



New York City Cash Balance Projection

New York City Comptroller Brad Lander

Bureau of Budget

June 2024

In the second half of FY 2023, the City's cash balances reached record high amounts, benefitting from robust tax collections and Covid-19 Federal aid. The City began FY 2024 with \$12.387 billion in cash-on-hand, an increase of \$4.228 billion from \$8.159 billion at the beginning of FY 2023. Cash balances remained historically high in the first half of FY 2024, and then began to gradually decline in January 2024.

During FY 2024 through May, the City collected \$112.6 billion in revenues and incurred \$115.4 billion in expenditures, for a net loss of \$2.84 billion. This year's revenues have grown 1.3%, or \$1.4 billion from the same period last year. At the same time, expenditures increased 9.4%, or \$10 billion.

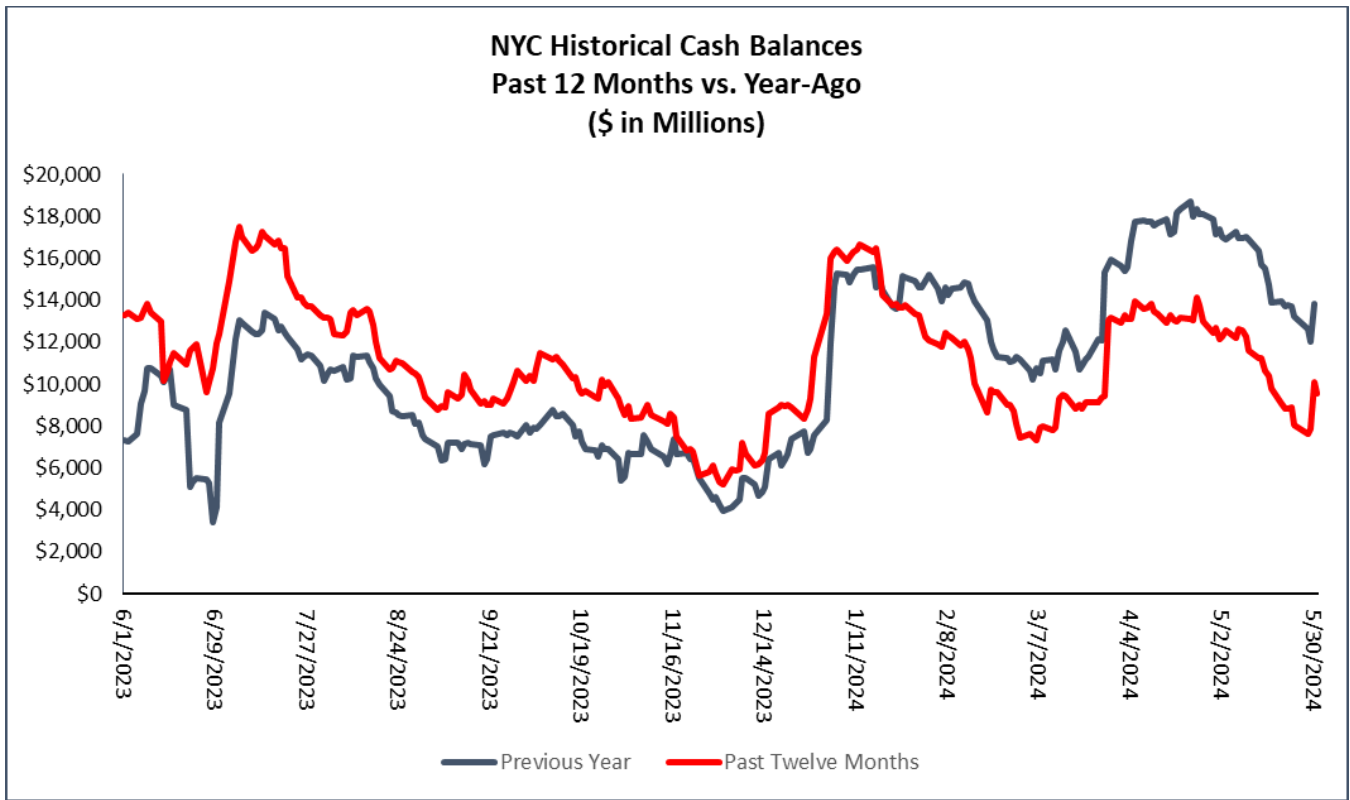
Despite elevated inflation and interest rates, the NYC economy is continuing to grow at a moderate pace and the City's revenues are up primarily due to strong property, business, and sales taxes, and due to non-recurring Covid relief funds.

At the same time, the City's spending keeps climbing. The City is facing higher payroll expenditures, mostly due to the implementation of collective bargaining agreements. The City is providing housing and shelter to asylum seekers, and the number of public assistance recipients is growing.

In addition, while capital expenditures are fully reimbursed over the long term, in the first three quarters of FY 2024, expenditures exceeded reimbursements by \$1.2 billion, or 11.9%.

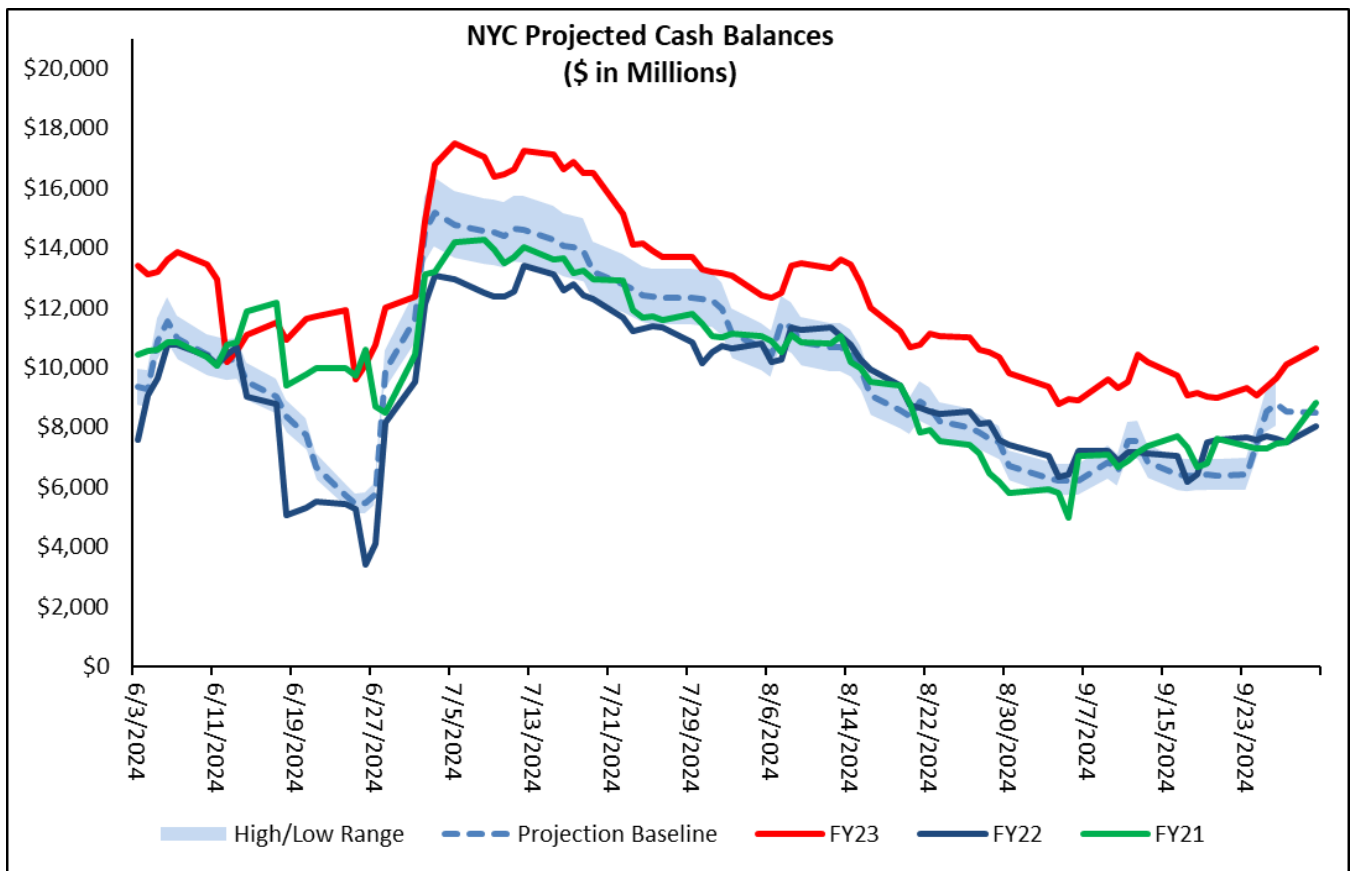
On May 31, 2024, the cash balance measured \$9.547 billion, \$4.3 billion lower than at the same time last year. During the last twelve months, cash balances averaged \$11.104 billion, versus \$10.774 billion during the same period last year.

Balances declined significantly in the second half of FY 2024 to date and are projected to stay close to FYs 2021 and 2022 cash balances over the next 4 months.



While in our March Cash Letter, cash flow balances were projected to average \$11.766 billion between March and May 2024, they averaged \$10.935 billion. PIT + PTET collections fell below forecast, as discussed in more detail in the [May Economic Newsletter](#). Also, the City received about \$1 billion less in capital reimbursements than projected.

Going forward, the projection outlined below shows the expected cash balances in the NYC Central Treasury for the period June 4 to September 30, 2024, and incorporates guidance provided in the FY25 Executive Budget.



The City’s cashflow is healthy in the near term. The City has sufficient cash to sustain its operations, and does not anticipate issuing short-term debt in FY 2025. The projection indicates a fiscal year-end (June 28, 2024) closing balance in the range of \$9.2 billion to \$10.6 billion, compared to \$12.387 billion in FY23, \$8.2 billion in FY22, \$8.5 billion in FY21, \$6.6 billion in FY20, and \$7.1 billion in FY19.

The April 2024 Financial Plan assumes that in June the City will pay \$2.936 billion into the Retiree Health Benefits Trust (RHBT) for FY 2024 pay-as-you-go retiree health and welfare benefits. It is possible that at year-end the City will prepay a portion of FY 2025 pay-as-you-go costs as well. Last year’s payment into the RHBT equaled \$2.398 billion for FY 2023 benefits and \$500 million for FY 2024 benefits.

The April 2024 Financial Plan also projects a prepayment of debt service in the amount of \$3.938 billion, which includes \$1.495 billion of General Obligation (GO) debt service and \$2.443 billion of Transitional Finance Authority Future Tax Secured (TFA FTS) debt service. We assume that the surplus of \$341 million projected by this Office in its review of the April 2024 Financial Plan, will bring the final prepayment to \$4.279 billion. The prepayment at the end of FY23 equaled \$5.478 billion.

The forecast assumes higher NYS aid in FY25. The enacted State Enacted Budget includes an additional \$881 million for newly arrived migrants in FY25, as well as \$466 million more in Foundation Aid to the City, the primary source of state funding for public schools.

The forecast also assumes growing costs associated with providing shelter and services to asylum seekers currently in shelters and Humanitarian Emergency Response and Relief Centers (HERRCs), which is partially offset by higher NYS aid.

It is also projects that the City will spend about \$1 billion more on pension costs in FY25 as reflected in the City's April 2024 Financial Plan. This projection incorporates adjustments to reflect collective bargaining agreements and the financial impact of previous years' investment gains and losses. In addition, the State Budget includes a change to how certain pension benefits are calculated. Under the new law, a Tier 6 employee's pension will be based on their last top three years of earnings instead of five.

An influx of federal Covid funds lifted the City's cash balances in the last two years but the flow of aid is going to dwindle going forward.

State legislation increased the City's debt capacity, and the City is implementing an ambitious capital program, with the vast majority of additional planned commitments in the April Capital Commitment plan going to the School Construction Authority and toward the construction of borough-based jails.

The City recently closed a \$1.9 billion sale of TFA FTS 2024 G bonds. Most of the proceeds from this bond sale will be transferred into the General Fund in early June. The City will resume its bond issuance program in early FY25, and we project that an additional \$3.35 billion in bond proceeds will be moved into the General Fund in August and September.

The cash balances are expected to average \$9.8 billion during the next four months, compared to \$12.267 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>
3-Jun-24	9,971	8,701	9,336
4-Jun-24	9,897	8,636	9,267
5-Jun-24	11,631	10,149	10,890
6-Jun-24	12,342	10,771	11,556
7-Jun-24	11,728	10,235	10,981
10-Jun-24	11,128	9,711	10,420
11-Jun-24	11,031	9,626	10,328
12-Jun-24	10,930	9,538	10,234
13-Jun-24	10,992	9,592	10,292
14-Jun-24	10,157	8,864	9,511
17-Jun-24	9,635	8,409	9,022
18-Jun-24	8,927	7,790	8,359
20-Jun-24	8,287	7,232	7,759
21-Jun-24	7,124	6,217	6,671
24-Jun-24	6,105	5,327	5,716
25-Jun-24	5,797	5,059	5,428
26-Jun-24	5,840	5,096	5,468
27-Jun-24	6,165	5,380	5,772
28-Jun-24	10,564	9,219	9,892
1-Jul-24	12,526	10,735	11,630
2-Jul-24	15,677	13,436	14,556
3-Jul-24	16,344	14,007	15,176
5-Jul-24	15,889	13,617	14,753
8-Jul-24	15,659	13,420	14,540
9-Jul-24	15,628	13,393	14,510
10-Jul-24	15,522	13,303	14,412
11-Jul-24	15,752	13,499	14,625
12-Jul-24	15,726	13,477	14,601
15-Jul-24	15,386	13,186	14,286
16-Jul-24	15,163	12,995	14,079
17-Jul-24	15,079	12,923	14,001
18-Jul-24	14,976	12,834	13,905
19-Jul-24	14,226	12,192	13,209
22-Jul-24	13,782	11,812	12,797
23-Jul-24	13,579	11,638	12,608
24-Jul-24	13,377	11,464	12,421
25-Jul-24	13,313	11,409	12,361
26-Jul-24	13,286	11,386	12,336
29-Jul-24	13,295	11,394	12,344
30-Jul-24	13,254	11,358	12,306
31-Jul-24	13,181	11,296	12,238

NYC Projected Cash Balances

(\$ in Millions)

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
1-Aug-24	12,861	11,022	11,941
2-Aug-24	11,994	10,279	11,137
5-Aug-24	11,496	9,852	10,674
6-Aug-24	11,236	9,629	10,432
7-Aug-24	12,409	10,635	11,522
8-Aug-24	12,193	10,450	11,321
9-Aug-24	11,687	10,016	10,851
12-Aug-24	11,481	9,839	10,660
13-Aug-24	11,488	9,846	10,667
14-Aug-24	11,292	9,677	10,484
15-Aug-24	10,747	9,210	9,978
16-Aug-24	9,780	8,382	9,081
19-Aug-24	9,247	7,925	8,586
20-Aug-24	8,987	7,702	8,345
21-Aug-24	9,544	8,180	8,862
22-Aug-24	9,328	7,994	8,661
23-Aug-24	8,822	7,560	8,191
26-Aug-24	8,616	7,384	8,000
27-Aug-24	8,418	7,214	7,816
28-Aug-24	8,223	7,047	7,635
29-Aug-24	8,050	6,899	7,474
30-Aug-24	7,226	6,193	6,710
3-Sep-24	6,836	5,753	6,294
4-Sep-24	6,766	5,695	6,230
5-Sep-24	6,754	5,685	6,219
6-Sep-24	6,756	5,686	6,221
9-Sep-24	7,406	6,233	6,820
10-Sep-24	7,120	5,993	6,557
11-Sep-24	8,193	6,895	7,544
12-Sep-24	8,200	6,901	7,551
13-Sep-24	7,436	6,259	6,848
16-Sep-24	6,989	5,882	6,435
17-Sep-24	6,920	5,824	6,372
18-Sep-24	6,950	5,849	6,399
19-Sep-24	6,952	5,851	6,401
20-Sep-24	6,949	5,848	6,398
23-Sep-24	6,975	5,870	6,423
24-Sep-24	8,113	6,828	7,471
25-Sep-24	9,264	7,797	8,530
26-Sep-24	9,537	8,027	8,782
27-Sep-24	9,252	7,786	8,519
30-Sep-24	9,194	7,737	8,465

Inflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Inflows	Jun-24	Jul-24	Aug-24	Sep-24	Jul-Sep-24
Opening Balance	9,547.00	9,891.56	12,238.22	6,709.60	9,547.00
Sales Tax	1,177.98	617.31	763.06	784.38	3,342.73
Utility Tax	35.84	36.20	36.20	36.20	144.43
Commercial Rent Tax	226.93	11.05	8.87	217.69	464.54
Personal Income Tax	1,638.94	1,199.43	1,129.12	1,714.32	5,681.82
General Corporation Tax	1,238.98	172.55	102.63	1,371.83	2,886.00
Banking Tax	1.00	2.00	2.00	2.00	7.00
Unincorporated Business Tax	523.49	27.24	53.65	631.21	1,235.58
Real Property Tax	6,946.82	7,903.66	459.82	1,473.71	16,784.01
Other Taxes	469.67	254.08	172.12	393.46	1,289.34
Less Refunds All Taxes	-96.78	-96.78	-96.78	-96.78	-387.12
Total Taxes	12,162.89	10,126.73	2,630.68	6,528.02	31,448.33
Federal Welfare	83.99	19.07	23.77	43.16	169.99
Federal Education	286.29	16.58	1.09	2.93	306.90
Federal Community Development	21.57	2.54	3.95	10.11	38.16
Federal Other	197.11	59.25	67.31	81.47	405.14
Total Federal Aid	588.95	97.44	96.12	137.67	920.19
NYS Welfare	167.20	293.02	4.29	25.39	489.91
NYS Health	37.21	65.28	4.16	13.69	120.33
NYS Education	930.18	49.73	28.63	1,294.45	2,302.99
NYS Higher Education	601.41	4.46	0.00	2.44	608.30
NYS Other	214.08	24.99	51.23	13.70	304.00
Total New York State Aid	1,950.07	437.48	88.31	1,349.66	3,825.52
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	563.62	314.67	264.28	1,142.58
Interest Income	62.92	62.92	62.92	62.92	251.68
Fines and Forfeitures	120.15	120.15	120.15	120.15	480.61
Miscellaneous Revenue	534.75	241.64	196.01	219.96	1,192.36
Senior College Tuition and Fees	388.72	0.00	0.00	0.00	388.72
Capital Interest	2.08	2.08	2.08	2.08	8.33
Housing Revenue	1.09	1.09	1.09	1.09	4.36
Total Miscellaneous	1,109.72	991.51	696.93	670.48	3,468.64
Prior Federal Aid	292.91	414.63	547.79	572.15	1,827.47
Prior NYS Aid	34.41	1,019.20	523.88	254.05	1,831.53
Total Federal And NYS Prior Aid	327.31	1,433.83	1,071.66	826.20	3,659.00
Balance Sheet Inflows	18.00	18.00	18.00	18.00	72.00
Federal/State Capital	45.00	45.00	45.00	45.00	180.00
Transfers from Capital Proceeds	1,838.00	150.00	1,400.00	1,950.00	5,338.00
Payroll Taxes Inflows	211.91	236.27	303.66	234.40	986.25
Seasonal Borrowing	0.00	190.80	197.07	185.30	573.16
Other Operating Inflow	545.12	459.02	445.98	336.01	1,786.13
Total Other Inflows	2,658.03	1,099.09	2,409.71	2,768.72	8,935.54
Total Inflows	18,796.98	14,186.08	6,993.41	12,280.75	52,257.22

Outflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Outflows	Jun-24	Jul-24	Aug-24	Sep-24	Jul-Sep-24
Payroll	2,309.96	2,068.20	2,658.09	2,051.86	9,088.12
Pensions	779.10	864.80	864.80	864.80	3,373.50
Social Security	189.42	246.32	205.11	203.49	844.33
Health Plan	522.18	531.39	531.39	531.39	2,116.36
Other PS	73.65	73.65	73.65	73.65	294.61
Total PS	3,874.31	3,784.36	4,333.05	3,725.20	15,716.92
PA	656.67	434.92	551.34	577.00	2,219.92
MA	396.83	435.26	515.85	392.47	1,740.41
Other DOSS	421.75	474.29	392.63	309.34	1,598.01
HHC	1,033.94	82.42	271.14	318.81	1,706.31
TA	45.92	112.73	123.67	0.00	282.32
HA	11.10	20.80	23.32	0.73	55.95
Lump Sum	296.96	278.84	278.20	242.23	1,096.23
Vendor Payments	2,836.04	2,723.97	3,040.94	2,229.48	10,830.42
Other OTPS	0.00	0.00	0.00	0.00	0.00
Total OTPS	5,699.21	4,563.22	5,197.09	4,070.04	19,529.56
City Capital	850.00	1,137.30	1,137.30	1,137.30	4,261.90
Other Outflow Capital	105.00	104.85	152.28	72.58	434.70
GO Debt Service Funding	0.00	652.67	394.83	0.00	1,047.49
NYCTFA Debt Service Funding	0.00	22.33	0.00	0.00	22.33
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	906.95	1,182.03	982.10	1,254.45	4,325.54
Other Outflows	7,016.94	392.66	325.39	265.30	8,000.29
Total Other Outflows	8,878.89	3,491.84	2,991.89	2,729.63	18,092.26
Total Outflows	18,452.41	11,839.42	12,522.02	10,524.87	53,338.73
Net Flow	344.56	2,346.66	-5,528.61	1,755.88	-1,081.51
Ending Balance	9,891.56	12,238.22	6,709.60	8,465.48	8,465.48

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