



New York City Cash Balance Projection

New York City Comptroller Brad Lander

Bureau of Budget

June 2023

On April 21st, the City's cash balance reached \$18.7 billion, the highest amount on record, due to a combination of normal seasonal highs, timing, and circumstances particular to this year. The cash balance includes \$1.954 billion in the Revenue Stabilization Fund (RSF), the City's rainy-day fund. The majority of funds, \$1.455 billion, were allocated to the RSF in fiscal year 2022.

During FY 2023 through May, the City collected \$111.2 billion in revenues and incurred \$105.5 billion in expenditures, for a net gain of \$5.7 billion. This year's revenues have grown 7.9%, or \$8.1 billion from the same period last year. At the same time, expenditures increased 1.5%, or \$1.6 billion.

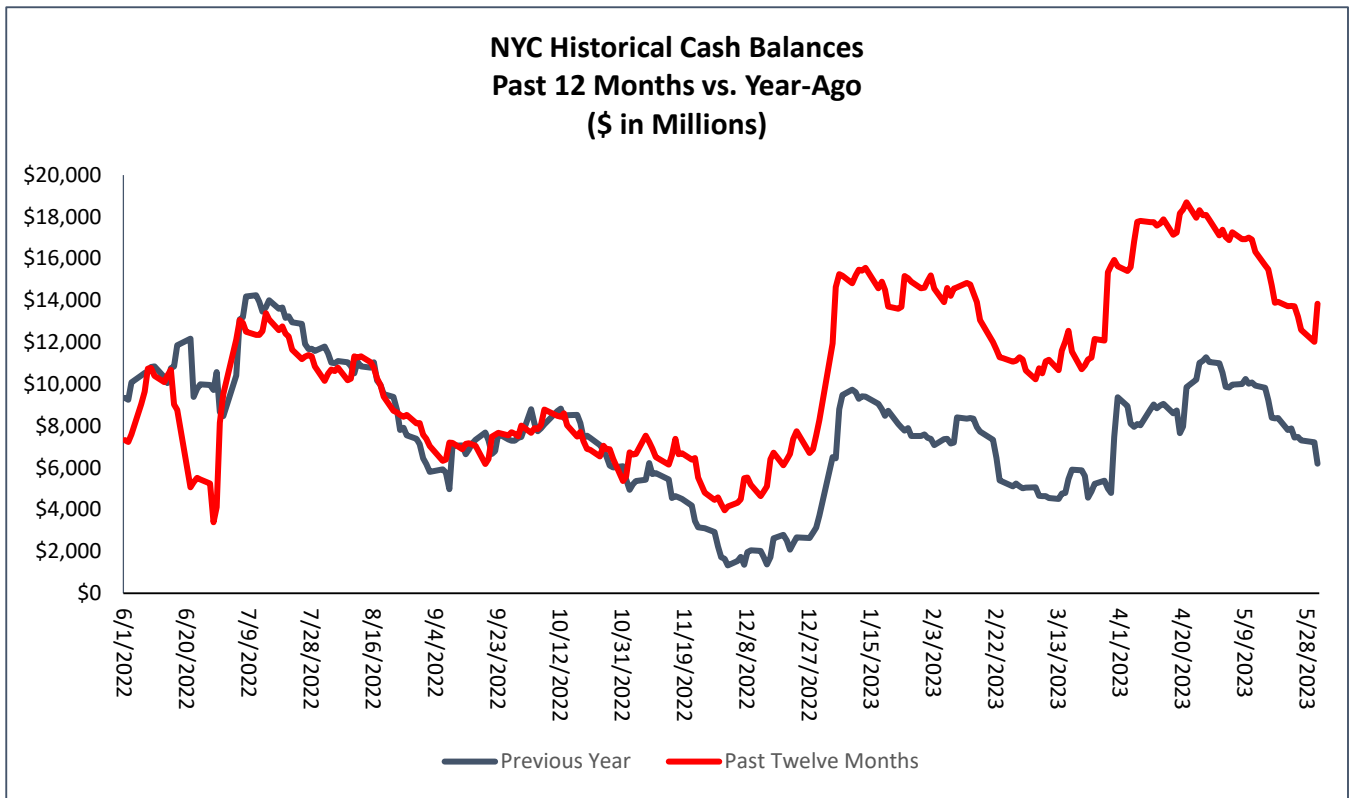
Since the beginning of December, a gap began to develop between the FY23 and FY22 cash balances, as shown in the chart below. The City's cash balances benefited from robust tax collections. Combined property tax receipts from December through May were about \$1 billion higher than the prior year. Combined sales tax receipts from December through May were about \$352 million higher than last year. In addition, banking corporation tax receipts were surprisingly high, as a result of audits.

COVID-19 relief funding bolstered the City's cash position. On January 3rd, the City received \$2.3 billion in American Rescue Plan-State and Local Fiscal Recovery Funds (ARP-SLFRF) and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) education grants. From December through May, the City also received over \$1.7 billion in FEMA from the Department of Homeland Security for reimbursement of COVID-19 related expenditures.

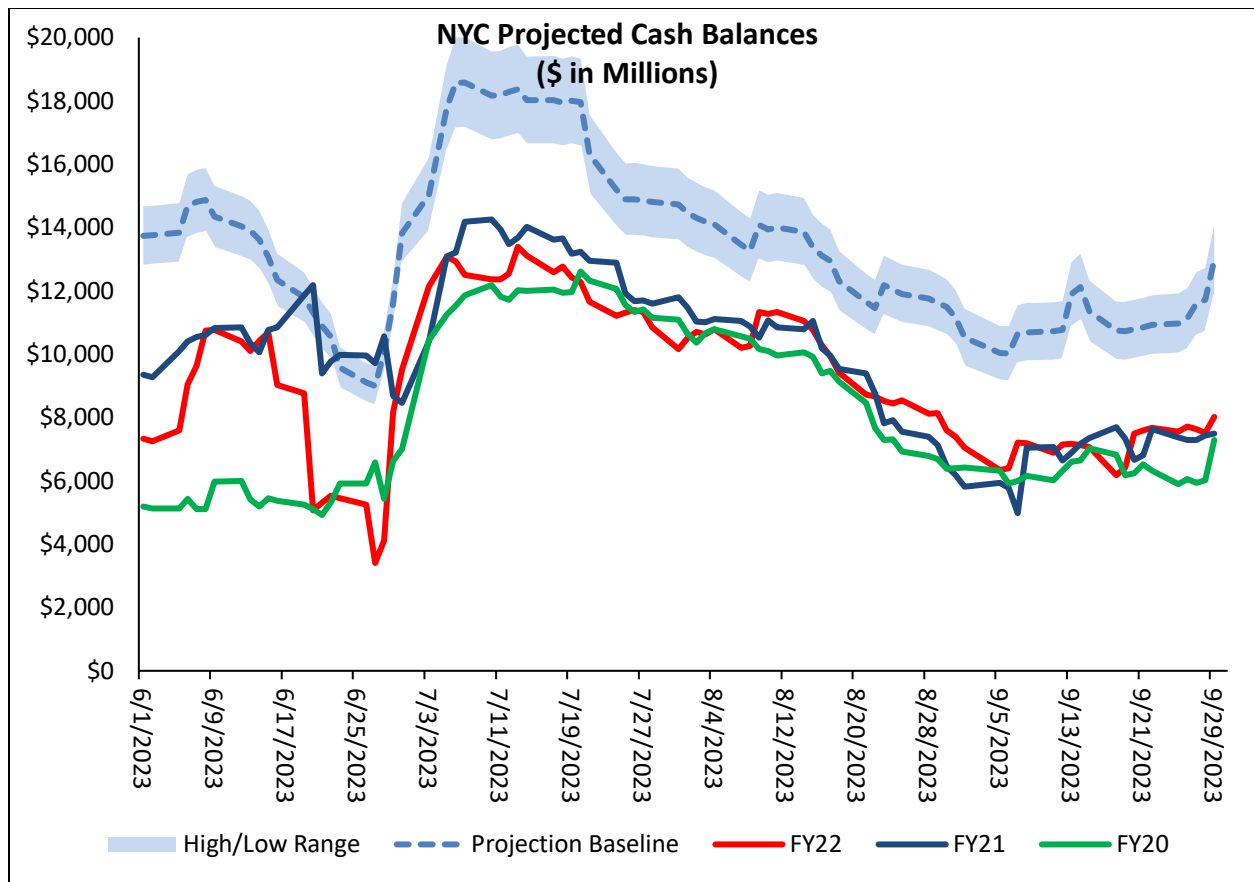
In addition, capital transfers from December through May measured \$4.549 billion, versus \$3.693 billion in at the same time last year.

On May 31, 2023, the cash balance measured \$13.847 billion, \$6.2 billion higher than at the same time last year. During the last twelve months, cash balances averaged \$10.774 billion, versus \$7.735 billion during the same period last year.

Balances are projected to remain high in the near term but should begin to gradually decline in FY 2024, in part due to pay-outs for retroactive collective bargaining agreements.



The accompanying updated projection outlines expected cash balances in the NYC Central Treasury from June 1 to September 29, 2023, and incorporates guidance provided in the FY24 Executive Budget.



The City’s cashflow is very healthy in the near term. The City has sufficient cash to sustain its operations, and does not anticipate issuing deficit bonds or notes in FY 2024. The projection indicates a fiscal year-end (June 30, 2023) closing balance in the range of \$12.9 billion to \$14.8 billion, compared to \$8.2 billion in FY22, \$8.5 billion in FY21, \$6.6 billion in FY20, \$7.1 billion in FY19, \$9.4 billion in FY18.

This year, the Executive Budget assumes that in June the City will pay \$2.431 billion into the Retiree Health Benefits Trust (RHBT) for FY 2023 pay-as-you-go retiree health and welfare benefits. Last year’s payment into the RHBT equaled \$2.710 billion for FY 2022 benefits and \$792 million for FY 2023 benefits.

The Executive Budget also projects a prepayment of debt service in the amount of \$3.035 billion, which includes \$868.4 million of General Obligation (GO) debt service and \$2.166 billion of Transitional Finance Authority Future Tax Secured (TFA FTS) debt service. We assume that the surplus of \$1.7 billion projected by this Office in its [review of the Executive Budget](#), will bring the final prepayment to \$4.7 billion. The prepayment at the end of FY22 equaled \$6.114 billion.

Last year, on June 6th, the City received \$2.1 billion and on July 14th, the City received \$809.7 million in the Coronavirus State and Local Recovery Funds (SLFRF), a part of the American Rescue Plan Act of 2021. This year, even though COVID-19 stimulus aid won’t recur, the City will maintain record high cash balances in June-September, 2023.

The forecast incorporates higher payroll expenditures associated with recently reached agreements with DC 37 and NYC PBA. DC 37 members already received a \$3,000 signing bonus in April and some

retroactive wage increases in May, and will receive the rest of retroactive wage increases in June. Meanwhile, NYC PBA members will be paid on July 21st, 2023.

The forecast also assumes rising expenditures associated with housing and providing services to over 45,000 asylum seekers currently in shelters and humanitarian emergency response and relief centers. These expenditures are included in public assistance and other social services and vendor payments categories.

The City does not project any new money bond issuance in the 4th quarter of FY 2023. New bond issuance will resume in the beginning of FY 2024. Capital transfers will be low in June and July but will pick up in August and September.

We project that cash balances will average \$13.368 billion during the next four months, compared to \$9.200 billion during the same time last year.

Projection details are in the following pages of this document.

NYC Projected Cash Balances

(\$ in Millions)

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
1-Jun-23	14,663	12,796	13,729
2-Jun-23	14,696	12,824	13,760
5-Jun-23	14,771	12,890	13,830
6-Jun-23	15,680	13,683	14,681
7-Jun-23	15,811	13,798	14,804
8-Jun-23	15,889	13,866	14,877
9-Jun-23	15,314	13,364	14,339
12-Jun-23	14,988	13,079	14,034
13-Jun-23	14,845	12,955	13,900
14-Jun-23	14,534	12,683	13,609
15-Jun-23	13,951	12,175	13,063
16-Jun-23	13,181	11,502	12,342
19-Jun-23	12,594	10,990	11,792
20-Jun-23	12,080	10,541	11,310
21-Jun-23	11,630	10,149	10,890
22-Jun-23	11,272	9,837	10,555
23-Jun-23	10,232	8,929	9,580
26-Jun-23	9,723	8,485	9,104
27-Jun-23	9,609	8,385	8,997
28-Jun-23	10,773	9,401	10,087
29-Jun-23	12,387	10,810	11,598
30-Jun-23	14,765	12,884	13,825
3-Jul-23	16,724	14,333	15,528
5-Jul-23	19,674	16,861	18,267
6-Jul-23	20,520	17,586	19,053
7-Jul-23	20,534	17,598	19,066
10-Jul-23	20,080	17,209	18,645
11-Jul-23	20,108	17,233	18,670
12-Jul-23	20,219	17,328	18,773
13-Jul-23	20,311	17,407	18,859
14-Jul-23	19,928	17,078	18,503
17-Jul-23	19,936	17,085	18,510
18-Jul-23	19,859	17,019	18,439
19-Jul-23	19,922	17,073	18,497
20-Jul-23	19,865	17,024	18,444
21-Jul-23	18,077	15,492	16,784
24-Jul-23	16,886	14,471	15,679
25-Jul-23	16,553	14,186	15,370
26-Jul-23	16,561	14,193	15,377
27-Jul-23	16,520	14,157	15,338
28-Jul-23	16,470	14,115	15,292
31-Jul-23	16,379	14,037	15,208

NYC Projected Cash Balances

(\$ in Millions)

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
1-Aug-23	16,106	13,803	14,954
2-Aug-23	15,940	13,661	14,801
3-Aug-23	15,792	13,534	14,663
4-Aug-23	15,706	13,460	14,583
7-Aug-23	15,019	12,871	13,945
8-Aug-23	14,813	12,695	13,754
9-Aug-23	15,688	13,445	14,567
10-Aug-23	15,547	13,324	14,435
11-Aug-23	15,608	13,376	14,492
14-Aug-23	15,446	13,238	14,342
15-Aug-23	14,937	12,801	13,869
16-Aug-23	14,652	12,557	13,605
17-Aug-23	14,461	12,394	13,427
18-Aug-23	13,768	11,800	12,784
21-Aug-23	13,077	11,207	12,142
22-Aug-23	12,868	11,028	11,948
23-Aug-23	13,634	11,684	12,659
24-Aug-23	13,495	11,565	12,530
25-Aug-23	13,349	11,440	12,394
28-Aug-23	13,193	11,306	12,249
29-Aug-23	13,043	11,178	12,111
30-Aug-23	12,897	11,053	11,975
31-Aug-23	12,540	10,747	11,644
1-Sep-23	11,964	10,069	11,017
5-Sep-23	11,426	9,616	10,521
6-Sep-23	11,411	9,604	10,508
7-Sep-23	12,080	10,167	11,124
8-Sep-23	12,134	10,213	11,173
11-Sep-23	12,167	10,240	11,203
12-Sep-23	12,211	10,277	11,244
13-Sep-23	13,447	11,317	12,382
14-Sep-23	13,693	11,524	12,609
15-Sep-23	12,855	10,819	11,837
18-Sep-23	12,195	10,263	11,229
19-Sep-23	12,177	10,248	11,213
20-Sep-23	12,243	10,304	11,274
21-Sep-23	12,307	10,358	11,332
22-Sep-23	12,390	10,428	11,409
25-Sep-23	12,443	10,473	11,458
26-Sep-23	12,612	10,614	11,613
27-Sep-23	13,115	11,038	12,077
28-Sep-23	13,255	11,156	12,205
29-Sep-23	14,619	12,304	13,462

Inflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Inflows	Jun-23	Jul-23	Aug-23	Sep-23	Jun-Sep-23
Opening Balance	13,611.81	13,338.34	14,721.59	11,057.48	13,611.81
Sales Tax	1,287.11	536.03	746.01	759.05	3,328.19
Utility Tax	44.15	44.15	44.15	44.15	176.61
Commercial Rent Tax	220.49	16.40	11.15	226.19	474.23
Personal Income Tax	1,285.28	823.12	898.24	1,778.76	4,785.40
General Corporation Tax	1,111.56	119.43	105.56	1,310.49	2,647.03
Banking Tax	1.00	1.00	1.00	1.00	4.00
Unincorporated Business Tax	460.35	28.38	38.57	498.11	1,025.41
Real Property Tax	7,644.59	7,513.20	322.49	1,437.01	16,917.29
Other Taxes	639.51	452.13	285.68	356.73	1,734.04
Less Refunds All Taxes	-74.54	-68.60	-107.48	-150.59	-401.21
Total Taxes	12,619.49	9,465.24	2,345.36	6,260.90	30,690.99
Federal Welfare	138.47	18.44	41.22	45.87	243.99
Federal Education	371.04	0.00	1.37	2.16	374.56
Federal Community Development	28.14	3.31	0.00	9.46	40.91
Federal Other	193.61	59.71	122.35	102.90	478.57
Total Federal Aid	731.26	81.46	164.94	160.38	1,138.04
NYS Welfare	186.56	128.21	10.98	34.23	359.98
NYS Health	35.37	61.98	3.17	7.65	108.16
NYS Education	930.18	81.98	28.88	1,273.77	2,314.81
NYS Higher Education	475.57	3.72	0.00	4.05	483.34
NYS Other	19.51	28.17	42.40	4.68	94.75
Total New York State Aid	1,647.19	304.06	85.42	1,324.37	3,361.04
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	0.00	638.00	323.00	254.00	1,215.00
Interest Income	53.69	53.69	53.69	53.69	214.78
Fines and Forfeitures	129.54	129.54	129.54	129.54	518.17
Miscellaneous Revenue	305.46	251.63	183.50	169.11	909.69
Senior College Tuition and Fees	450.00	0.00	0.00	0.00	450.00
Capital Interest	1.78	1.78	1.78	1.78	7.10
Housing Revenue	1.36	1.36	1.36	1.36	5.45
Total Miscellaneous	941.84	1,076.00	692.88	609.48	3,320.20
Prior Federal Aid	32.64	382.21	526.13	602.30	1,543.28
Prior NYS Aid	46.13	1,161.27	440.91	344.22	1,992.52
Total Federal And NYS Prior Aid	78.77	1,543.48	967.03	946.52	3,535.80
Balance Sheet Inflows	16.63	16.63	16.63	16.63	66.51
Federal/State Capital	74.74	37.40	22.66	44.91	179.72
Transfers from Capital Proceeds	90.00	100.00	1,700.00	1,600.00	3,490.00
Payroll Taxes Inflows	245.16	347.81	215.13	268.14	1,076.25
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	452.38	443.77	471.18	423.54	1,790.87
Total Other Inflows	878.91	945.61	2,425.60	2,353.23	6,603.35
Total Inflows	16,897.46	13,415.86	6,681.23	11,654.88	48,649.42

Outflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Outflows	Jun-23	Jul-23	Aug-23	Sep-23	Jun-Sep-23
Payroll	2,121.16	3,009.29	1,832.23	2,319.97	9,282.65
Pensions	758.70	758.70	758.70	758.70	3,034.81
Social Security	206.23	292.91	179.51	177.42	856.06
Health Plan	564.00	512.46	512.46	512.46	2,101.37
Other PS	69.64	69.64	69.64	69.64	278.56
Total PS	3,719.74	4,642.99	3,352.53	3,838.18	15,553.44
PA	380.39	451.12	402.08	419.82	1,653.41
MA	451.49	396.88	474.44	376.00	1,698.81
Other DOSS	223.60	455.14	380.66	344.14	1,403.54
HHC	564.14	130.59	95.41	141.32	931.46
TA	31.72	276.83	0.00	35.00	343.55
HA	27.22	24.42	30.58	0.13	82.35
Lump Sum	271.57	271.57	271.57	271.57	1,086.27
Vendor Payments	2,113.31	3,074.43	3,052.09	2,079.17	10,319.00
Other OTPS	0.00	0.00	0.00	0.00	0.00
Total OTPS	4,063.44	5,080.98	4,706.82	3,667.15	17,518.39
City Capital	692.00	586.85	1,065.08	1,053.54	3,397.47
Other Outflow Capital	44.64	47.12	88.49	103.54	283.79
GO Debt Service Funding	0.00	0.00	0.00	0.00	0.00
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	992.71	1,316.75	864.08	859.79	4,033.33
Other Outflows	7,407.64	357.91	268.34	214.83	8,248.72
Total Other Outflows	9,136.99	2,308.63	2,285.99	2,231.70	15,963.31
Total Outflows	16,920.17	12,032.60	10,345.35	9,737.02	49,035.14
Net Flow	-22.71	1,383.26	-3,564.12	1,817.86	-385.71
Ending Balance	13,824.54	15,207.79	11,643.68	13,461.54	13,461.54

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