

Kirk Parks
BUREAU CHIEF

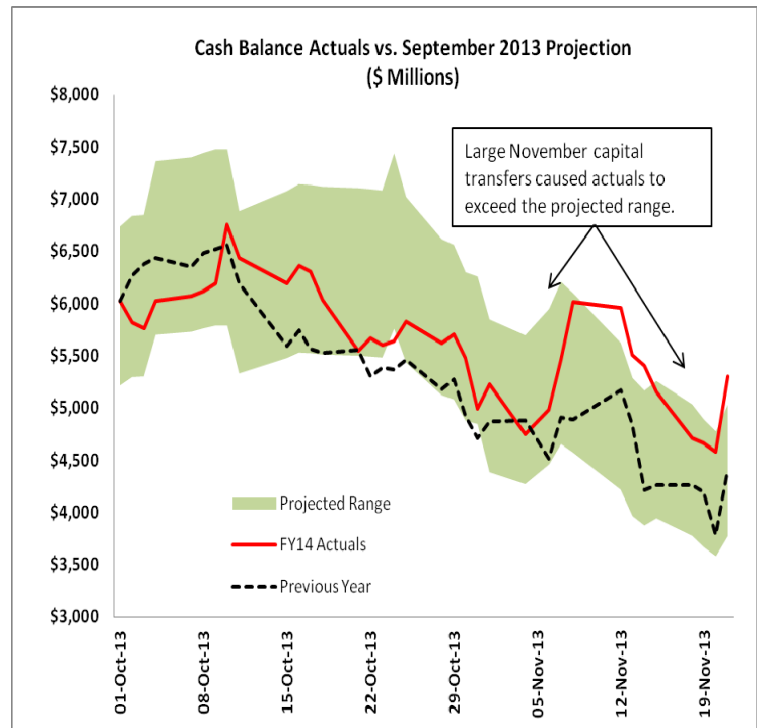
THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF FINANCIAL ANALYSIS
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

JOHN C. LIU
COMPTROLLER

(212) 669-4993
kpark@comptroller.nyc.gov

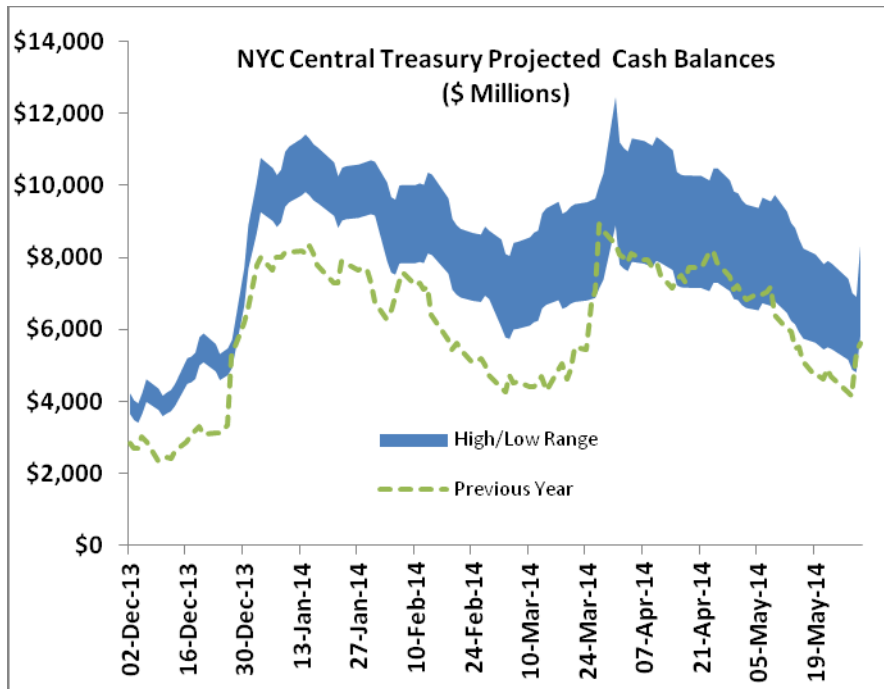
To: Distribution
From: Kirk Parks, Bureau Chief, Financial Analysis
Subject: NYC Cash Balance Projection (December 2013 - May 2014)
Date: November 26, 2013

As of the close of business on November 21, the unrestricted cash (book) balance in the NYC treasury stands at \$5.302 billion, exceeding the year-ago figure by \$888 million. During the month of October, balances hovered around last year's levels, mainly within the ranges we projected in September. In November, however, balances have broken out of the projected ranges, driven by the receipt of unusually large capital transfers. Capital transfers, including capital reimbursements from the Water Authority, totaled \$1.424 billion for the month of November, versus \$691 million for November of 2012. Capital expenditures are initially paid from the City treasury, which is later reimbursed through capital transfers from the proceeds of bond sales. The reimbursement process is charitably described as complex, so it can be difficult to predict how much inflow will arrive through capital transfers from one month to the next.



Our new cash balance projection considers that the recent activity in capital transfers is anomalous and predicts that the coming months will see more familiar levels of reimbursement. Additionally, we have incorporated guidance contained in the November budget modification. In the end, our assumptions about the City's cash flow remain largely unchanged, the most substantive alteration being an upward adjustment to accommodate the higher recent actuals.

Probably the most useful aspect of the projection at this time of year is the focus it brings to our annual cash balance low. As has been the pattern for many years, we expect that the FY14 trough will occur during early to mid-December and will measure between \$3.4 billion and \$4.0 billion. This result would represent a marked improvement over last year's low of \$2.351 billion and would be in-line with the trend of annual lows moving steadily higher since FY10.



The updated projection will remain in force until the next budget modification, expected in January. Until then, accuracy could be impacted by factors for which visibility is still evolving. For example, it appears that the reimbursement rate for Sandy-related expenditures has slipped, from the 80% rate we reported in May to 60% as of November 18. Since the storm, the City has received \$577 million in reimbursements against \$956 million in outlays. The difference, \$379 million, is not a matter of immediate consequence for the City. However, the flow of Sandy receipts and expenditures is erratic and could generate short-term error in the projection. Classification of expenditures as Sandy-related is an ongoing process at the City agency level, so even our understanding of historical reimbursements may have to be revisited.

Taxi medallion sales represent another small challenge. Until now, we have ignored the cash flow impact of the newly proposed sales, as none had actually occurred. Recently, however, the City conducted an auction of 200 medallions, raising over \$200 million. Winning bidders are expected to consummate these purchases over the next ninety days, but the timing of the arrival of these funds is otherwise not known. For the sake of being conservative, our projection assumes that buyers will wait as long as possible to pay, remitting funds during the first two weeks of February. However, the sooner the auction winners pay, the sooner they can get their cars on the street, so it is conceivable that payment could be prompt. Prompt payment for the medallions poses a small upside risk to the projection in the short-term. We will observe the payment pattern for this round of medallion sales so that we will know how to model the next round of sales in the Spring.

NYC Projected Cash Balances
(\$ Millions)

	<u>Baseline</u>	<u>High</u>	<u>Low</u>
02-Dec-13	4,002	4,228	3,659
03-Dec-13	3,818	4,033	3,490
04-Dec-13	3,739	3,950	3,418
05-Dec-13	4,019	4,246	3,674
06-Dec-13	4,373	4,619	3,997
09-Dec-13	4,125	4,358	3,771
10-Dec-13	3,939	4,161	3,601
11-Dec-13	4,023	4,250	3,678
12-Dec-13	4,088	4,318	3,737
13-Dec-13	4,246	4,486	3,882
16-Dec-13	4,923	5,201	4,501
17-Dec-13	4,968	5,248	4,542
18-Dec-13	5,073	5,359	4,637
19-Dec-13	5,478	5,787	5,008
20-Dec-13	5,577	5,892	5,098
23-Dec-13	5,298	5,597	4,843
24-Dec-13	5,035	5,320	4,603
26-Dec-13	5,188	5,480	4,742
27-Dec-13	5,405	5,710	4,941
30-Dec-13	7,303	7,715	6,677
31-Dec-13	8,430	8,905	7,706
02-Jan-14	9,810	10,065	8,669
03-Jan-14	10,489	10,761	9,269
06-Jan-14	10,209	10,474	9,022
07-Jan-14	10,022	10,281	8,856
08-Jan-14	10,169	10,432	8,986
09-Jan-14	10,653	10,929	9,414
10-Jan-14	10,797	11,077	9,541
13-Jan-14	11,008	11,293	9,727
14-Jan-14	11,121	11,409	9,827
15-Jan-14	11,005	11,290	9,725
16-Jan-14	10,852	11,133	9,590
17-Jan-14	10,770	11,049	9,517
21-Jan-14	10,368	10,637	9,162
22-Jan-14	9,991	10,249	8,828
23-Jan-14	10,225	10,490	9,036
24-Jan-14	10,265	10,531	9,071
27-Jan-14	10,307	10,574	9,108
28-Jan-14	10,345	10,614	9,142
29-Jan-14	10,384	10,654	9,176
30-Jan-14	10,423	10,693	9,211
31-Jan-14	10,384	10,653	9,176

	<u>Baseline</u>	<u>High</u>	<u>Low</u>
03-Feb-14	9,874	10,078	7,906
04-Feb-14	9,477	9,672	7,587
05-Feb-14	9,406	9,600	7,530
06-Feb-14	9,795	9,997	7,842
07-Feb-14	9,805	10,008	7,850
10-Feb-14	9,808	10,011	7,853
11-Feb-14	9,850	10,054	7,886
12-Feb-14	9,809	10,011	7,853
13-Feb-14	10,143	10,352	8,120
14-Feb-14	10,087	10,295	8,076
18-Feb-14	9,445	9,639	7,561
19-Feb-14	8,883	9,067	7,112
20-Feb-14	8,717	8,897	6,979
21-Feb-14	8,614	8,791	6,896
24-Feb-14	8,501	8,676	6,806
25-Feb-14	8,480	8,655	6,789
26-Feb-14	8,462	8,636	6,775
27-Feb-14	8,678	8,857	6,948
28-Feb-14	8,564	8,741	6,856
03-Mar-14	8,071	8,496	6,074
04-Mar-14	7,691	8,095	5,788
05-Mar-14	7,638	8,039	5,748
06-Mar-14	7,984	8,404	6,008
07-Mar-14	8,009	8,430	6,027
10-Mar-14	8,128	8,555	6,117
11-Mar-14	8,252	8,686	6,210
12-Mar-14	8,306	8,743	6,251
13-Mar-14	8,761	9,221	6,593
14-Mar-14	8,894	9,362	6,693
17-Mar-14	9,066	9,542	6,823
18-Mar-14	8,751	9,211	6,585
19-Mar-14	8,815	9,278	6,634
20-Mar-14	8,937	9,407	6,726
21-Mar-14	9,002	9,475	6,775
24-Mar-14	9,054	9,530	6,814
25-Mar-14	9,102	9,581	6,850
26-Mar-14	9,149	9,630	6,885
27-Mar-14	9,508	10,008	7,156
28-Mar-14	9,811	10,326	7,383
31-Mar-14	11,823	12,444	8,897

	<u>Baseline</u>	<u>High</u>	<u>Low</u>
01-Apr-14	11,268	11,191	7,811
02-Apr-14	11,108	11,033	7,700
03-Apr-14	11,011	10,936	7,633
04-Apr-14	11,379	11,302	7,888
07-Apr-14	11,308	11,231	7,838
08-Apr-14	11,240	11,164	7,792
09-Apr-14	11,176	11,100	7,747
10-Apr-14	11,419	11,341	7,916
11-Apr-14	11,341	11,264	7,862
14-Apr-14	11,048	10,973	7,659
15-Apr-14	10,441	10,370	7,238
16-Apr-14	10,363	10,292	7,183
17-Apr-14	10,339	10,269	7,167
18-Apr-14	10,340	10,269	7,167
21-Apr-14	10,331	10,261	7,161
22-Apr-14	10,267	10,197	7,117
23-Apr-14	10,205	10,135	7,074
24-Apr-14	10,534	10,462	7,302
25-Apr-14	10,543	10,471	7,308
28-Apr-14	10,206	10,137	7,075
29-Apr-14	9,889	9,822	6,855
30-Apr-14	9,846	9,779	6,825
01-May-14	9,641	9,576	6,683
02-May-14	9,530	9,465	6,606
05-May-14	9,434	9,369	6,539
06-May-14	9,726	9,659	6,742
07-May-14	9,668	9,602	6,702
08-May-14	9,617	9,551	6,666
09-May-14	9,801	9,734	6,794
12-May-14	9,334	9,270	6,470
13-May-14	9,016	8,955	6,250
14-May-14	8,875	8,814	6,152
15-May-14	8,550	8,492	5,927
16-May-14	8,301	8,244	5,754
19-May-14	8,137	8,082	5,641
20-May-14	8,003	7,948	5,547
21-May-14	7,865	7,812	5,452
22-May-14	7,956	7,902	5,515
23-May-14	7,879	7,825	5,461
27-May-14	7,456	7,406	5,169
28-May-14	7,054	7,005	4,889
29-May-14	6,952	6,905	4,819
30-May-14	8,407	8,350	5,828

NYC Cash Balance Monthly Detail
(\$ Millions)

	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Total</u>
Opening Balance	4299.64	8429.71	10384.31	8564.06	11822.78	9845.67	4299.64
Sales Tax	652.00	489.00	563.00	483.00	621.00	512.00	3320.00
Utility Tax	25.00	35.07	33.06	37.00	34.10	32.00	196.23
Commercial Rent Tax	166.95	17.01	8.00	181.08	12.10	7.00	392.14
Personal Income Tax	835.00	1759.00	683.05	607.00	1294.04	481.00	5659.09
General Corporation Tax	647.00	171.99	136.99	1035.00	139.92	127.05	2257.95
Banking Tax	221.04	40.95	16.72	410.92	45.10	35.07	769.80
Unincorporated Business Tax	150.95	469.77	33.44	51.03	449.22	25.00	1179.41
Real Property Tax	4542.09	2686.98	86.88	1072.81	505.39	113.62	9007.77
Other Taxes	399.00	542.50	304.50	282.10	242.90	214.20	1985.20
Less Refunds All Taxes	-56.00	-102.00	-107.92	-106.00	-89.00	-36.96	-497.88
Total Taxes	7583.03	6110.27	1757.72	4053.94	3254.77	1509.98	24269.71
Federal Welfare	227.01	152.04	135.09	455.07	56.10	119.07	1144.38
Federal Education	68.04	68.04	193.04	199.08	138.00	238.00	904.20
Federal Community Development	16.00	13.02	14.06	13.02	17.00	21.00	94.10
Federal Other	241.08	256.00	245.00	248.01	189.00	289.00	1468.09
Total Federal Aid	552.13	489.10	587.19	915.18	400.10	667.07	3610.77
NYS Welfare	116.00	139.02	61.00	355.00	89.10	105.00	865.12
NYS Health	15.00	50.00	25.08	92.00	10.00	11.00	203.08
NYS Education	757.90	60.70	60.70	2824.60	104.00	1431.50	5239.40
NYS Higher Education	0.00	0.00	365.00	355.00	1.10	0.00	721.10
NYS Other	67.00	24.00	19.00	75.00	24.00	26.04	235.04
Total New York State Aid	955.90	273.72	530.78	3701.60	228.20	1573.54	7263.74
NYS Revenue Sharing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Intergovernmental Aid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Intergovernmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Board	101.01	214.00	221.00	101.01	0.00	0.00	637.02
Interest Income	3.00	2.10	2.09	1.05	2.00	3.00	13.24
Fines and Forfeitures	84.00	57.00	56.05	62.00	65.00	66.00	390.05
Miscellaneous Revenue	225.00	225.00	425.00	225.00	225.06	225.00	1550.06
Senior College Tuition and Fees	0.00	259.00	0.00	259.00	0.00	0.00	518.00
Capital Interest	0.21	0.07	0.06	0.03	0.00	0.21	0.58
Housing Revenue	3.15	3.15	3.12	3.15	3.12	3.15	18.84
Total Miscellaneous	416.37	760.32	707.32	651.24	295.18	297.36	3127.79
Prior Federal Aid	222.00	87.00	127.00	44.10	5.06	72.03	557.19
Prior NYS Aid	151.00	116.00	78.09	351.00	3.08	103.00	802.17
Total Federal And NYS Prior Aid	373.00	203.00	205.09	395.10	8.14	175.03	1359.36
Balance Sheet Inflows	15.00	15.00	15.01	15.00	15.00	15.00	90.01
Federal/State Capital	81.06	74.00	76.00	99.00	70.00	96.00	496.06
Transfers from Capital Proceeds	606.00	641.00	466.00	434.00	611.00	455.00	3213.00
Payroll Taxes Inflows	142.20	150.30	122.70	169.60	133.60	133.10	851.50
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	298.00	298.00	298.00	298.00	298.10	298.00	1788.10
Total Other Inflows	1142.26	1178.30	977.71	1015.60	1127.70	997.10	6438.67
Total Inflows	11022.69	9014.71	4765.81	10732.66	5314.09	5220.08	46070.04

NYC Cash Balance Monthly Detail
(\$ Millions)

	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Total</u>
Payroll	1476.71	1260.97	1241.47	1599.09	1248.68	1024.38	7851.30
Pensions	705.96	696.64	695.84	714.08	696.00	696.15	4204.67
Social Security	134.28	135.20	133.77	134.29	174.13	134.28	845.95
Health Plan	308.00	308.00	308.00	308.00	462.00	308.00	2002.00
Other PS	83.00	85.05	71.06	75.00	118.00	90.09	522.20
Total PS	2707.95	2485.86	2450.14	2830.46	2698.81	2252.90	15426.12
PA	204.00	250.00	183.00	189.00	232.10	223.02	1281.12
MA	566.00	459.06	500.08	505.05	434.06	484.05	2948.30
Other DOSS	229.00	187.00	202.00	223.02	205.04	211.05	1257.11
HHC	63.00	42.00	78.09	90.09	104.06	52.08	429.32
TA	53.97	0.10	18.24	0.00	0.10	0.00	72.41
HA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lump Sum	201.00	201.00	201.02	201.00	201.08	201.00	1206.10
Vendor Payments	1199.10	1116.99	1201.97	1176.27	1307.97	1182.93	7185.23
Other OTPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total OTPS	2516.07	2256.15	2384.40	2384.43	2484.41	2354.13	14379.59
City Capital	559.02	684.00	459.04	617.00	628.10	595.00	3542.16
Other Outflow Capital	104.00	431.00	104.00	384.09	69.08	410.00	1502.17
GO Debt Service Funding	0.00	313.80	86.88	146.15	335.02	19.66	901.51
NYCTFA Debt Service Funding	111.80	0.00	214.80	214.80	0.00	137.40	678.80
Other Debt Service Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repay Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payroll Taxes Outflow	658.78	654.30	651.77	662.01	840.78	654.30	4121.94
Other Outflows	235.00	235.00	235.03	235.00	235.00	235.00	1410.03
Total Other Outflows	1668.60	2318.10	1751.52	2259.05	2107.98	2051.36	12156.61
Total Outflows	6892.62	7060.11	6586.06	7473.94	7291.20	6658.39	41962.32
Net Flow	4130.07	1954.60	-1820.25	3258.72	-1977.11	-1438.31	4107.72
Ending Balance	8429.71	10384.31	8564.06	11822.78	9845.67	8407.36	8407.36