317	4,347	4,522
Other Social Services	1,845	1,789	1,877	1,881	1,862	1,775	1,841	1,801	1,858	1,967
Vendor and Other	9,711	10,359	10,531	10,290	11,256	11,492	12,127	12,932	13,994	14,708
Total OTPS	**$16,982**	**$17,738**	**$17,866**	**$17,649**	**$18,602**	**$19,471**	**$20,088**	**$20,917**	**$22,163**	**$23,303**
% of 3Q Total Exp	**36%**	**35%**	**33%**	**32%**	**33%**	**35%**	**35%**	**35%**	**35%**	**35%**
All Other	**$7,544**	**$8,544**	**$9,999**	**$10,261**	**$10,064**	**$9,030**	**$9,076**	**$10,568**	**$10,402**	**$10,748**
% of 3Q Total Exp	**16%**	**17%**	**18%**	**19%**	**18%**	**16%**	**16%**	**17%**	**16%**	**16%**
Total Expenditures	**$47,198**	**$50,488**	**$54,529**	**$54,655**	**$56,142**	**$56,370**	**$57,669**	**$60,534**	**$63,555**	**$67,015**
Total Expenditures, Net of CapEx	**$42,459**	**$44,755**	**$47,821**	**$47,167**	**$48,813**	**$50,092**	**$51,514**	**$54,193**	**$57,946**	**$60,815**

FYTD16 total expenditures rose 5.4% versus a year-ago. Gross payroll increased 7.7% and other personal service expenditures increased 4%. Salary increases are due to the implementation of 2014 and 2015 collective bargaining agreements with the City workforce. OTPS outflows rose 5.1%, boosted by increases in spending on public assistance (up 7.2%), other social services (up 5.9%), vendor and other spending (up 5.1%) and medical assistance (up 4%). When the impact of CapEx is removed, FYTD16 net expenditures reflect a gain of 5.0% versus a year-ago.

"All Other" Spending

Table 12. ***Major Components of "All Other" Spending, FYTD15 & FYTD16***

($ in millions)

	FYTD15	FYTD16	Difference
Transit Authority	$281	$264	($17)
Housing Authority	27	79	52
Lump Sum Payments	1,813	1,932	119
HHC	542	711	169
Refunds	709	595	(114)
City-Funded Capital	4,165	4,675	510
Non-City Funded Capital	1,445	1,524	79
F-700 Adjustment	1322	877	(445)

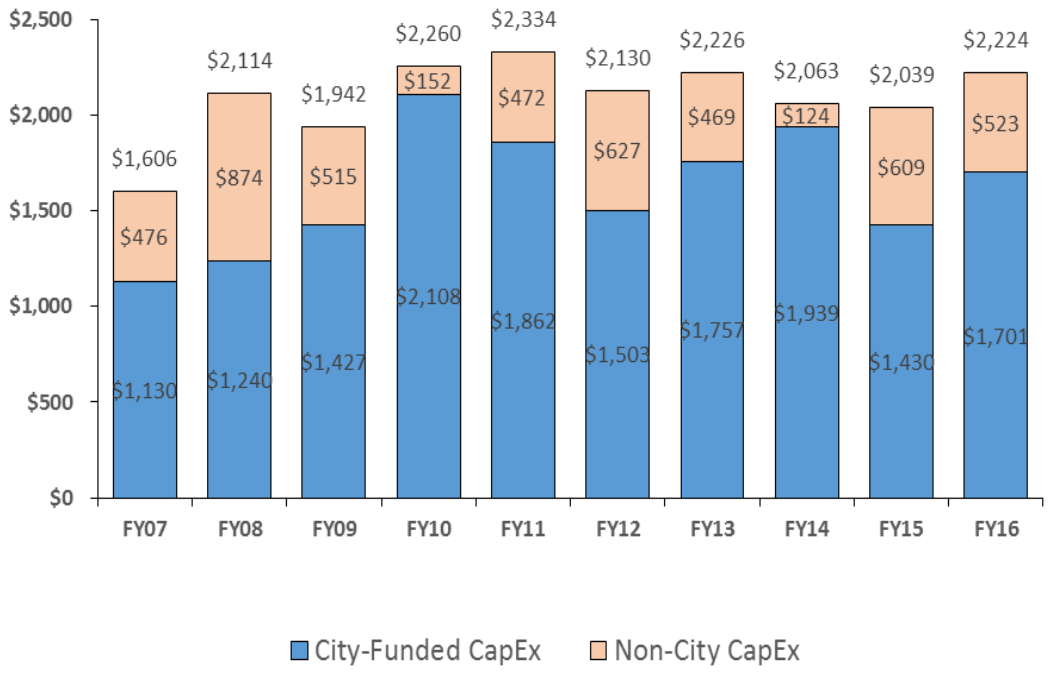
IV. Capital Expenditures[4]

January 2016 – March 2016 (3Q16)

CapEx totaled $2.224 billion in 3Q16, up 9.1% from $2.039 billion in 3Q15. City-funded CapEx increased 19% while Non-City-funded CapEx declined 14.1%.

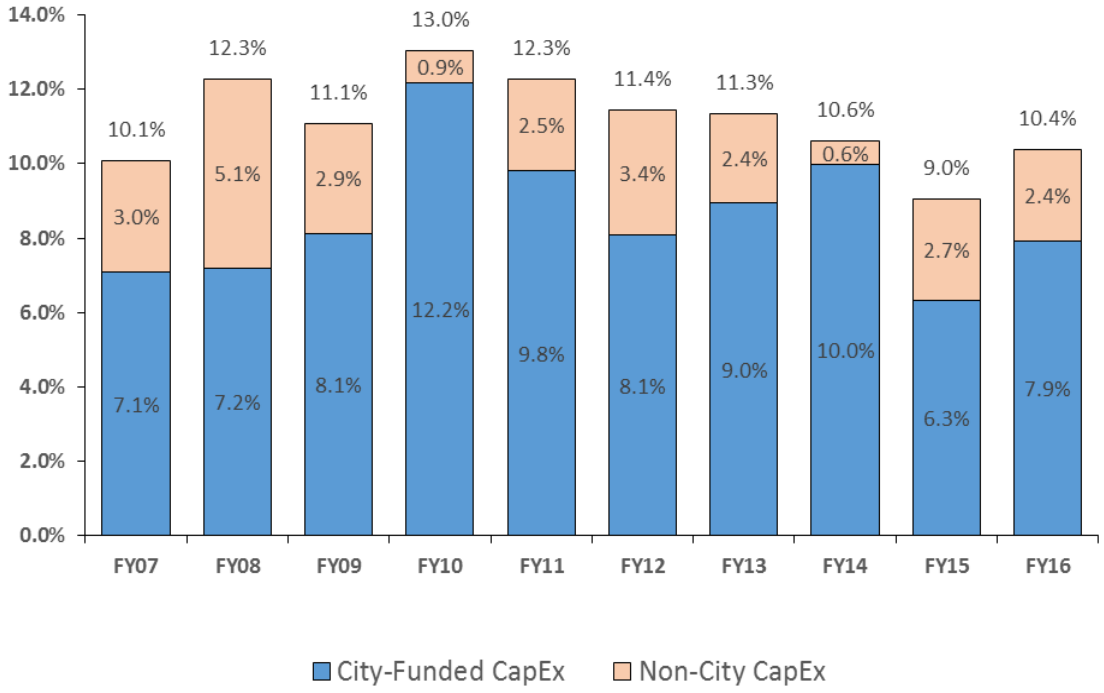
Chart 11. ***Total CapEx, 3Q, FY07 - FY16***

($ in millions)



[4] 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. Capital expenditures are initially paid from the General Fund and then reimbursed from various capital accounts and State sources.

Chart 12. ***Total CapEx as % of Total Expenditures, 3Q, FY07 - FY16***



Reimbursements to the New York City Central Treasury for Capital Expenditures

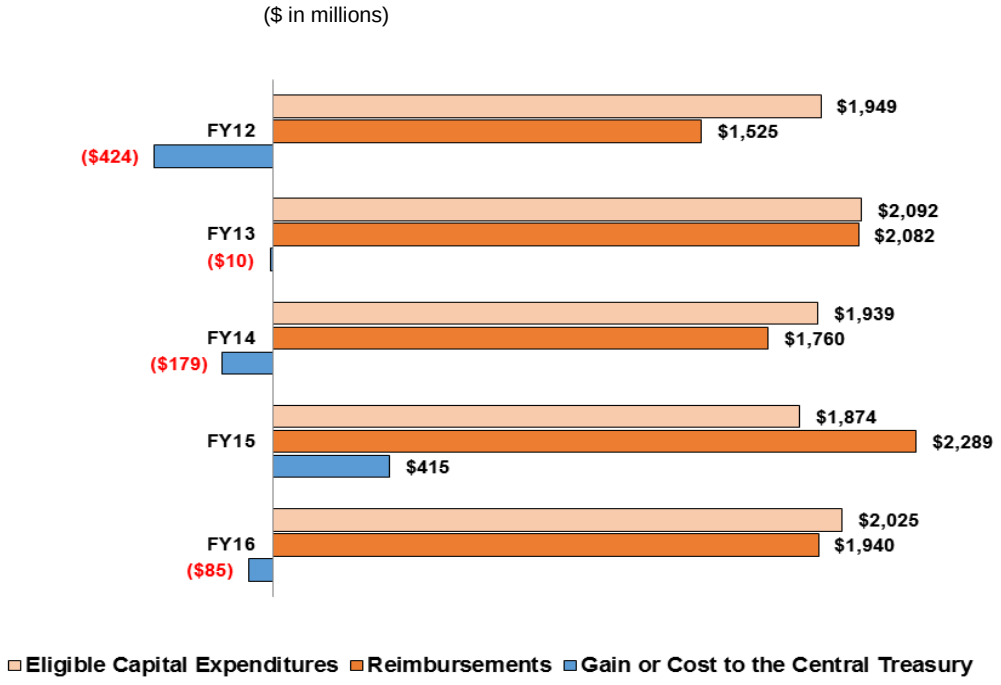
Table 13. *Reimbursements to the NYC Central Treasury for CapEx, 3Q, FY07 - FY16*

($ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	Total
GO	$279	$753	$969	$324	$927	$213	$476	$340	$25	$0	$4,306
NY Water	218	538	647	623	630	534	452	426	401	345	4,814
TFA	479	30	7	394	744	376	927	994	980	1,595	6,526
Sub-total	*976*	*1,321*	*1,623*	*1,341*	*2,301*	*1,123*	*1,855*	*1,760*	*1,406*	*1,940*	*15,646*
TFA Building Aid	233	89	828	0	83	402	227	0	883	0	2,745
DASNY	84	145	0	0	0	0	0	0	0	0	229
Sub-total	*317*	*234*	*828*	*0*	*83*	*402*	*227*	*0*	*883*	*0*	*2,974*
3Q Total	**$1,293**	**$1,555**	**$2,451**	**$1,341**	**$2,384**	**$1,525**	**$2,082**	**$1,760**	**$2,289**	**$1,940**	**$18,620**
3Q Reimbursable Capital Expenditures	$1,461	$2,005	$1,810	$2,125	$2,180	$1,949	$2,092	$1,939	$1,874	$2,025	$19,460
3Q Reimbursements Less 3Q Reimbursable Capital Expenditures	($168)	($450)	$641	($784)	$204	($424)	($10)	($179)	$415	($85)	($840)
3Q Reimbursements as a % of 3Q Reimbursable Capital Expenditures	88.5%	77.6%	135.4%	63.1%	109.4%	78.2%	99.5%	90.8%	122.1%	95.8%	95.7%
3Q Reimbursements as a % of Total 3Q Receipts	6.5%	7.6%	10.9%	7.3%	11.4%	7.6%	9.4%	7.9%	8.9%	8.2%	8.6%

During 3Q16, eligible CapEx exceeded reimbursements, decreasing the City's cash balance by $85 million. Table 13 shows that eligible CapEx exceeded reimbursements in seven out of the last ten 3Q periods (FY07-FY16), resulting in a total drain of $840 million to the Central Treasury.

Chart 13. *Bond-Funded Reimbursements for Eligible CapEx, 3Q, FY12 - FY16*



July 2015 – March 2016 (FYTD16)

FYTD16, total CapEx increased 10.5% versus a year-ago. The City-funded CapEx jumped 12.2%, while Non-City Cap increased 5.5%.

Chart 14. ***Total CapEx, FYTD, FY07 - FY16***

($ in millions)

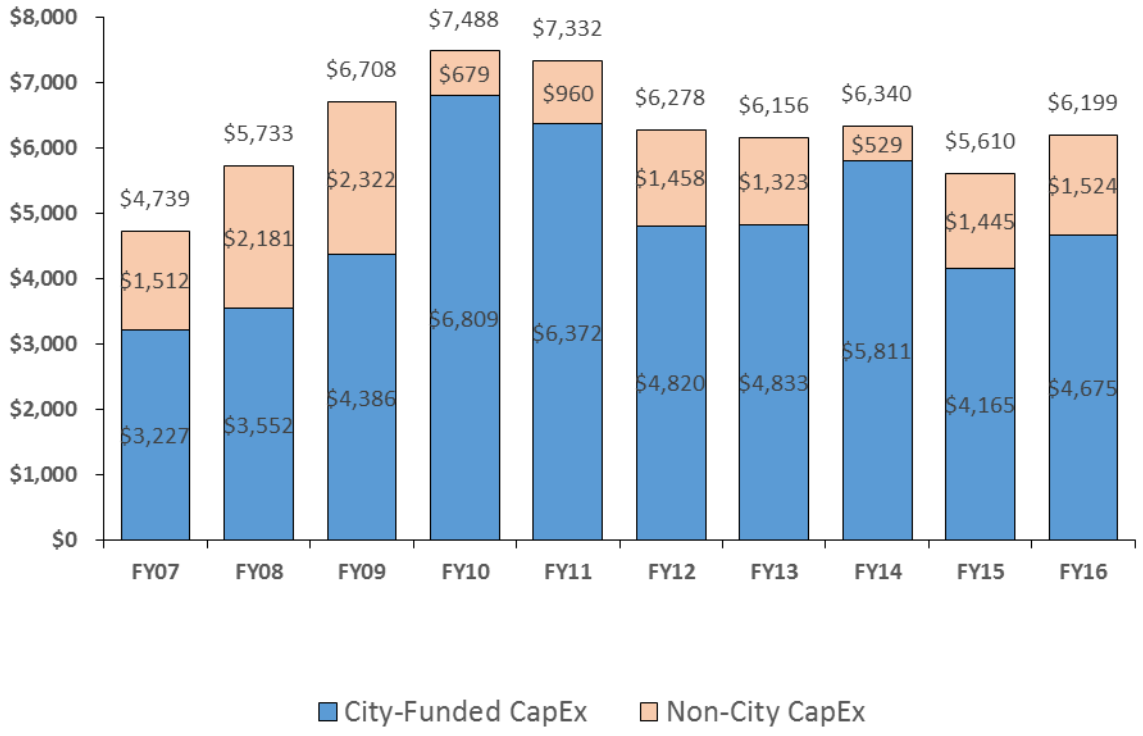
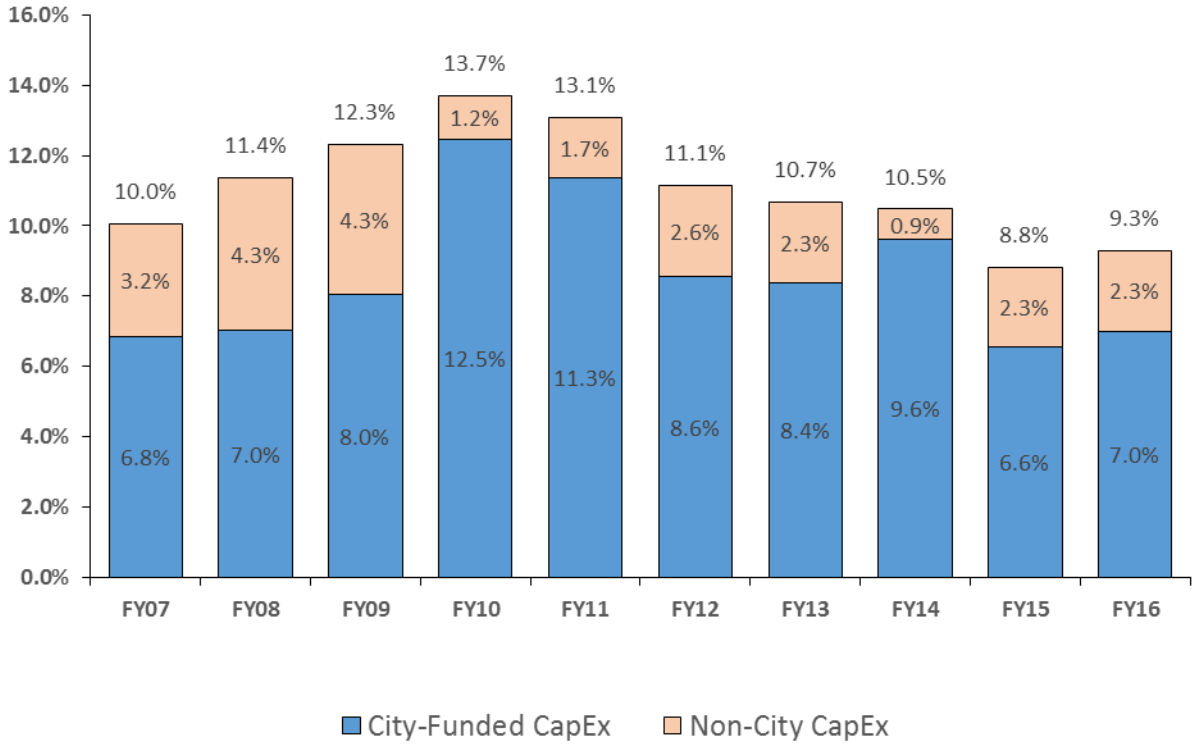


Chart 15. ***Total CapEx as % of Total Expenditures, FYTD, FY07 - FY16***



Reimbursements to the New York City Central Treasury for Capital Expenditures

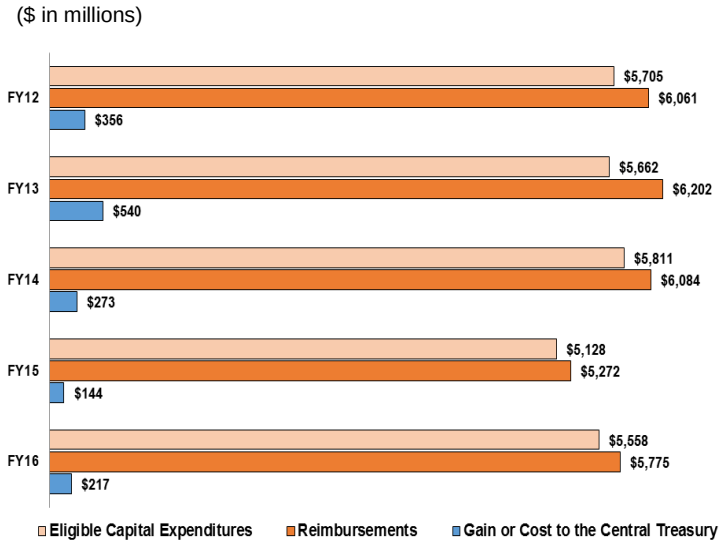
Table 14. *Reimbursements to the NYC Central Treasury, FYTD, 2007 - 2016*

($ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	Total
GO	$671	$2,179	$3,510	$2,255	$2,571	$1,646	$898	$1,712	$382	$609	$16,433
NY Water	910	1,460	1,990	2,019	2,278	1,691	1,438	1,243	1,074	1,032	15,135
TFA	1,240	524	14	1,940	2,527	1,745	2,909	3,129	2,933	3,302	20,263
City-Funded Sub-total	*2,821*	*4,163*	*5,514*	*6,214*	*7,376*	*5,082*	*5,245*	*6,084*	*4,389*	*4,943*	*51,831*
TFA Building Aid	533	739	1649	182	352	979	957	0	883	832	7,106
DASNY	297	465	368	6	0	0	0	0	0	0	1,136
Non-City Sub-total	*830*	*1,204*	*2,017*	*188*	*352*	*979*	*957*	*0*	*883*	*832*	*8,242*
FYTD Total	**$3,651**	**$5,367**	**$7,531**	**$6,402**	**$7,728**	**$6,061**	**$6,202**	**$6,084**	**$5,272**	**$5,775**	**$60,073**
YTD Reimbursable Capital Expenditures	$4,324	$5,451	$6,275	$6,948	$6,863	$5,705	$5,662	$5,811	$5,128	$5,558	$57,725
YTD Reimbursements Less YTD Reimbursable Capital Expenditures	($673)	($84)	$1,256	($546)	$865	$356	$540	$273	$144	$217	$2,348
YTD Reimbursements as a % of YTD Reimbursable Capital Expenditures	84.4%	98.5%	120.0%	92.1%	112.6%	106.2%	109.5%	104.7%	102.8%	103.9%	104.1%
YTD Reimbursements as a % of YTD Total Receipts	7.1%	9.6%	13.1%	11.6%	13.0%	10.3%	10.3%	9.5%	8.0%	8.1%	10.0%

FYTD16 reimbursements exceeded eligible CapEx by $217 million, or 3.9%. Over the long term, CapEx and reimbursements offset each other. Over the past ten FYTD periods they have been closely paired, with reimbursements exceeding CapEx by only 4.1%.

Chart 16. *Bond-Funded Reimbursements for Eligible CapEx, FYTD, 2012 - 2016*



V. Financings

In FY16, the City plans to issue $4.6 billion in General Obligation (GO), Transitional Finance Authority Personal Income Tax (TFA PIT), and Transitional Finance Authority Building Aid Revenue Bonds (TFA BARBs) for new money capital purposes. The City issued $3.7 billion of new money debt FYTD.

Table 15. ***FY 2016 Projected vs. FYTD16 Actual GO, TFA PIT, and TFA BARBs Issuance***

($ in billions)

	Projected New Money Issuance	Actual New Money Issuance	Remaining New Money Issuance
GO	$0.0	$0.0	$0.0
TFA PIT	$3.7	$2.9	$0.8
TFA BARBs	$1.0	$0.8	$0.2
Total	**$4.6**	**$3.7**	**$1.0**

Projected bond issuance is based on OMB's April 2016 Executive Budget

Three transactions closed in 3Q16. The first transaction was a new money sale of $1.1 billion of TFA bonds. The sale included $750 million of tax-exempt fixed rate bonds, $250 million of taxable fixed rate bonds, and $150 million of tax-exempt variable rate demand bonds. The second transaction was a GO sale of $800.5 million of refunding bonds. The refunding achieved $149.9 million in budget savings, or more than $139.3 million on a present-value basis. The third transaction was a new money sale of $750 million of TFA Building Aid Revenue Bonds.

Table 16. ***GO, TFA PIT, and TFA BARBs Bond Issuance, FYTD16***

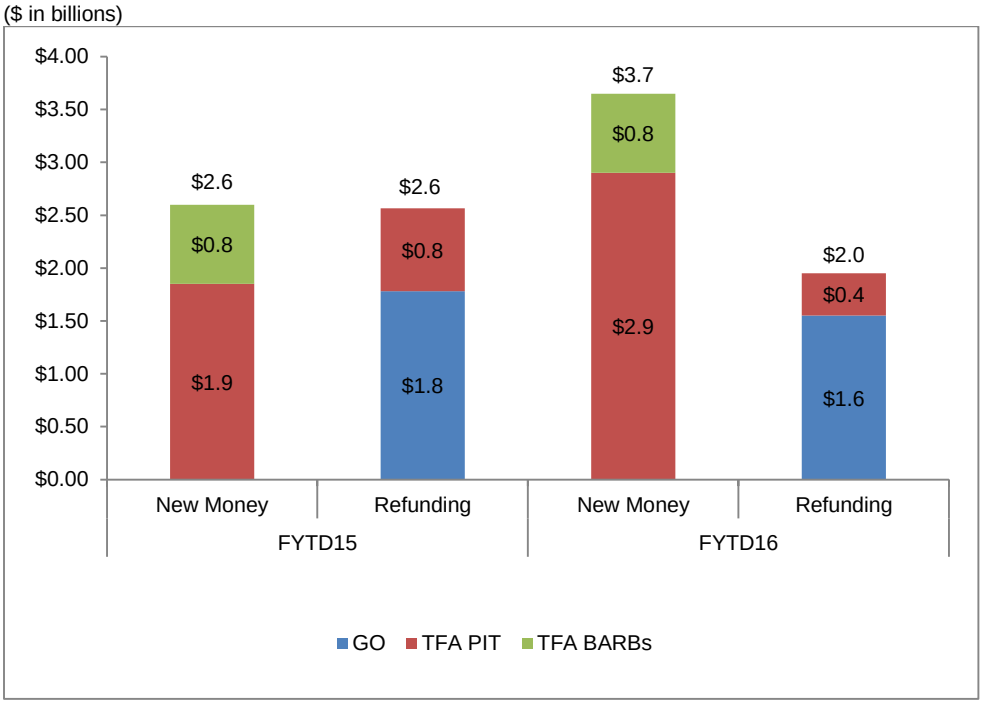
($ in millions)

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 2016 A	New Money	$750	$250	$150	$1,150
11/5/2015	TFA PIT 2016 BCD	New Money/Refunding	$750	$250	$0	$1,000
2/26/2016	TFA PIT 2016 E	New Money	$750	$250	$150	$1,150
3/10/2016	GO 2016 CD	Refunding	$801	$0	$0	$801
3/17/2016	TFA BARBS 2016 S-1	New Money	$750	$0	$0	$750

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

FYTD16 bond issuance was higher than the bond issuance in FYTD15. As shown in the following chart, in FYTD16 the City issued $5.7 billion in new money and refunding bonds versus $5.2 billion in FYTD15.

Chart 17. ***GO, TFA PIT, and TFA BARBs Issues, FYTD15 & FYTD16***



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