



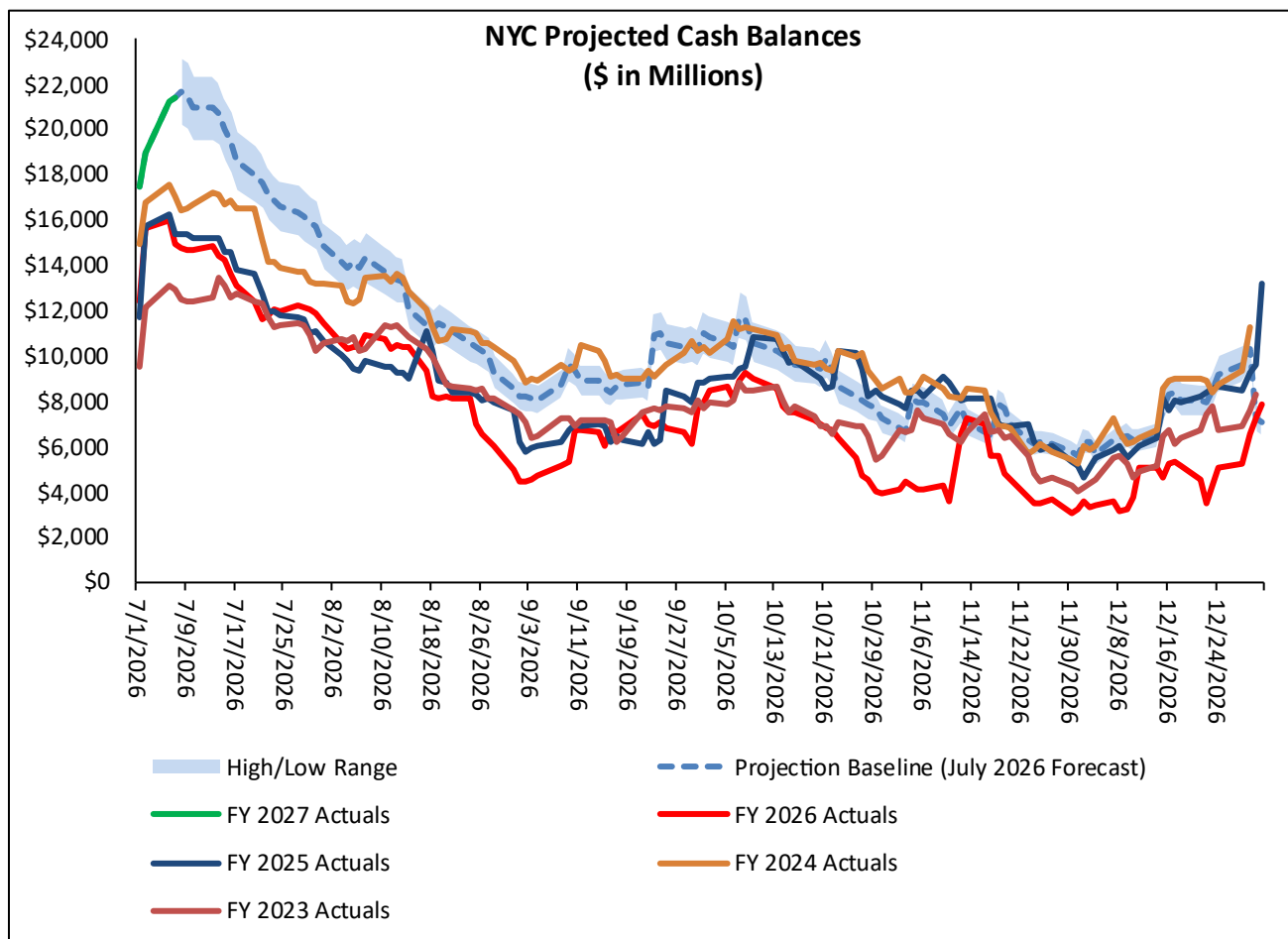
New York City Cash Balance Projection

Office of the New York City Comptroller

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BUREAU OF BUDGET

July 2026



The [June 2026 forecast released by this Office](#) preceded the City's Fiscal Year 2027 Adopted Budget and June 2026 Financial Plan, which included several changes to the May Financial Plan affecting the year-end cash balance and projected cash flow in FY 2027. In addition, actual receipts and expenditures in June differed from the forecast, resulting in a higher-than-anticipated opening cash balance and requiring updates to several forecast assumptions.

The above chart depicts actual inflows and outflows through July 7th and updates the projection for the remainder of the first quarter of FY 2027. The chart also extends the forecast through the end of the second quarter of FY 2027, to include the projected seasonal low point for the cash balance.



The City began FY 2027 with a cash balance of \$16.171 billion, \$3.497 billion higher than the \$12.674 billion projected in this Office's June forecast. This higher opening balance primarily reflects the delay of disbursements that usually take place in June and stronger-than-expected tax collections.

- The previous cash forecast assumed that the City, following established practice, would pay \$3.918 billion by the end of June into the Retiree Health Benefits Trust (RHBT) for FY 2026 pay-as-you-go (PAYGO) retiree health and welfare benefits (the amount is based on the May Financial Plan documents). The PAYGO amount was subsequently revised to \$3.713 billion by the City's Office of Management and Budget (OMB). This amount was accrued to FY 2026 as owed by the City to the RHBT and will be disbursed in FY 2027. OMB estimates that the RHBT has sufficient funds to cover payments through at least the first half of FY 2027. The updated cash forecast assumes that the disbursement of the FY 2026 PAYGO to the RHBT will take place in December.
- Preliminary June collections (subject to revision), indicate that the City received approximately \$2.0 billion in Business Corporation Tax and General Corporation Tax in June, more than \$850 million above expectations. The City also collected \$2.1 billion in Personal Income Tax and Pass-Through Entity Tax, more than \$200 million above expectations. The updated forecast assumes some continuation of these stronger-than-expected collections.
- NYC Health + Hospitals (H+H) made a payment of \$205 million to the City to reimburse FY 2026 debt service costs. This is the first of two payments budgeted by the City to appropriate H+H's savings from the unfunded pension liability re-amortization approved by the NYC Employees' Retirement System trustees (see this Office's report on the May Financial Plan for details). The June forecast had assumed both FY 2026 and FY 2027 payments would occur in October. The updated forecast assumes that the FY 2027 payment of \$250 million will occur later in the fiscal year.

These large, positive impacts on the cash balance were somewhat offset by other timing-related changes.

- Preliminary actual property tax receipts came in lower than forecast for the end of June, by approximately \$900 million. The first payment of FY 2027 property tax is due by July 1st and is recorded as cash in June or July depending on the deposit date (the full amount collected is accrued to FY 2027). The July property tax cash forecast was adjusted upward to account for the lower June actual.
- The May Executive Budget included a \$1.063 billion prepayment of TFA debt service. In the June cash forecast, this Office projected that the prepayment would be increased by \$200 million. The actual debt service prepayment at the end of FY 2026 increased by \$896 million to \$1.959 billion. The final prepayments consisted of \$1.159 billion for TFA debt service and \$800 million for GO debt service. The new cash forecast reflects the higher prepayments disbursed at the end of June and, subsequently, lower debt service retentions of property tax and personal income tax in July, August, and September.
- The June forecast incorporated Enacted State Budget provisions including \$500 million in one-time unrestricted State Aid and a refund of the distressed hospital sales tax intercept, both assumed to be received in June. While the City received the sales tax intercept refund, the \$500 million in unrestricted aid was not. Correspondingly, the June Financial Plan moved the revenue from FY 2026 into FY 2027. The new forecast assumes that the aid will be received in October.



The new cash forecast includes higher contractual advance payments to non-profit vendors and higher overtime costs in the first quarter of the fiscal year.

- The June forecast reflected an estimate of \$3.5 billion in payments to non-profits at the beginning of FY 2027 in anticipation of the City complying with [Local Law 2025/156](#) which mandates, with some exceptions, 50% advance payments for most human service contracts and [Local Law 2026/011](#) which mandates quarterly advance payments for certain Department of Homeless Service (DHS) and Mayor's Office of Criminal Justice (MOCJ) contracts. In late June, the City announced it would make 50 percent payments to all human service providers at the beginning of July. While not all payments have been made to date, the updated forecast moves the second quarterly payment for DHS and MOCJ to July (approximately \$900 million in total) and assumes most advances will be made in July and August of this year. Through July 7th, the City has disbursed \$1.848 billion in advances to human service organizations, approximately \$250 million less than last year over the same period.
- The updated forecast increases overtime and staffing costs by \$100 million for expenses associated with the NBA finals (including the Knicks Championship Parade), the FIFA World Cup, Taylor Swift's wedding, and America's 250th birthday celebration, mostly expected to be paid in July.

The updated cash forecast reflects increased bond issuance over the forecast period, and correspondingly greater reimbursement of capital spending from the Capital Projects Fund.

- The updated projection assumes that the City will spend \$9.111 billion on capital projects over the forecast period. To reimburse these expenditures out of the General Fund, it is assumed that approximately \$8.448 billion in bond proceeds will be transferred to the General Fund.
- Additional clarity on the timing and magnitude of planned bond sales facilitated more rapid reimbursement of capital spending than the prior forecast reflected. The City will closely monitor capital spending relative to financing and adjust borrowing plans so as to maximize the reimbursement of spending out of the General Fund.

As of July 7th, the City's cash balance stood at \$21.340 billion, \$6.402 billion higher than the cash balance of \$14.938 billion on this date last year. This higher balance reflects the delayed disbursement of \$3.713 billion to the RHBT discussed above, strong tax revenues in June and early July, and the earlier-than-anticipated receipt of approximately \$1 billion in federal and state revenues in July (of which \$618 million are for the Child Care and Development Block Grant).

The cash balance typically declines after the receipt of July property tax payments at the beginning of the fiscal year. In FY 2027, the cash low is expected to occur in early December, ranging between \$5.1 and \$6.0 billion. The seasonal lows measured \$3.001 billion in FY 2026, \$4.602 billion in FY 2025, and \$5.223 billion in FY 2024. With the RHBT payment assumed to take place in December, the forecast period ends with a balance projected in the range of \$6.4 to \$7.6 billion, roughly comparable with FY 2026.

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