

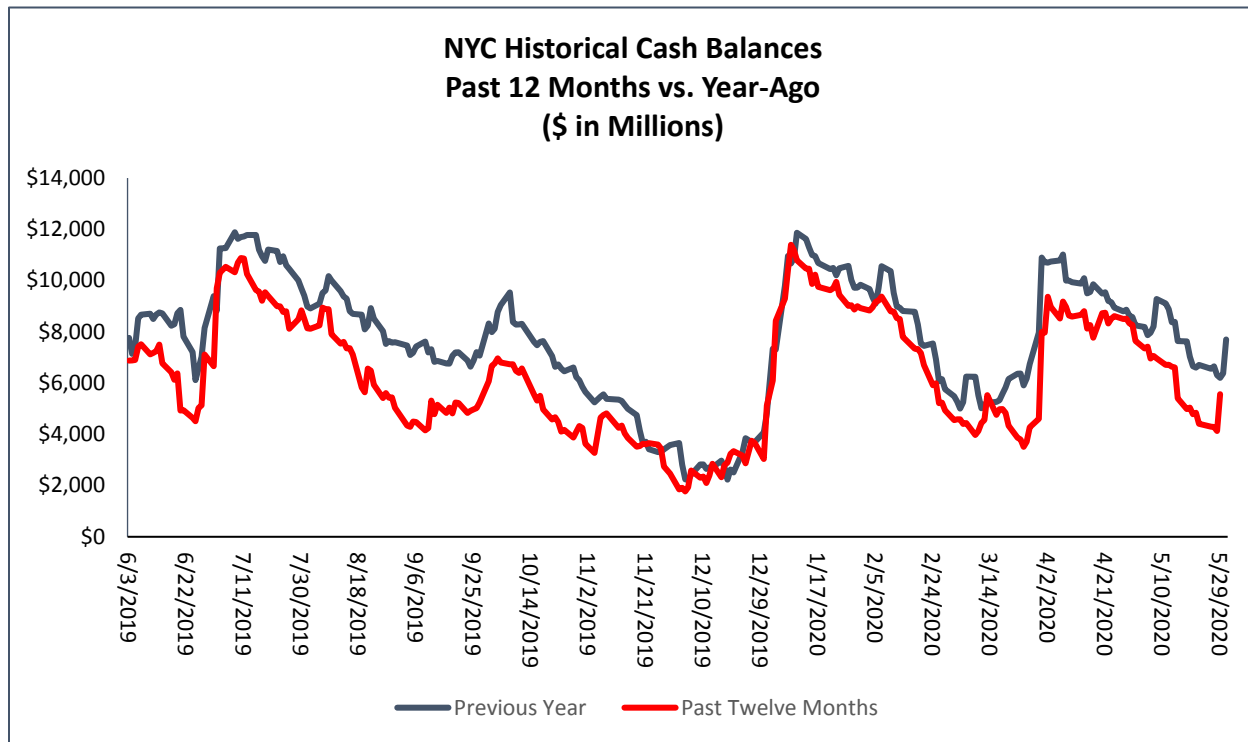


New York City Cash Balance Projection

New York City Comptroller Scott M. Stringer

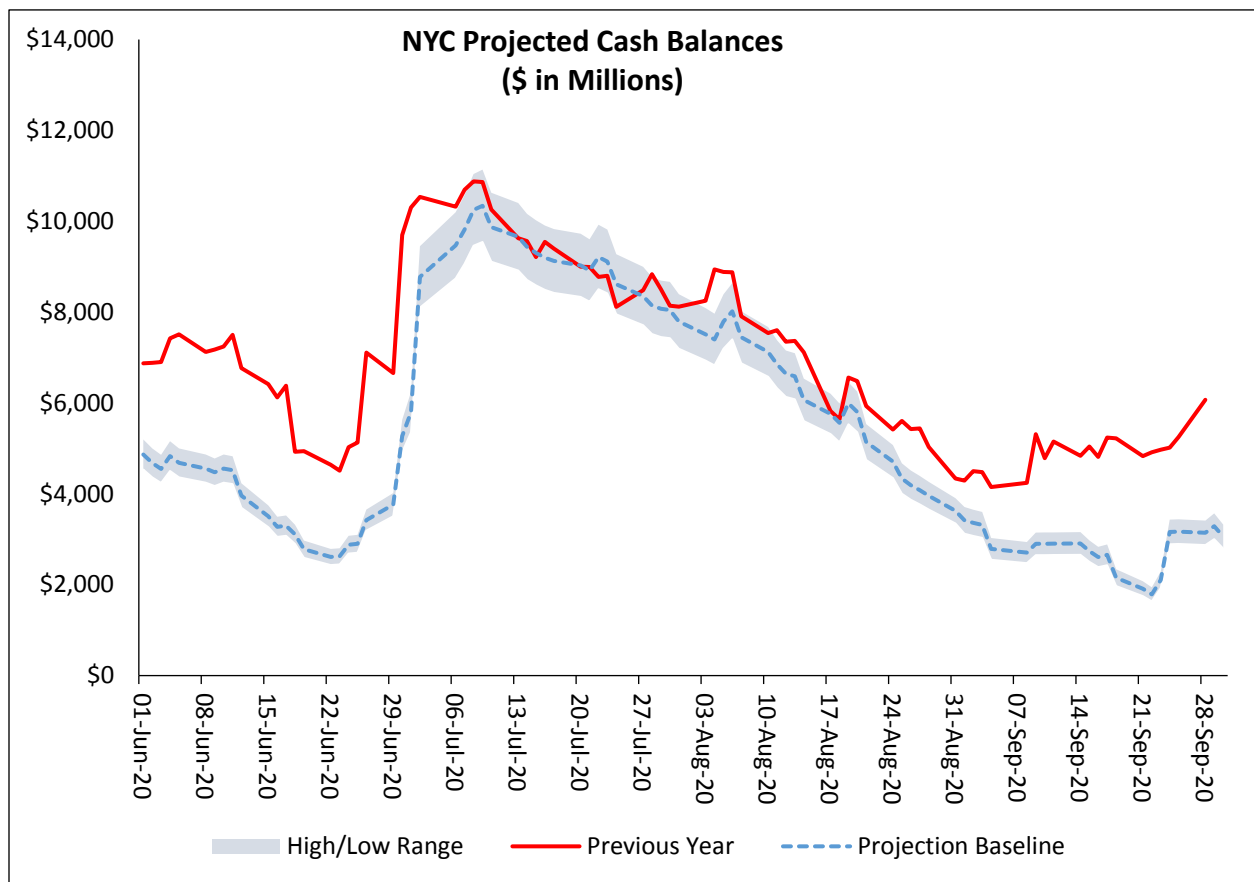
Bureau of Budget

June 2020



The Covid-19 pandemic and the resulting shutdown led to massive layoffs in New York City. The City’s cash position is being hit hard by a precipitous drop in economically sensitive revenue. Income and sales taxes, property transaction taxes, leisure and hospitality revenue, licenses, fees, and permits, and fines and forfeitures are all lower due to the “New York State on Pause” Executive order. As of May 29, 2020, the cash balance stands at \$5.562 billion, compared to \$7.702 billion at the same time last year. Thus far in FY 2020, cash balances averaged \$6.361 billion, versus \$7.668 billion during the same period last year. On April 20th, the City’s cash balances benefited from \$1.454 billion in federal aid from the recently passed relief package, the CARES Act.

The accompanying updated projection outlines expected cash balances in the NYC central treasury from June 1 to September 30, 2020, and incorporates guidance provided in the FY21 Executive Budget.



The City’s cash outlook is clouded by much uncertainty. It is hard to predict how deep this recession will go, and how quickly we will recover. The State budget includes expansive executive powers to impose mid-year across-the-board reductions in local aid. If New York State doesn’t receive additional funds from the Federal government in the coming weeks, the State reserves the right to reduce schools, health care and other aid to the City.

In the near term, the City has sufficient amount of cash to sustain its operations, and the City doesn’t anticipate issuing deficit bonds or notes in FYs 2020 or 2021. The projection indicates a fiscal year-end (June 30, 2020) closing balance in the range of \$4.9 billion to \$5.6 billion, compared to \$7.1 billion in FY19, \$9.4 billion in FY18, \$9.3 billion in FY17, \$11.7 billion in FY16, \$9.5 billion in FY15.

This year all personal income tax payments due on April 15, 2020 have been deferred to July 15, 2020, without penalties and interest, regardless of the amount owed. As a result, the City’s cashflow will benefit from a \$2 billion boost in PIT revenue in late July.

Annual retiree health insurance cost is paid out of the RHBT. Typically, the City would remit the cost of retiree health insurance to the RHBT in June. However, faced with the fiscal challenges due to the COVID-19 pandemic, the City is reducing its remittance to the RBHT by \$1 billion in FY20.

The Executive budget projects a prepayment of debt service in the amount of \$4.154 billion, and we have modeled this estimate into our model. The prepayment equaled \$4.221 billion at the end of FY19.

We project that cash flow balances will average \$5.408 billion during the next four months compared to \$6.959 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>
01-Jun-20	5,196	4,534	4,865
02-Jun-20	4,999	4,363	4,681
03-Jun-20	4,859	4,240	4,550
04-Jun-20	5,159	4,502	4,831
05-Jun-20	5,000	4,364	4,682
08-Jun-20	4,866	4,247	4,557
09-Jun-20	4,779	4,171	4,475
10-Jun-20	4,868	4,248	4,558
11-Jun-20	4,828	4,213	4,520
12-Jun-20	4,232	3,693	3,963
15-Jun-20	3,745	3,268	3,507
16-Jun-20	3,498	3,052	3,275
17-Jun-20	3,525	3,076	3,300
18-Jun-20	3,320	2,897	3,109
19-Jun-20	2,970	2,592	2,781
22-Jun-20	2,789	2,434	2,611
23-Jun-20	2,804	2,447	2,625
24-Jun-20	3,077	2,685	2,881
25-Jun-20	3,098	2,703	2,901
26-Jun-20	3,654	3,188	3,421
29-Jun-20	4,018	3,506	3,762
30-Jun-20	5,631	4,914	5,273
01-Jul-20	6,243	5,350	5,797
02-Jul-20	9,452	8,100	8,776
06-Jul-20	10,198	8,740	9,469
07-Jul-20	10,575	9,063	9,819
08-Jul-20	11,040	9,461	10,250
09-Jul-20	11,137	9,544	10,340
10-Jul-20	10,629	9,109	9,869
13-Jul-20	10,404	8,916	9,660
14-Jul-20	10,162	8,709	9,436
15-Jul-20	10,021	8,588	9,305
16-Jul-20	9,905	8,489	9,197
17-Jul-20	9,829	8,423	9,126
20-Jul-20	9,724	8,334	9,029
21-Jul-20	9,602	8,229	8,915
22-Jul-20	9,923	8,504	9,213
23-Jul-20	9,817	8,413	9,115
24-Jul-20	9,277	7,950	8,613
27-Jul-20	8,997	7,710	8,353
28-Jul-20	8,772	7,517	8,145
29-Jul-20	8,694	7,451	8,073
30-Jul-20	8,664	7,426	8,045
31-Jul-20	8,394	7,194	7,794

NYC Projected Cash Balances

(\$ in Millions)

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
03-Aug-20	8,088	6,932	7,510
04-Aug-20	7,966	6,827	7,397
05-Aug-20	8,393	7,193	7,793
06-Aug-20	8,637	7,402	8,019
07-Aug-20	8,019	6,872	7,446
10-Aug-20	7,673	6,576	7,125
11-Aug-20	7,382	6,327	6,855
12-Aug-20	7,157	6,133	6,645
13-Aug-20	7,095	6,081	6,588
14-Aug-20	6,536	5,601	6,068
17-Aug-20	6,203	5,316	5,759
18-Aug-20	5,990	5,134	5,562
19-Aug-20	6,455	5,532	5,994
20-Aug-20	6,249	5,355	5,802
21-Aug-20	5,537	4,745	5,141
24-Aug-20	5,075	4,350	4,712
25-Aug-20	4,672	4,004	4,338
26-Aug-20	4,514	3,868	4,191
27-Aug-20	4,394	3,766	4,080
28-Aug-20	4,262	3,653	3,958
31-Aug-20	3,905	3,346	3,626
01-Sep-20	3,712	3,124	3,418
02-Sep-20	3,653	3,074	3,363
03-Sep-20	3,602	3,031	3,317
04-Sep-20	3,028	2,548	2,788
08-Sep-20	2,938	2,473	2,706
09-Sep-20	3,149	2,650	2,899
10-Sep-20	3,152	2,653	2,902
11-Sep-20	3,153	2,653	2,903
14-Sep-20	3,157	2,657	2,907
15-Sep-20	2,974	2,503	2,738
16-Sep-20	2,835	2,386	2,610
17-Sep-20	2,885	2,428	2,657
18-Sep-20	2,340	1,970	2,155
21-Sep-20	2,077	1,748	1,912
22-Sep-20	1,941	1,634	1,788
23-Sep-20	2,286	1,924	2,105
24-Sep-20	3,433	2,889	3,161
25-Sep-20	3,441	2,896	3,168
28-Sep-20	3,412	2,872	3,142
29-Sep-20	3,570	3,004	3,287
30-Sep-20	3,323	2,797	3,060

Inflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Inflows	Jun-20	Jul-20	Aug-20	Sep-20	Jun-Sep-20
Opening Balance	5,562.25	5,272.59	7,793.84	3,625.61	5,562.25
Sales Tax	612.00	363.29	445.14	478.57	1,898.99
Utility Tax	31.35	31.35	31.35	31.35	125.38
Commercial Rent Tax	162.70	37.46	13.68	185.59	399.43
Personal Income Tax	777.85	2,002.00	729.55	1,021.65	4,531.05
General Corporation Tax	553.16	78.98	41.56	922.98	1,596.68
Banking Tax	10.76	0.00	0.03	0.03	10.81
Unincorporated Business Tax	293.16	22.66	28.66	353.42	697.90
Real Property Tax	7,638.31	6,752.10	196.55	873.29	15,460.26
Other Taxes	334.40	222.05	155.29	266.18	977.92
Less Refunds All Taxes	-92.60	-99.45	-75.47	-73.56	-341.08
Total Taxes	10,321.09	9,410.44	1,566.33	4,059.49	25,357.35
Federal Welfare	62.53	1.71	6.07	3.76	74.07
Federal Education	189.76	0.03	1.55	3.96	195.30
Federal Community Development	0.00	0.00	0.00	0.00	0.00
Federal Other	197.11	46.80	47.20	39.84	330.94
Total Federal Aid	449.40	48.54	54.82	47.56	600.31
NYS Welfare	91.38	2.04	2.33	2.10	97.85
NYS Health	51.82	14.44	44.94	2.70	113.90
NYS Education	997.98	1.52	25.42	1,050.81	2,075.73
NYS Higher Education	460.00	355.35	0.00	4.00	819.35
NYS Other	27.76	22.29	7.66	40.29	98.01
Total New York State Aid	1,628.94	395.63	80.36	1,099.90	3,204.83
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	524.79	168.31	103.91	797.01
Interest Income	2.00	2.00	2.00	2.00	8.00
Fines and Forfeitures	50.10	50.00	50.00	50.00	200.10
Miscellaneous Revenue	168.30	175.66	210.43	132.11	686.49
Senior College Tuition and Fees	395.00	0.00	0.00	0.00	395.00
Capital Interest	0.19	0.19	0.19	0.19	0.75
Housing Revenue	2.60	2.60	2.60	2.60	10.38
Total Miscellaneous	618.18	755.23	433.52	290.80	2,097.74
Prior Federal Aid	20.39	498.47	385.58	133.56	1,038.00
Prior NYS Aid	12.91	659.94	454.08	161.93	1,288.85
Total Federal And NYS Prior Aid	33.30	1,158.41	839.66	295.48	2,326.85
Balance Sheet Inflows	22.99	22.99	22.99	22.99	91.94
Federal/State Capital	55.56	55.56	55.56	55.56	222.25
Transfers from Capital Proceeds	590.00	700.00	1,120.00	620.00	3,030.00
Payroll Taxes Inflows	182.91	183.53	183.32	183.32	733.09
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	292.64	363.83	283.65	342.19	1,282.31
Total Other Inflows	1,144.10	1,325.91	1,665.52	1,224.06	5,359.59
Total Inflows	14,195.02	13,094.15	4,640.21	7,017.29	38,946.68

Outflows - NYC Cash Balance Monthly Detail
(\$ in Millions)

Outflows	Jun-20	Jul-20	Aug-20	Sep-20	Jun-Sep-20
Payroll	1,726.20	1,732.06	1,730.07	1,730.07	6,918.39
Pensions	828.56	828.56	828.56	828.56	3,314.25
Social Security	35.38	27.53	27.77	27.91	118.59
Health Plan	641.70	427.80	427.80	427.80	1,925.09
Other PS	115.65	126.26	147.85	105.86	495.62
Total PS	3,347.49	3,142.20	3,162.05	3,120.20	12,771.94
PA	346.19	477.15	377.49	342.71	1,543.53
MA	467.08	504.54	606.60	403.15	1,981.37
Other DOSS	271.10	533.87	214.64	253.33	1,272.95
HHC	625.95	38.53	125.85	53.17	843.50
TA	30.55	45.00	123.67	97.68	296.90
HA	11.45	48.71	7.87	4.43	72.46
Lump Sum	266.57	293.02	308.30	300.25	1,168.14
Vendor Payments	1,604.57	2,605.82	2,073.02	1,589.88	7,873.29
Other OTPS	0.00	0.00	0.00	0.00	0.00
Total OTPS	3,623.44	4,546.64	3,837.44	3,044.60	15,052.13
City Capital	474.00	756.36	589.97	297.57	2,117.90
Other Outflow Capital	118.00	54.84	91.31	41.77	305.92
GO Debt Service Funding	0.00	844.47	0.00	0.00	844.47
NYCTFA Debt Service Funding	201.06	26.40	0.00	0.00	227.46
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	1,065.69	831.71	841.91	836.33	3,575.63
Other Outflows	5,655.00	370.28	285.78	242.70	6,553.75
Total Other Outflows	7,513.75	2,884.05	1,808.96	1,418.37	13,625.13
Total Outflows	14,484.68	10,572.90	8,808.45	7,583.17	41,449.20
Net Flow	-289.66	2,521.25	-4,168.24	-565.88	-2,502.52
Ending Balance	5,272.59	7,793.84	3,625.61	3,059.73	3,059.73

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