

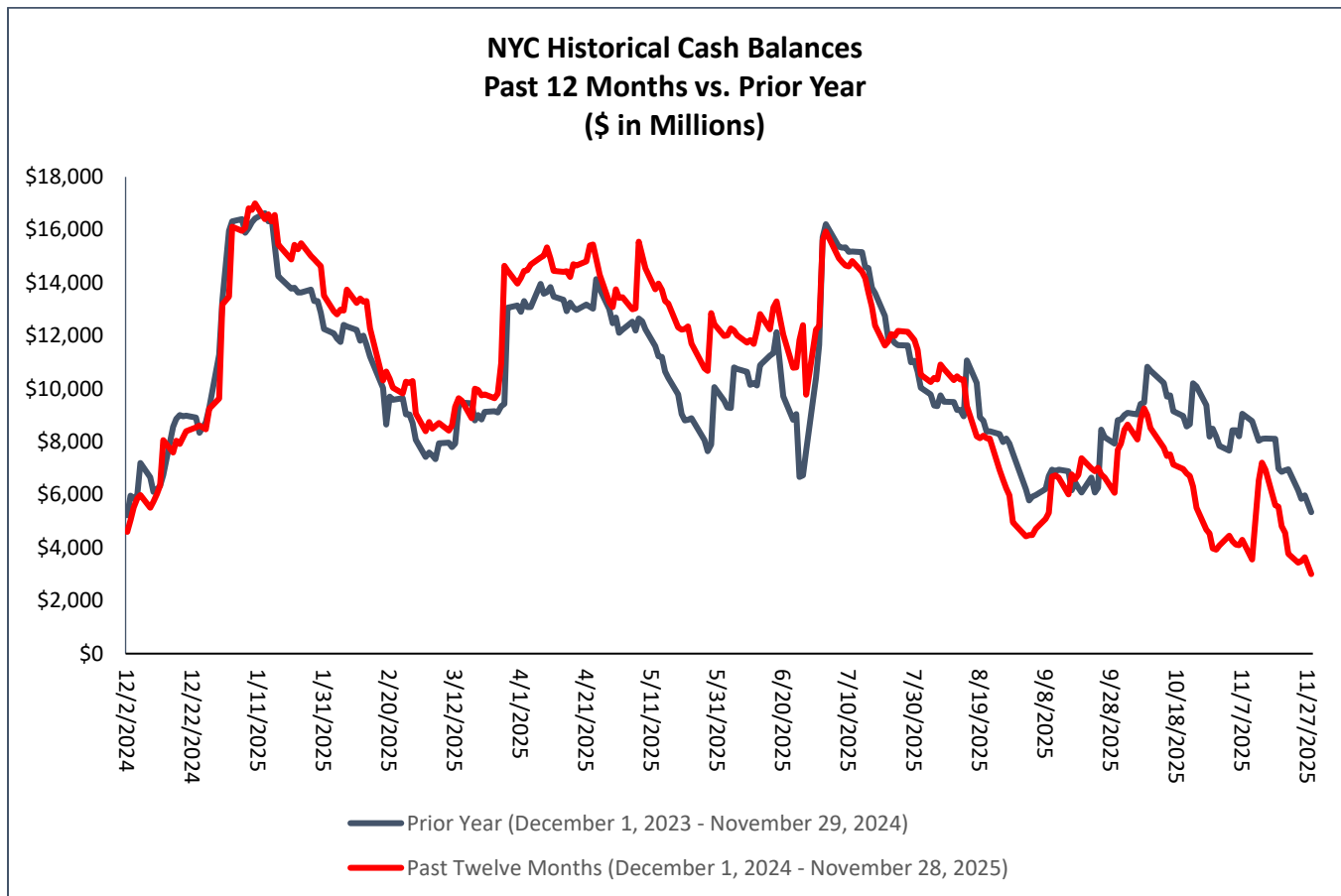


New York City Cash Balance Projection

New York City Comptroller Brad Lander

Bureau of Budget

December 2025



The City began FY 2026 (on June 30, 2025) with \$12.229 billion in cash, up from \$10.410 billion a year prior. However, cash balances have declined sharply since the start of the fiscal year. In the first quarter of FY 2026 (1Q26), the City collected \$34.696 billion in revenues and incurred \$39.234 billion in expenditures, resulting in a net cash outflow of \$4.538 billion.

Total receipts in the quarter rose just 0.3%, and excluding capital reimbursements, declined 2%. The City received \$3.292 billion in capital reimbursements in 1Q26, compared to \$2.543 billion the prior year.

The largest factor behind weaker receipts was the anticipated drop in Covid-related funding. The City received just \$297 million in COVID-19 aid and FEMA reimbursements in 1Q26, down from \$2.487 billion in 1Q25.

The City also increased debt service funding by \$568 million in the first quarter, reflecting a smaller prepayment at the end of FY 2025. Prepayment amounts have steadily declined from \$5.479 billion in FY 2023 to \$4.397 billion in FY 2024 and \$3.787 billion in FY 2025.

Tax collections increased 8.3% compared to the prior fiscal year, but performance was mixed.

The City collected over \$15.385 billion in Real Property Tax revenue in June and July 2025, an increase of \$312 million from the same period last year. According to the final FY 2026 property tax assessment roll, citywide taxable billable assessed value, the portion of market value to which tax rates are applied (as estimated by the City's Department of Finance), increased by 5.39 percent to \$308.516 billion.

Personal Income Tax, including the Pass-Through Entity Tax (PTET), and the Unincorporated Business Tax grew 18.7% and 12.2%, respectively. The Sales Tax grew by 6.8%, outpacing inflation in the NYC metropolitan area.

In contrast, Mortgage and Real Property Transfer Taxes showed weakness in 1Q26 relative to the same period in FY25, down 16.1%. Sales activity in the NYC real estate market remains mixed. Manhattan luxury market is strong, with roughly 60 - 65% of transactions closing in cash—bypassing the mortgage-recording tax—while the non-luxury market is weighed down by high mortgage rates.¹

The General Corporation tax declined 9.4%. The decline was driven primarily by weaker collections from the finance and insurance, trade, and manufacturing industries.

While COVID-related aid has dwindled, expenditures continued rising. Growth reflects higher public assistance and social services costs, substantial advance payments to City-funded nonprofits, and elevated senior college expenses. Of note, in October, the City Council passed [Local Law 2025/156](#) which requires, in general, advance payments of 50% of the value of contracts awarded to nonprofit entities, with exceptions for certain contracts awarded by the Department of Homeless Services and the Office of Criminal Justice, and residential foster care and emergency domestic violence contracts.

Payroll costs also increased, driven by collective bargaining agreements and higher headcount. Health insurance spending rose following the New York State Department of Financial Services' approval of a 12.18% premium increase for the HIP-HMO plan covering active employees and pre-Medicare retirees.

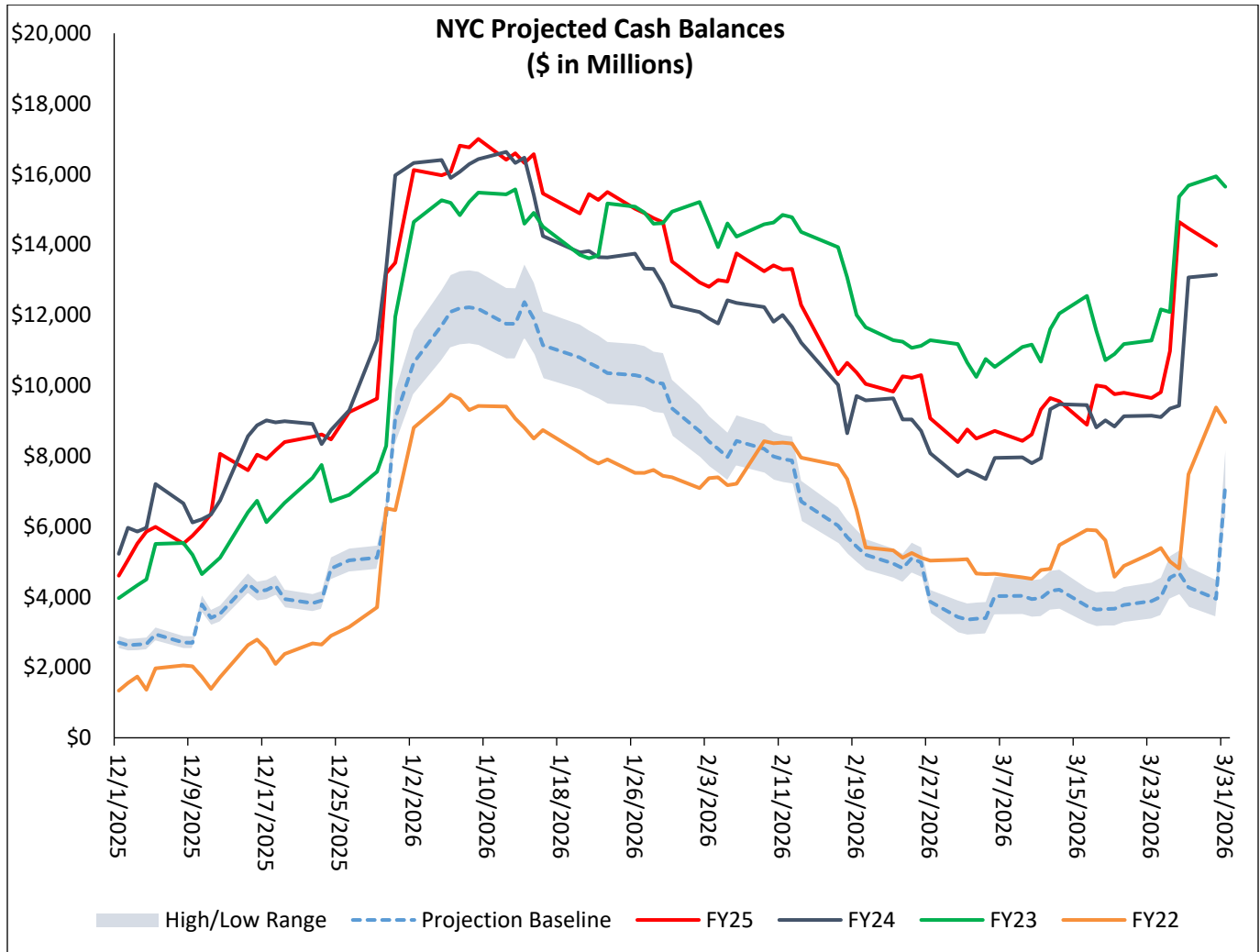
During the last 12 months, cash balances have averaged \$10.413 billion, compared to \$10.196 billion at the same time last year. New York City is starting December 1, 2025 with \$3.001 billion in cash, below last year's figure by \$2.091 billion. The City's cash balance includes \$1.969 billion in the Revenue Stabilization Fund (RSF), the City's rainy-day fund, inclusive of the end-of-year General Fund surplus of \$5 million. The majority of funds, \$1.455 billion, were allocated to the RSF in FY 2022.

For more information, please see the accompanying [1Q FY 2026 Quarterly Cash Report](#).

¹ <https://www.defalcorealty.com/blog/manhattan-real-estate-market-report/>

Projected Cash Balances (December 1st – March 31st)

The updated projection below outlines expected cash balances in the NYC central treasury from December 1, 2025 to March 31, 2026, incorporating guidance provided in the November 2025 Financial Plan. The forecast is based on two main assumptions: that economic growth will continue, though at a slower pace, and that federal revenues will be received as budgeted and in line with current funding agreements and schedules.



December 2025-March 2026 average cash balances are expected to be lower than in FYs 2023 – 2025 and possibly falling below FY 2022 balances in February and March.

The City’s cash balances typically dip in late November to early December, prior to the arrival of property tax payments due on January 1. Over the past three years, the annual low point occurred either on December 1 or December 2. We expect that this year’s cash low will also occur around the same time and will measure between \$2.453 billion and \$2.805 billion. The seasonal low measured \$4.602 billion in FY 2025, \$5.223 billion in FY 2024, \$3.966 billion in FY 2023, and \$1.338 billion in FY 2022. As noted above, the cash balance now includes \$1.969 billion in RSF, which is a component of the General Fund balance (reported as “committed” balance in the City’s financial statements). It should be noted that the

RSF balance is calculated on an accrual (not cash) basis at the end of the fiscal year. Nonetheless, absent the RSF balance, the low cash point would be substantially lower than in past years.

The updated cash flow projection includes revised estimates for public assistance and health insurance costs.

Spending on cash assistance should level off. To qualify for cash assistance, recipients must now demonstrate employment, participate in a job search program, or show that they are unable to work. 601,757 New Yorkers received cash assistance in September 2025, higher than 573,112 in September 2024 but down slightly below the recent peak of 602,894 people in July 2025.²

The forecast also assumes that the number of asylum seekers in shelters will continue to fall, though at a slower rate than earlier in the year. As of October 2025, 32,856 asylum seekers were in the City's shelter system, down from 59,898 a year ago, a decrease of 27,042 people, or 45%.

Moreover, the City is currently preparing to implement a new employee health insurance plan (the NYC Employees PPO or NYCE PPO plan), expected to take effect on January 1, 2026. By managing and self-funding the plan instead of paying premiums to an insurance carrier, the City expects to save taxpayers up to \$900 million annually through the elimination of profit margins, care coordination, improved provider discounts, and reduced administrative expenses. Despite the projected savings, it is unlikely the City will see declining health insurance costs in the near term. "Savings" from the new plan are needed to fund ongoing health benefits that are the responsibility of the Health Insurance Stabilization Fund (HISF). Please see this Office's recent [fiscal note](#) to learn more about the Fund.

The projection also assumes that \$4.421 billion in bond proceeds will be moved into the General Fund between December and March 2026, to offset \$5.816 billion in capital expenditures. Over time, capital expenditures and the respective reimbursements are expected to offset one another.

Overall, cash balances are estimated to average \$6.342 billion during the next four months compared to \$11.175 billion during the same time last year. Based on our projection, the City has sufficient cash (and sufficient flexibility in managing its cash position) to sustain its operations, and we don't forecast a need to issue short-term debt in FY 2026. However, cash balances are dipping significantly lower than in recent years, and the City may be required to manage cash flow more aggressively throughout the year.

Projection details are in the following pages of this document.

² https://www.nyc.gov/assets/hra/downloads/pdf/ca_recipients.pdf

NYC Projected Cash Balances

(\$ in Millions)

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
1-Dec-25	2,887	2,524	2,706
2-Dec-25	2,805	2,453	2,629
3-Dec-25	2,820	2,466	2,643
4-Dec-25	2,845	2,487	2,666
5-Dec-25	3,131	2,738	2,935
8-Dec-25	2,888	2,525	2,707
9-Dec-25	2,881	2,520	2,701
10-Dec-25	4,038	3,531	3,784
11-Dec-25	3,633	3,177	3,405
12-Dec-25	3,753	3,282	3,517
15-Dec-25	4,663	4,077	4,370
16-Dec-25	4,429	3,873	4,151
17-Dec-25	4,479	3,917	4,198
18-Dec-25	4,611	4,031	4,321
19-Dec-25	4,205	3,677	3,941
22-Dec-25	4,081	3,568	3,825
23-Dec-25	4,160	3,637	3,899
24-Dec-25	5,122	4,479	4,800
26-Dec-25	5,373	4,698	5,036
29-Dec-25	5,452	4,767	5,110
30-Dec-25	6,735	5,889	6,312
31-Dec-25	9,860	8,298	9,079
2-Jan-26	11,566	9,734	10,650
5-Jan-26	12,711	10,698	11,704
6-Jan-26	13,138	11,057	12,098
7-Jan-26	13,243	11,145	12,194
8-Jan-26	13,271	11,169	12,220
9-Jan-26	13,225	11,130	12,178
12-Jan-26	12,768	10,746	11,757
13-Jan-26	12,763	10,741	11,752
14-Jan-26	13,433	11,306	12,369
15-Jan-26	12,915	10,870	11,893
16-Jan-26	12,099	10,183	11,141
20-Jan-26	11,725	9,868	10,796
21-Jan-26	11,562	9,731	10,647
22-Jan-26	11,416	9,608	10,512
23-Jan-26	11,240	9,460	10,350
26-Jan-26	11,176	9,406	10,291
27-Jan-26	11,118	9,357	10,238
28-Jan-26	10,962	9,225	10,093
29-Jan-26	10,922	9,192	10,057
30-Jan-26	10,160	8,551	9,355

NYC Projected Cash Balances

(\$ in Millions)

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
2-Feb-26	9,455	7,957	8,706
3-Feb-26	9,131	7,685	8,408
4-Feb-26	8,906	7,496	8,201
5-Feb-26	8,658	7,287	7,973
6-Feb-26	9,149	7,700	8,425
9-Feb-26	8,912	7,500	8,206
10-Feb-26	8,678	7,303	7,990
11-Feb-26	8,594	7,233	7,914
12-Feb-26	8,550	7,196	7,873
13-Feb-26	7,293	6,138	6,716
17-Feb-26	6,541	5,505	6,023
18-Feb-26	6,181	5,202	5,692
19-Feb-26	5,896	4,962	5,429
20-Feb-26	5,640	4,747	5,193
23-Feb-26	5,370	4,519	4,945
24-Feb-26	5,225	4,397	4,811
25-Feb-26	5,538	4,661	5,100
26-Feb-26	5,404	4,548	4,976
27-Feb-26	4,197	3,533	3,865
2-Mar-26	3,894	2,968	3,431
3-Mar-26	3,811	2,905	3,358
4-Mar-26	3,837	2,924	3,381
5-Mar-26	3,852	2,936	3,394
6-Mar-26	4,562	3,477	4,020
9-Mar-26	4,575	3,486	4,030
10-Mar-26	4,473	3,409	3,941
11-Mar-26	4,501	3,430	3,965
12-Mar-26	4,738	3,611	4,174
13-Mar-26	4,770	3,636	4,203
16-Mar-26	4,244	3,235	3,740
17-Mar-26	4,133	3,150	3,641
18-Mar-26	4,151	3,163	3,657
19-Mar-26	4,154	3,166	3,660
20-Mar-26	4,283	3,264	3,773
23-Mar-26	4,408	3,359	3,884
24-Mar-26	4,543	3,463	4,003
25-Mar-26	5,158	3,931	4,544
26-Mar-26	5,314	4,050	4,682
27-Mar-26	4,849	3,695	4,272
30-Mar-26	4,483	3,417	3,950
31-Mar-26	8,145	6,208	7,176

Inflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Inflows	Dec-25	Jan-26	Feb-26	Mar-26	Dec-25-Mar-26
Opening Balance	3,001.40	9,078.97	9,355.39	3,865.09	3,001.40
Sales Tax	1,276.26	696.94	909.19	815.27	3,697.65
Utility Tax	42.00	42.00	42.00	42.00	168.00
Commercial Rent Tax	224.45	16.92	7.55	229.78	478.71
Personal Income Tax + PTET	1,630.64	2,035.58	1,518.28	1,792.98	6,977.47
General Corporation Tax	1,345.34	239.33	312.84	1,687.94	3,585.44
Banking Tax	1.37	1.37	1.37	1.37	5.48
Unincorporated Business Tax	545.27	680.82	44.41	604.59	1,875.10
Real Property Tax	7,614.15	6,537.07	327.97	691.19	15,170.38
Other Taxes	479.33	376.39	241.77	414.94	1,512.43
Less Refunds All Taxes	-65.00	-95.00	-95.00	-110.00	-365.00
Total Taxes	13,093.82	10,531.42	3,310.38	6,170.06	33,105.67
Federal Welfare	142.32	81.37	249.35	592.92	1,065.96
Federal Education	145.59	81.98	67.57	235.68	530.81
Federal Community Development	30.30	15.64	11.30	16.67	73.91
Federal Other	125.00	187.26	140.39	204.15	656.80
Total Federal Aid	443.20	366.25	468.60	1,049.43	2,327.48
NYS Welfare	107.39	109.75	165.32	359.95	742.41
NYS Health	102.81	33.69	23.53	131.66	291.69
NYS Education	1,274.52	75.22	92.99	4,449.04	5,891.77
NYS Higher Education	0.86	0.00	523.79	462.02	986.67
NYS Other	84.76	18.89	41.74	231.90	377.30
Total New York State Aid	1,570.34	237.55	847.38	5,634.57	8,289.84
NYS Revenue Sharing	0.00	0.00	0.00	0.00	0.00
Other Intergovernmental Aid	5.00	5.00	5.00	5.00	20.00
Total Intergovernmental	5.00	5.00	5.00	5.00	20.00
Water Board	35.58	0.00	0.00	0.36	35.94
Interest Income	50.00	40.00	40.00	40.00	170.00
Fines and Forfeitures	133.31	133.31	133.31	133.31	533.24
Miscellaneous Revenue	193.88	213.84	222.18	348.91	978.81
Senior College Tuition and Fees	0.00	0.00	261.87	0.00	261.87
Capital Interest	1.80	1.80	1.80	1.80	7.20
Housing Revenue	0.95	0.95	0.95	0.95	3.80
Total Miscellaneous	415.52	389.90	660.11	525.33	1,990.86
Prior Federal Aid	226.05	131.35	137.76	298.09	793.24
Prior NYS Aid	153.38	134.21	145.66	347.02	780.27
Total Federal and NYS Prior Aid	379.44	265.56	283.42	645.10	1,573.52
Balance Sheet Inflows	21.00	21.00	21.00	21.00	84.00
Federal/State Capital	46.00	46.00	46.00	46.00	184.00
Transfers from Capital Proceeds	1,429.78	1,163.00	987.18	841.18	4,421.14
Payroll Taxes Inflows	221.92	281.92	220.70	221.92	946.45
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	353.14	400.53	297.38	314.00	1,365.06
Total Other Inflows	2,071.84	1,912.45	1,572.27	1,444.10	7,000.66
Total Inflows	17,979.16	13,708.12	7,147.16	15,473.59	54,308.03

Outflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Outflows	Dec-25	Jan-26	Feb-26	Mar-26	Dec-25-Mar-26
Payroll	2,024.05	2,544.19	2,006.99	2,024.05	8,599.29
Pensions	929.41	868.00	868.00	868.00	3,533.41
Social Security	211.67	206.77	206.19	262.55	887.18
Health Plan	642.00	915.00	642.00	642.00	2,841.00
Other PS	79.73	79.73	79.73	79.73	318.93
Total PS	3,886.86	4,613.69	3,802.91	3,876.33	16,179.80
PA	644.90	644.90	644.90	644.90	2,579.59
MA	491.26	491.26	491.26	491.26	1,965.03
Other DOSS	420.00	420.00	420.00	420.00	1,680.00
HHC	193.20	193.20	193.20	193.20	772.80
TA	35.00	0.00	0.00	0.00	35.00
HA	15.85	135.20	93.15	25.18	269.38
Lump Sum	364.00	364.00	364.00	364.00	1,456.00
Vendor Payments	2,688.13	2,944.67	3,060.69	2,564.32	11,257.81
Other OTPS	0.00	0.00	0.00	0.00	0.00
Total OTPS	4,852.33	5,193.23	5,267.19	4,702.85	20,015.60
City Capital	1,723.00	1,170.00	1,589.00	1,334.22	5,816.22
Other Outflow Capital	40.00	40.00	40.00	40.00	160.00
GO Debt Service Funding	0.00	1,119.80	0.00	0.00	1,119.80
NYCTFA Debt Service Funding	91.00	0.00	646.19	646.19	1,383.38
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	1,006.14	992.73	989.92	1,260.50	4,249.29
Other Outflows	302.25	302.25	302.25	302.25	1,209.00
Total Other Outflows	3,162.39	3,624.78	3,567.36	3,583.16	13,937.69
Total Outflows	11,901.58	13,431.70	12,637.46	12,162.35	50,133.09
Net Flow	6,077.58	276.42	-5,490.30	3,311.24	4,174.94
Ending Balance	9,078.97	9,355.39	3,865.09	7,176.33	7,176.33

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