



Office of the  
New York City Comptroller

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Bureau of Budget

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# QUARTERLY CASH REPORT

January - March 2017

Third Quarter of Fiscal Year 2017

June 2017

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## **Summary**

### **Cash Balances**

The level of daily cash balances in the New York City Central Treasury reflects the slowdown in non-property tax collections. The average 3Q daily cash balance increased each year between FY12 and FY16, reaching \$11.775 billion in 3Q16. During 3Q17, the average daily cash balance measured \$9.993 billion, \$1.782 billion lower than last year, but still high compared to historical levels.

As usual for this time of the year, cash balances faded through most of the quarter, slipping from January highs that came on the heels of semi-annual real estate tax receipts. This trend reversed in mid-March, behind the receipts of real estate taxes due by April 1. The period finished strong with the receipt of \$3.9 billion in State aid, which included the “Spring advance,” a component of State education aid.

The City of New York began FY17 (in July 2016) with \$11.719 billion in cash-on-hand. By the end of 3Q17, the City’s unrestricted cash balance increased slightly to \$11.803 billion, compared to \$13.716 billion at the same time last year. FYTD17 receipts exceeded expenditures by only \$84 million. In comparison, receipts exceeded expenditures in FYTD13, FYTD14, FYTD15, and FYTD16 by \$2.457 billion, \$3.504 billion, \$2.510 billion, and \$4.214 billion, respectively.

### **Cash Receipts**

Total receipts in 3Q17 totaled \$24.099 billion, up 2.3% versus a year-ago. This total includes \$1.654 billion in reimbursements for capital expenditures. Net of these capital transfers, receipts increased 3.8%. During 3Q17 the City received \$7.5 billion in federal and state aid, up 12.9% compared to 3Q16. Miscellaneous revenue rose 8%.

The City collected \$12.9 billion in tax revenues in 3Q17, the same amount as last year. Real property tax collections rose 3.1%, and PIT receipts increased 7.9%. Sales tax receipts fell 11.9%, in part due to the State intercept of sales tax revenue to recoup savings from refinancing the State-backed Sales Tax Asset Receivable Corporation (STARC) bonds. The State’s FY 2016-17 Adopted Budget included a provision that authorizes a three-year sales tax revenue intercept to recapture benefits accrued to the City from refinancing STARC bonds. Beginning in May 2016, the State is authorized to retain \$16.7 million from the City’s sales tax each month, for a total of \$50 million per quarter.

Federal and State aid receipts accounted for 31% of total cash receipts, a larger percentage than in previous years. In 3Q17, the City received \$1.1 billion in federal education aid compared to \$376 million at the same time last year. The increase is primarily due to the late arrival of Title I funding from the federal government. On March 1, 2017, the City received \$389 million in Title I prior year aid for FY16.

FYTD17 cash receipts totaled \$68.384 billion, down \$2.845 billion from the previous year. Removing the effect of CapEx reimbursements, net cash receipts declined 4.7%. Even though cash receipts are down compared to FYTD16, they are still high compared to historical figures.

FYTD17 tax receipts rose 0.5% versus a year-ago. Real property and personal income taxes grew 3.7%

and 4%, respectively. The largest drag on tax receipts was the banking corporation tax, which slipped 45% versus a year-ago. Beginning in tax year 2015, the general corporation tax and the banking corporation tax merged. All New York City C-corporations now pay under the general corporation tax.

The City received \$15.2 billion from the Federal and State governments during FYTD17. Federal and NYS education aid receipts were up 7% and 5.1% respectively compared to FYTD16. Federal and NYS welfare receipts were down 10.5% and 9.5% respectively compared to FYTD16.

### **Cash Expenditures**

Cash expenditures, including capital, totaled \$22.645 billion in 3Q17, averaging \$365 million daily. During the same period last year, cash expenditures totaled \$21.445 billion and averaged \$346 million daily. Personal service expenditures grew 1.8% versus a year-ago, largely due to rising pension and healthcare costs. Other-than-personal-service expenditures (OTPS) rose 5% during the same time frame. The growth in OTPS is attributable to the increase in public assistance (up 15%) and vendor and other spending (up 10.3%). Meanwhile, the expenditure category titled “All Other” increased by \$617 million compared to the same period last year due to higher City-funded capital expenditures, payments to Health + Hospitals (H+H), and tax refunds.

FYTD17 expenditures rose 1.9% versus a year-ago. Gross payroll decreased 1.2%, while other personal service expenditures increased 6.8%. OTPS outflows rose 5.1%, boosted by increases in spending on public assistance (up 11.9%), vendor and other spending (up 8.9%), and other social services (up 5.1%). Other social services expenditures include, but are not limited to, payments made to various charitable and other non-for-profit organizations that provide services to the homeless, hungry or disabled people, senior citizens, disadvantaged children, and other people in need. When the impact of CapEx is removed, FYTD17 net expenditures reflect a gain of 1.7% versus a year-ago.

### **Capital Expenditures (CapEx) and Reimbursements**

CapEx totaled \$2.428 billion in 3Q17, up 9.2% from \$2.224 billion in 3Q16. City-funded CapEx increased 21.5% while Non-City-funded CapEx declined 31%.

During 3Q17, eligible CapEx exceeded reimbursements, decreasing the City’s cash balance by \$592 million. Table 13 shows that eligible CapEx exceeded reimbursements in seven out of the last ten 3Q periods (FY08-FY17), resulting in a total drain of \$1.266 billion to the Central Treasury.

FYTD17, total CapEx increased 3.9% versus a year-ago. The City-funded CapEx jumped 12.8%, while Non-City CapEx declined 23.4%.

FYTD17 reimbursements exceeded eligible CapEx by \$241 million, or 4.2%. Over the long term, CapEx and reimbursements offset each other. Over the past ten FYTD periods they have been closely paired, with reimbursements exceeding CapEx by only 5.5%.

## **Financings**

In FY17, the City plans to issue \$5.6 billion in General Obligation (GO) and Transitional Finance Authority Personal Income Tax (TFA PIT) bonds for new money capital purposes. The City issued \$4.5 billion of new money debt FYTD17.

There were no new money sales in 3Q17. Two bond sales refinanced outstanding debt. The first transaction was a GO sale of \$900 million of refunding bonds. The refunding achieved \$133.7 million in budget savings, or more than \$118.8 million on a present-value basis. The second transaction was a TFA sale of \$795 million of refunding bonds. The refunding achieved \$99.2 million in budget savings, or more than \$84.9 million on a present-value basis.

The pace of bond issuance in FYTD17 exceeded last year's pace. In FYTD17 the City issued \$6.2 billion in new money and refunding bonds versus \$5.7 billion in FYTD16.

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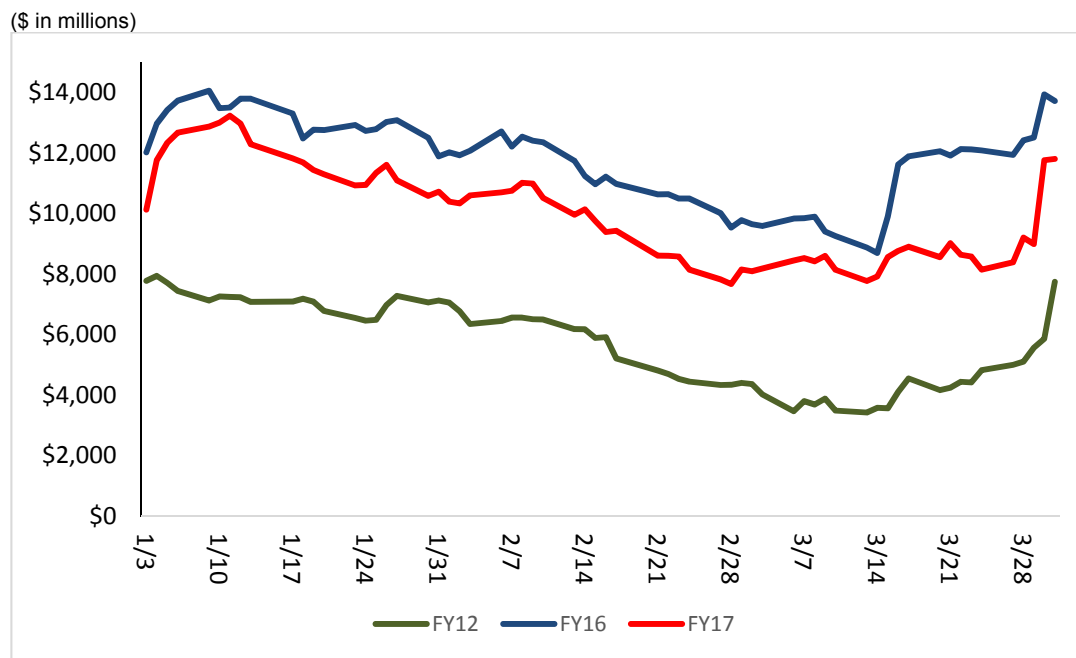
## Rounding of Large Numbers in the Quarterly Cash Report

When dealing with numbers as large as those considered in this report, it becomes necessary, for conservation of space, to round representative figures to the nearest tenths, hundredths, or thousandths. Adding such a series of rounded figures often leads to a circumstance whereby components, when added together, do not appear to equal the given total. Examples occur throughout this report and are the result of rounding, not miscalculation.

## I. Cash Balances<sup>1</sup>

**January 2017 – March 2017 (3Q17)**

**Chart 1. *Daily Cash Balances in the NYC Central Treasury, 3Q12, 3Q16, & 3Q17***



The level of daily cash balances in the New York City Central Treasury reflects the slowdown in non-property tax collections. The average 3Q daily cash balance increased each year between FY12 and FY16, reaching \$11.775 billion in 3Q16. During 3Q17, the average daily cash balance measured \$9.993 billion, \$1.782 billion lower than last year, but still high compared to historical levels.

As usual for this time of the year, cash balances faded through most of the quarter, slipping from January highs that came on the heels of semi-annual real estate tax receipts. This trend reversed in mid-March, behind the receipts of real estate taxes due by April 1. The period finished strong with the receipt of \$3.9 billion in State aid, which included the “Spring advance,” a component of State education aid.

<sup>1</sup> The data in this report are based on the book balances in the New York City Central Treasury as calculated by the Bureau of Budget, Office of the New York City Comptroller. Receipts are reported based on cash receipts and the analysis of bank deposits. Expenditures are reported based on warrants issued.

**Table 1. Cash Position in the NYC Central Treasury, 3Q, 2008 - 2017**

(\$ in millions)

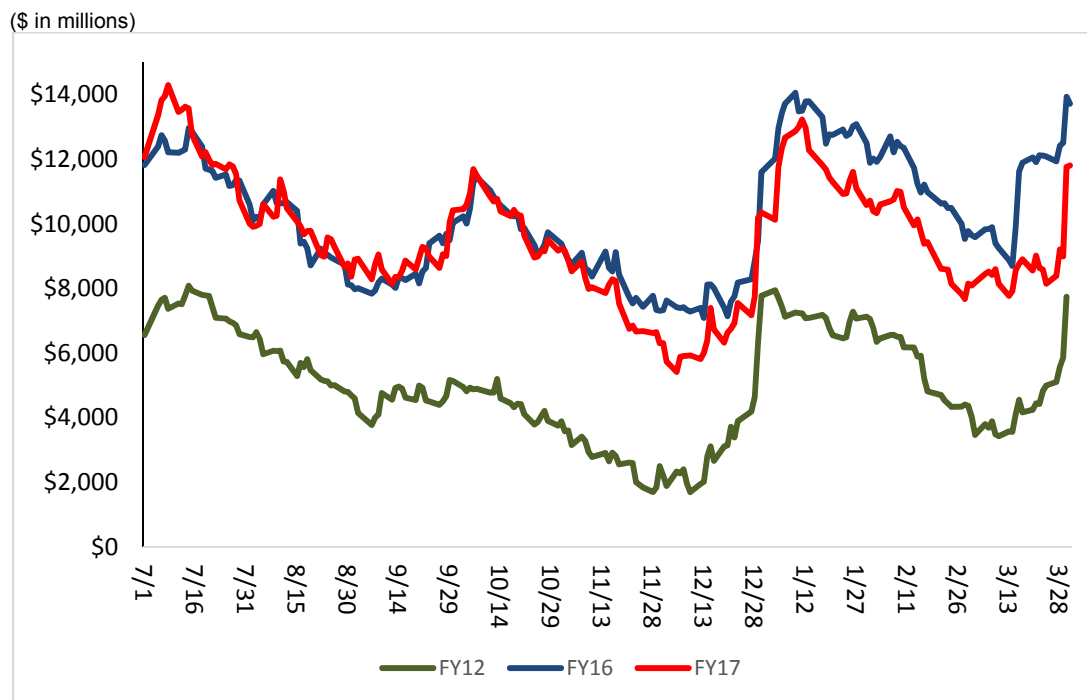
	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Opening Balance <sup>a</sup>	\$6,750	\$2,820	\$5,092	\$6,144	\$6,354	\$6,196	\$8,537	\$9,199	\$11,604	\$10,349
Total Receipts	20,539	22,492	18,439	20,967	20,004	22,179	22,377	25,740	23,557	24,099
Total Expenditures <sup>b</sup>	17,232	17,550	17,343	19,011	18,615	19,621	19,466	22,571	21,445	22,645
Closing Balance	\$10,057	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448	\$12,368	\$13,716	\$11,803
<b>Avg. Daily Balance</b>	<b>\$8,318</b>	<b>\$5,536</b>	<b>\$5,426</b>	<b>\$5,806</b>	<b>\$5,709</b>	<b>\$6,461</b>	<b>\$9,029</b>	<b>\$10,692</b>	<b>\$11,775</b>	<b>\$9,993</b>

a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

**July 2016 – March 2017 (FYTD17)**

**Chart 2. Daily Cash Balances in the NYC Central Treasury, FYTD, 2012, 2016, & 2017**





**Table 2. Cash Position in the NYC Central Treasury, FYTD08 - FYTD17**

(\$ in millions)

	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
Opening Balance <sup>a</sup>	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719
Total Receipts	56,072	57,303	55,004	59,639	59,072	60,126	64,039	66,066	71,229	68,384
Total Expenditures <sup>b</sup>	50,488	54,529	54,655	56,142	56,370	57,669	60,535	63,556	67,015	68,300
Closing Balance	\$10,057	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448	\$12,368	\$13,716	\$11,803
<b>Avg. Daily Balance</b>	<b>\$5,957</b>	<b>\$5,453</b>	<b>\$4,963</b>	<b>\$4,602</b>	<b>\$5,013</b>	<b>\$5,766</b>	<b>\$7,161</b>	<b>\$8,963</b>	<b>\$10,216</b>	<b>\$9,551</b>

a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

The City of New York began FY17 (in July 2016) with \$11.719 billion in cash-on-hand. By the end of 3Q17, the City's unrestricted cash balance increased slightly to \$11.803 billion, compared to \$13.716 billion at the same time last year. FYTD17 receipts exceeded expenditures by only \$84 million. In comparison, receipts exceeded expenditures in FYTD13, FYTD14, FYTD15, and FYTD16 by \$2.457 billion, \$3.504 billion, \$2.510 billion, and \$4.214 billion, respectively.

## II. Cash Receipts

**January 2017 – March 2017 (3Q17)**

### Receipts at a Glance

**Table 3. Cash Receipts by Category, 3Q, FY08 - FY17**

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Real Property Tax	\$2,737	\$5,153	\$3,176	\$3,295	\$3,399	\$3,643	\$3,789	\$3,879	\$4,464	\$4,601
Other Taxes	7,331	6,196	6,258	6,457	6,636	7,614	8,481	8,538	8,423	8,265
<b>Total Taxes</b>	<b>10,068</b>	<b>11,349</b>	<b>9,434</b>	<b>9,752</b>	<b>10,035</b>	<b>11,257</b>	<b>12,270</b>	<b>12,417</b>	<b>12,887</b>	<b>12,866</b>
Federal and State Aid	6,568	6,315	5,258	7,021	6,615	6,485	6,476	6,099	6,624	7,480
Debt Service Funding	(4)	(31)	0	(650)	(907)	(1,127)	(966)	(657)	(899)	(1,050)
Miscellaneous	1,417	1,569	1,462	1,525	1,726	1,945	1,944	1,872	1,491	1,610
Intergovernmental Aid	0	0	24	14	0	0	1	0	2	0
Other	2,490	3,290	2,261	3,305	2,534	3,619	2,652	6,009	3,452	3,193
<b>3Q Total</b>	<b>\$20,539</b>	<b>\$22,492</b>	<b>\$18,439</b>	<b>\$20,967</b>	<b>\$20,003</b>	<b>\$22,179</b>	<b>\$22,377</b>	<b>\$25,740</b>	<b>\$23,557</b>	<b>\$24,099</b>
<b>Total, Net of CapEx Reimbursements</b>	<b>\$18,984</b>	<b>\$20,041</b>	<b>\$17,098</b>	<b>\$18,583</b>	<b>\$18,478</b>	<b>\$20,097</b>	<b>\$20,618</b>	<b>\$23,451</b>	<b>\$21,619</b>	<b>\$22,445</b>

Total receipts in 3Q17 totaled \$24.099 billion, up 2.3% versus a year-ago. This total includes \$1.654 billion in reimbursements for capital expenditures. Net of these capital transfers, receipts increased 3.8%. During 3Q17 the City received \$7.5 billion in federal and state aid, up 12.9% compared to 3Q16. Miscellaneous revenue rose 8%.

### Taxes<sup>2</sup>

**Table 4. Tax Receipts, 3Q12, 3Q16, & 3Q17**

(\$ in millions)

	FY12	FY16	FY17	% Change FY17/ FY12	% Change FY17/ FY16
Real Property Tax	\$3,399	\$4,464	\$4,601	35.4%	3.1%
Personal Income Tax	2,358	3,144	3,391	43.8	7.9
Sales Tax	1,360	1,716	1,511	11.1	(11.9)
General Corporation Tax	1,055	1,303	1,125	6.6	(13.7)
Unincorporated Business Tax	444	556	770	73.4	38.5
Mortgage and Real Property Transfer Taxes	338	804	653	93.2	(18.8)
Commercial Rent Tax	183	206	214	16.9	3.9
STAR	212	207	203	(4.2)	(1.9)
Hotel Occupancy Tax	104	116	122	17.3	5.2
Utility Tax	132	81	102	(22.7)	25.9
Other Taxes	450	290	174	(61.3)	(40.0)
<b>3Q Total</b>	<b>\$10,035</b>	<b>\$12,887</b>	<b>\$12,866</b>	<b>28.2%</b>	<b>(0.2)%</b>

The City collected \$12.9 billion in tax revenues in 3Q17, the same amount as last year. Real property tax collections rose 3.1%, and PIT receipts increased 7.9%. Sales tax receipts fell 11.9%, in part due to the State intercept of sales tax revenue to recoup savings from refinancing the State-backed Sales Tax Asset Receivable Corporation (STAR) bonds. The State's FY 2016-17 Adopted Budget included a provision that authorizes a three-year sales tax revenue intercept to recapture benefits accrued to the

<sup>2</sup> In this report, tax receipts, with the exception of personal income tax, are gross of refunds. Real property tax and personal income tax are gross of any debt service funding.

City from refinancing STARC bonds. Beginning in May 2016, the State is authorized to retain \$16.7 million from the City's sales tax each month, for a total of \$50 million per quarter.

### **Selected Cash Receipts**

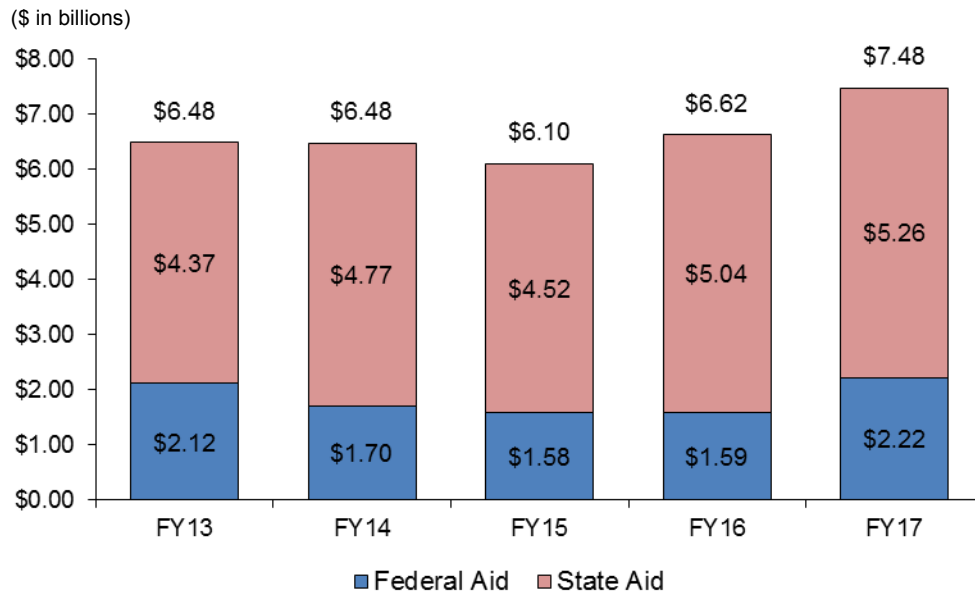
**Table 5. *Selected Cash Receipts, 3Q, 2013 - 2017***

(\$ in millions)

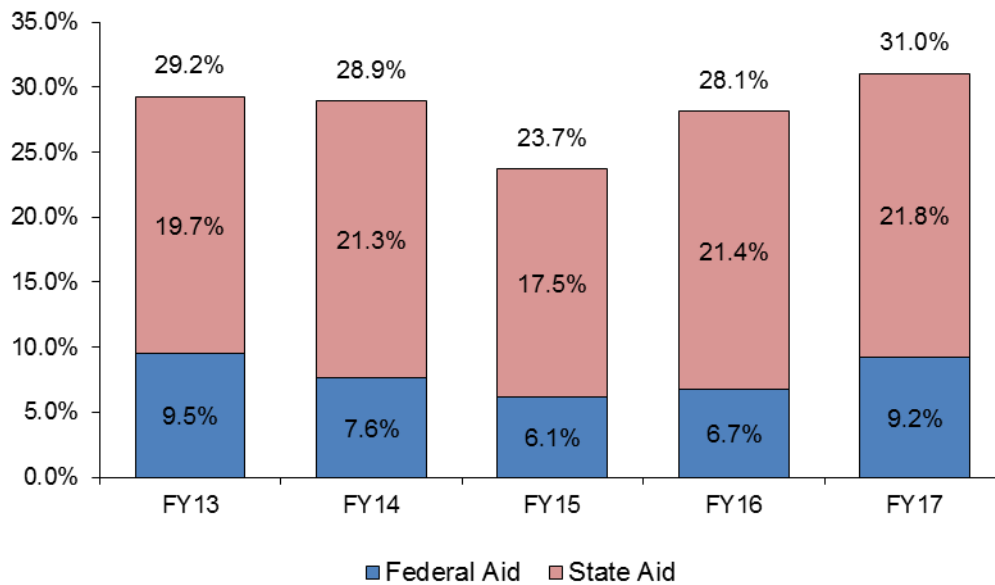
	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
Real Property Tax	\$3,643	\$3,789	\$3,879	\$4,464	\$4,601
NYS Education Aid	3,154	3,397	3,209	3,683	3,917
Personal Income Tax	2,721	2,966	3,205	3,144	3,391
Sales Tax	1,445	1,496	1,579	1,716	1,511
General Corporation Tax	1,190	1,614	1,282	1,303	1,125
Federal Education Aid	252	439	432	376	1,069
Unincorporated Business Tax	517	568	517	556	770
Mortgage and Real Property Transfer Taxes	547	656	803	804	653
NYS Higher Education Aid	572	566	603	619	606
Federal Welfare	1,077	752	627	654	550
Senior College Fees	478	527	481	502	485
NYS Welfare	358	530	479	498	446
Fines and Forfeitures	206	236	240	262	265
Commercial Rent Tax	192	204	192	206	214
STAR	219	225	201	207	203
Community College Fees	170	184	196	199	196

## Federal and State Aid

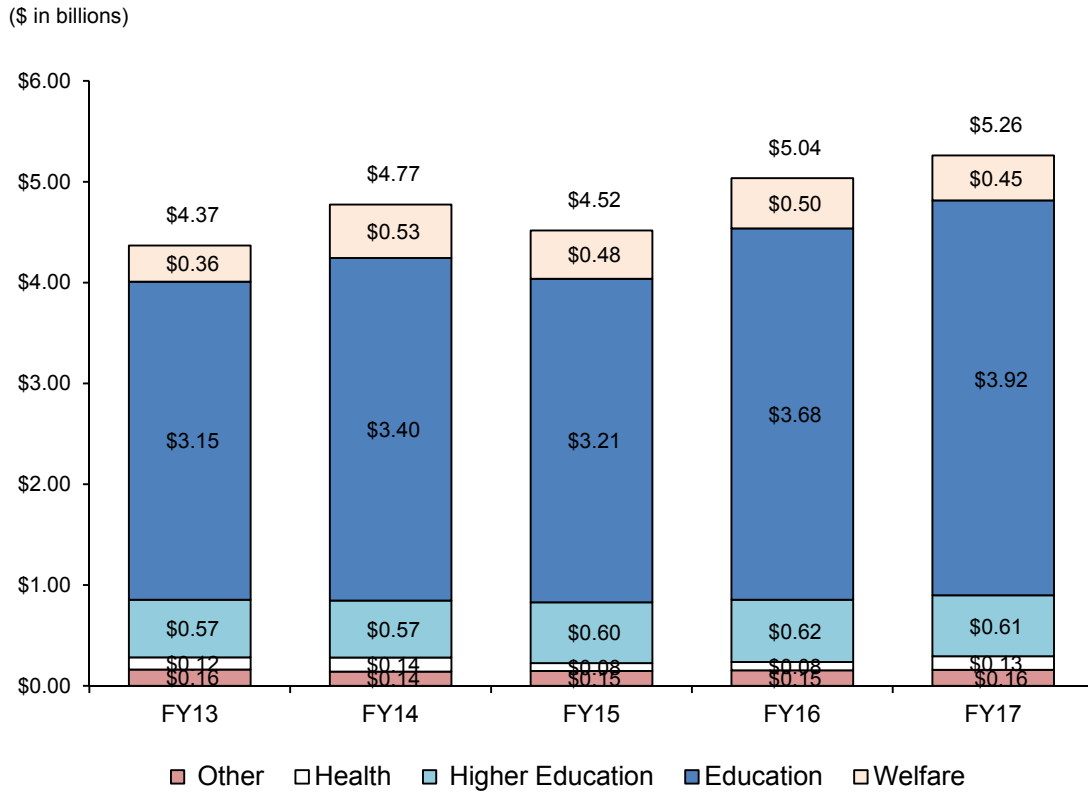
**Chart 3. Federal & State Aid to NYC, 3Q, FY13 - FY17**



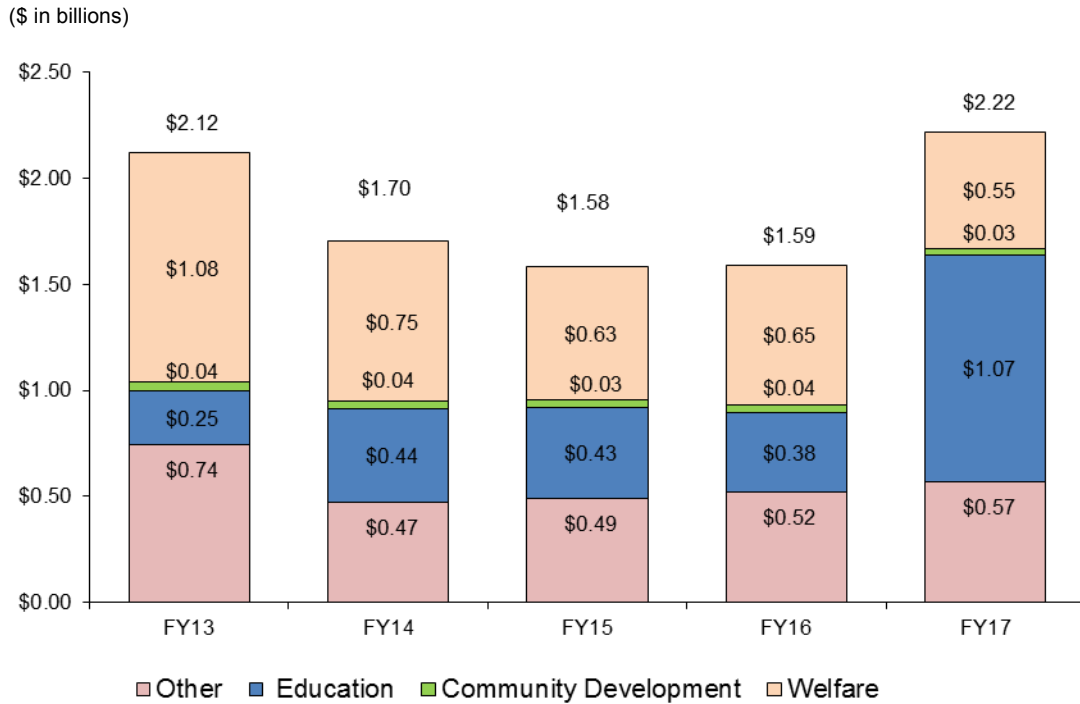
**Chart 4. Federal & State Aid as % of Total Cash Receipts, 3Q, FY13 - FY17**



**Chart 5. Components of State Aid, 3Q, FY13 - FY17**



**Chart 6. Components of Federal Aid, 3Q, FY13 - FY17**



Federal and State aid receipts accounted for 31% of total cash receipts, a larger percentage than in previous years. In 3Q17, the City received \$1.1 billion in federal education aid compared to \$376 million at the same time last year. The increase is primarily due to the late arrival of Title I funding from the federal government. On March 1, 2017, the City received \$389 million in Title I prior year aid for FY16.

### **July 2016 – March 2017 (FYTD17)**

### **Receipts at a Glance**

**Table 6. Cash Receipts by Category, FYTD, 2008 - 2017**

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Real Property Tax	\$10,715	\$11,620	\$11,566	\$12,422	\$13,419	\$13,544	\$14,739	\$15,152	\$16,548	\$17,162
Other Taxes	19,114	16,860	15,687	16,879	17,696	19,058	20,753	22,133	22,786	22,388
<b>Total Taxes</b>	<b>29,829</b>	<b>28,480</b>	<b>27,253</b>	<b>29,301</b>	<b>31,115</b>	<b>32,602</b>	<b>35,492</b>	<b>37,285</b>	<b>39,334</b>	<b>39,550</b>
Federal and State Aid	12,897	13,634	13,437	15,893	14,819	14,880	14,659	14,568	15,239	15,254
Debt Service Funding	(4)	(31)	0	(916)	(1,053)	(2,784)	(1,991)	(3,394)	229	(1,993)
Miscellaneous	4,551	4,397	4,721	4,612	4,738	4,975	5,339	5,199	5,361	4,830
Intergovernmental Aid	10	228	280	14	1	1	1	0	6	59
Other	8,789	10,595	9,313	10,735	9,451	10,451	10,539	12,409	11,060	10,684
<b>FYTD Total</b>	<b>\$56,072</b>	<b>\$57,303</b>	<b>\$55,004</b>	<b>\$59,639</b>	<b>\$59,071</b>	<b>\$60,125</b>	<b>\$64,039</b>	<b>\$66,067</b>	<b>\$71,229</b>	<b>\$68,384</b>
<b>Total, Net of CapEx Reimbursements</b>	<b>\$50,705</b>	<b>\$49,772</b>	<b>\$48,602</b>	<b>\$51,911</b>	<b>\$53,010</b>	<b>\$53,922</b>	<b>\$57,957</b>	<b>\$60,794</b>	<b>\$65,456</b>	<b>\$62,370</b>

FYTD17 cash receipts totaled \$68.384 billion, down \$2.845 billion from the previous year. Removing the effect of CapEx reimbursements, net cash receipts declined 4.7%. Even though cash receipts are down compared to FYTD16, they are still high compared to historical figures.

### **Taxes<sup>3</sup>**

**Table 7. Major Tax Receipts, FYTD, 2012, 2016, & 2017**

(\$ in millions)

	FY12	FY16	FY17	% Change FY17/ FY12	% Change FY17/ FY16
Real Property Tax	\$13,419	\$16,548	\$17,162	27.9%	3.7%
Personal Income Tax	5,842	7,838	8,152	39.5	4.0
Sales Tax	4,239	5,322	4,972	17.3	(6.6)
General Corporation Tax	2,539	3,185	3,258	28.3	2.3
Mortgage and Real Property Transfer Taxes	1,090	2,280	2,019	85.2	(11.4)
Unincorporated Business Tax	1,053	1,328	1,535	45.8	15.6
Commercial Rent Tax	505	636	639	26.5	0.5
Hotel Occupancy Tax	364	429	434	19.2	1.2
Banking Corporation Tax	1,071	747	411	(61.6)	(45.0)
STAR	390	394	311	(20.3)	(21.1)
All Other Taxes	843	627	657	(22.1)	4.8
<b>FYTD Total</b>	<b>\$31,115</b>	<b>\$39,334</b>	<b>\$39,550</b>	<b>27.1%</b>	<b>0.5%</b>

<sup>3</sup> In this report, tax receipts, with the exception of personal income tax, are gross of refunds. Real property tax and personal income tax are gross of any debt service funding.

FYTD17 tax receipts rose 0.5% versus a year-ago. Real property and personal income taxes grew 3.7% and 4%, respectively. The largest drag on tax receipts was the banking corporation tax, which slipped 45% versus a year-ago. Beginning in tax year 2015, the general corporation tax and the banking corporation tax merged. All New York City C-corporations now pay under the general corporation tax.

### **Selected Cash Receipts**

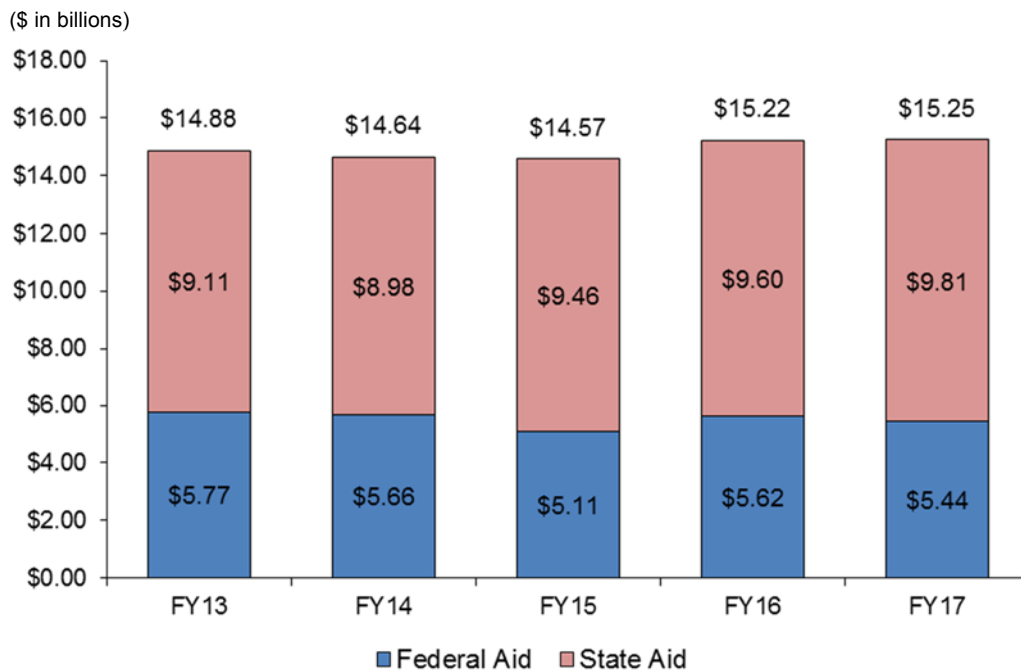
**Table 8. Selected Cash Receipts, FYTD, 2013 - 2017**

(\$ in millions)

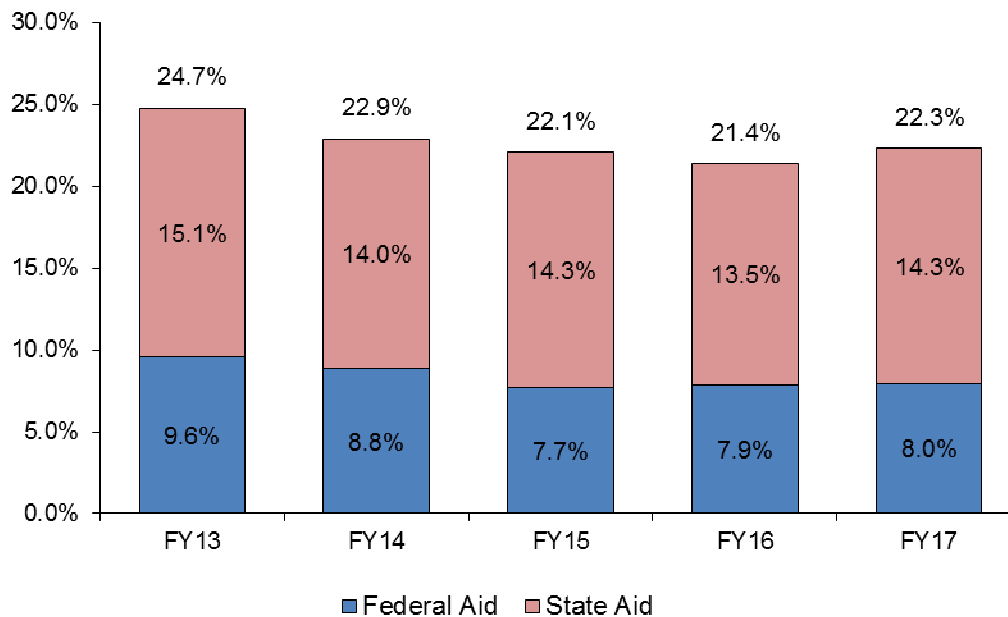
	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
Real Property Tax	\$13,544	\$14,739	\$15,152	\$16,548	\$17,162
Personal Income Tax	6,289	6,915	7,472	7,838	8,152
NYS Education Aid	5,894	6,136	6,346	6,694	7,033
Sales Tax	4,413	4,674	4,910	5,322	4,972
General Corporation Tax	2,698	3,055	2,833	3,185	3,258
Federal Welfare	2,923	2,493	2,513	2,418	2,164
Mortgage and Real Property Transfer Taxes	1,395	1,794	2,185	2,280	2,019
Unincorporated Business Tax	1,138	1,202	1,297	1,328	1,535
Federal Education Aid	826	1,158	779	1,308	1,400
Water and Sewer Fees	1,452	1,361	1,536	1,397	1,226
NYS Welfare	1,073	1,171	1,057	1,250	1,131
NYS Higher Education Aid	1,218	860	1,291	931	916
Fines and Forfeitures	783	704	751	875	796
Commercial Rent Tax	539	565	596	636	639
Senior College Fees	649	715	668	715	633
Hotel Occupancy Tax	380	395	426	429	434
Banking Corporation Tax	1,241	1,160	1,441	747	411

## Federal and State Aid

**Chart 7. Federal & State Aid to NYC, FYTD, FY13 - FY17**

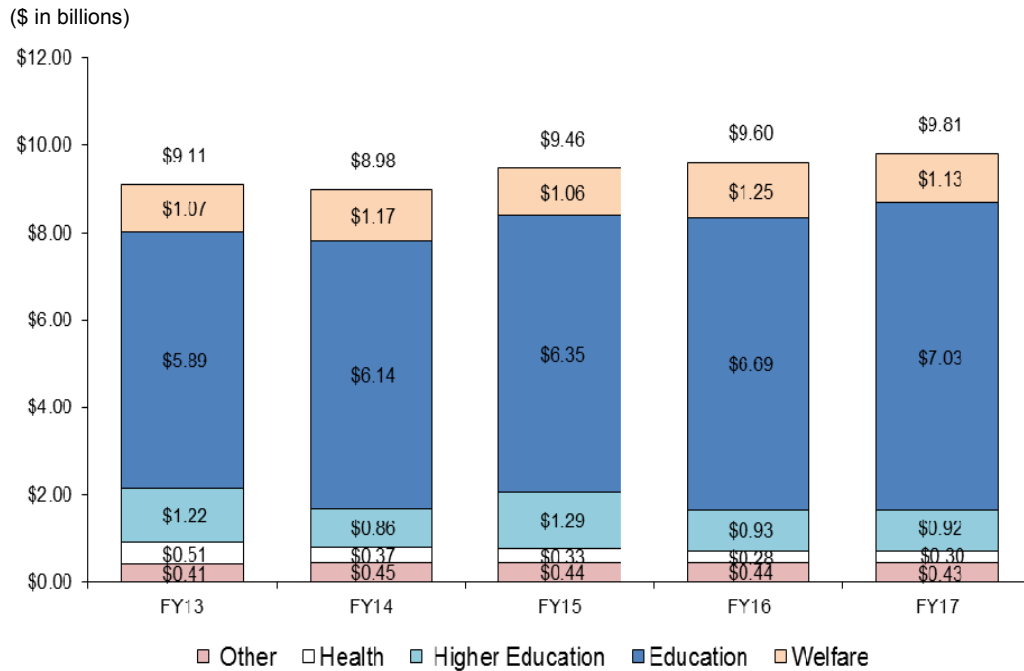


**Chart 8. Federal & State Aid as % of Total Cash Receipts, FYTD, FY13 - FY17**

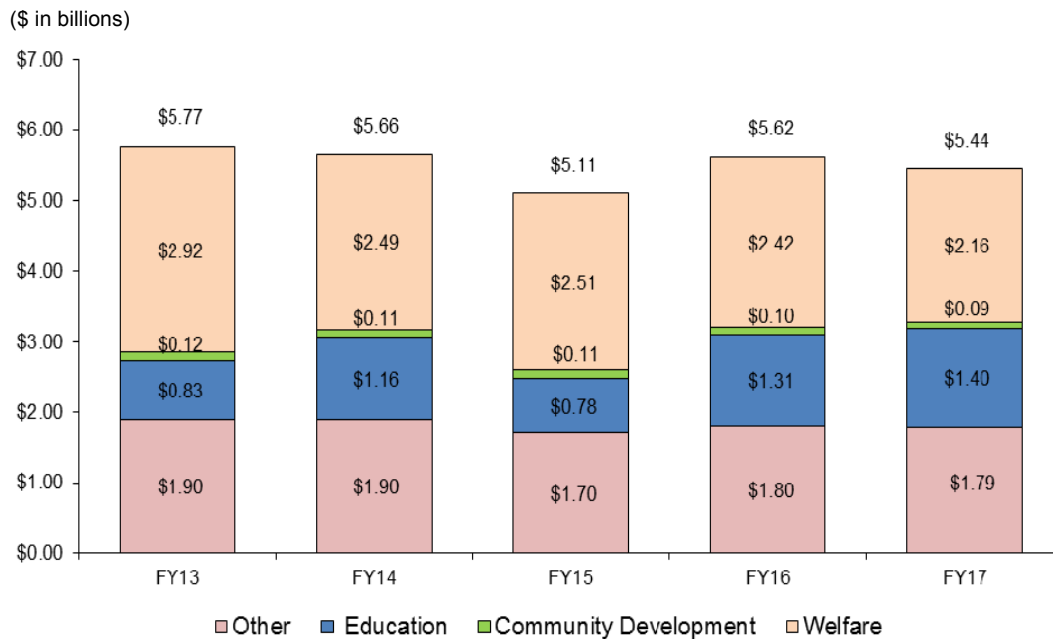




**Chart 9. Components of State Aid, FYTD, FY13 - FY17**



**Chart 10. Components of Federal Aid, FYTD, FY13 - FY17**



The City received \$15.2 billion from the Federal and State governments during FYTD17. Federal and NYS education aid receipts were up 7% and 5.1% respectively compared to FYTD16. Federal and NYS welfare receipts were down 10.5% and 9.5% respectively compared to FYTD16.

### III. Cash Expenditures (Including Capital)

**January 2017 – March 2017 (3Q17)**

#### Cash Expenditures at a Glance

**Table 9. PS & OTPS, 3Q, FY08 - FY17**

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Gross Payroll	\$5,284	\$5,824	\$5,603	\$5,747	\$5,959	\$6,047	\$6,146	\$6,840	\$6,792	\$6,798
Other PS	2,631	2,877	2,983	3,580	3,265	3,479	3,575	3,782	3,999	4,188
<b>Total PS</b>	<b>\$7,915</b>	<b>\$8,701</b>	<b>\$8,586</b>	<b>\$9,327</b>	<b>\$9,224</b>	<b>\$9,526</b>	<b>\$9,721</b>	<b>\$10,622</b>	<b>\$10,791</b>	<b>\$10,986</b>
<b>% of 3Q Total Exp</b>	<b>46%</b>	<b>50%</b>	<b>50%</b>	<b>49%</b>	<b>50%</b>	<b>49%</b>	<b>50%</b>	<b>47%</b>	<b>50%</b>	<b>49%</b>
<b># of Bi-weekly Payrolls</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>
Public Assistance	530	560	590	630	583	603	598	681	727	836
Medical Assistance	1,672	1,309	1,037	1,061	1,486	1,239	1,554	1,470	1,639	1,418
Other Social Services	619	567	458	612	593	646	565	584	660	667
Vendor and Other	3,569	3,409	3,306	4,037	3,757	4,401	4,163	4,428	4,798	5,291
<b>Total OTPS</b>	<b>\$6,390</b>	<b>\$5,845</b>	<b>\$5,391</b>	<b>\$6,340</b>	<b>\$6,419</b>	<b>\$6,889</b>	<b>\$6,880</b>	<b>\$7,163</b>	<b>\$7,824</b>	<b>\$8,212</b>
<b>% of 3Q Total Exp</b>	<b>37%</b>	<b>33%</b>	<b>31%</b>	<b>33%</b>	<b>34%</b>	<b>35%</b>	<b>35%</b>	<b>32%</b>	<b>36%</b>	<b>36%</b>
<b>All Other</b>	<b>\$2,927</b>	<b>\$3,004</b>	<b>\$3,366</b>	<b>\$3,344</b>	<b>\$2,972</b>	<b>\$3,205</b>	<b>\$2,865</b>	<b>\$4,786</b>	<b>\$2,830</b>	<b>\$3,447</b>
<b>% of 3Q Total Exp</b>	<b>17%</b>	<b>17%</b>	<b>19%</b>	<b>18%</b>	<b>16%</b>	<b>16%</b>	<b>15%</b>	<b>21%</b>	<b>13%</b>	<b>15%</b>
<b>Total Expenditures</b>	<b>\$17,232</b>	<b>\$17,550</b>	<b>\$17,343</b>	<b>\$19,011</b>	<b>\$18,615</b>	<b>\$19,621</b>	<b>\$19,466</b>	<b>\$22,570</b>	<b>\$21,445</b>	<b>\$22,645</b>
<b>Total Expenditures, Net of CapEx</b>	<b>\$15,119</b>	<b>\$15,608</b>	<b>\$15,083</b>	<b>\$16,676</b>	<b>\$16,485</b>	<b>\$17,396</b>	<b>\$17,403</b>	<b>\$20,532</b>	<b>\$19,221</b>	<b>\$20,217</b>

Cash expenditures, including capital, totaled \$22.645 billion in 3Q17, averaging \$365 million daily. During the same period last year, cash expenditures totaled \$21.445 billion and averaged \$346 million daily. Personal service expenditures grew 1.8% versus a year-ago, largely due to rising pension and healthcare costs. Other-than-personal-service expenditures (OTPS) rose 5% during the same time frame. The growth in OTPS is attributable to the increase in public assistance (up 15%) and vendor and other spending (up 10.3%). Meanwhile, the expenditure category titled “All Other” increased by \$617 million compared to the same period last year due to higher City-funded capital expenditures, payments to Health + Hospitals (H+H), and tax refunds.

## “All Other” Spending

**Table 10. Major Components of “All Other” Spending, 3Q16 & 3Q17**

(\$ in millions)

	FY16	FY17	Difference
Transit Authority	\$0	\$0	\$0
Housing Authority	16	59	43
Lump Sum Payments	557	470	(87)
H+H	151	411	250
Refunds	96	234	138
City-Funded Capital	1,701	2,067	366
Non-City-Funded Capital	523	361	(162)
Fund-700 Adjustment	(281)	(201)	80

## July 2016 – March 2017 (FYTD17)

### Cash Expenditures at a Glance

**Table 11. PS and OTPS Cash Expenditures, FYTD08 - FYTD17**

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Gross Payroll	\$16,283	\$18,109	\$17,433	\$17,868	\$17,910	\$18,059	\$18,241	\$19,598	\$21,112	\$20,859
Other PS	7,923	8,555	9,312	9,609	9,959	10,445	10,808	11,393	11,852	12,657
<b>Total PS</b>	<b>\$24,206</b>	<b>\$26,664</b>	<b>\$26,745</b>	<b>\$27,477</b>	<b>\$27,869</b>	<b>\$28,504</b>	<b>\$29,049</b>	<b>\$30,991</b>	<b>\$32,964</b>	<b>\$33,516</b>
<b>% of 3Q Total Exp</b>	<b>48%</b>	<b>49%</b>	<b>49%</b>	<b>49%</b>	<b>49%</b>	<b>49%</b>	<b>48%</b>	<b>49%</b>	<b>49%</b>	<b>49%</b>
Public Assistance	1,634	1,769	2,003	1,912	1,806	1,793	1,867	1,964	2,106	2,357
Medical Assistance	3,956	3,689	3,475	3,572	4,398	4,327	4,317	4,347	4,522	4,052
Other Social Services	1,789	1,877	1,881	1,862	1,775	1,841	1,801	1,858	1,967	2,067
Vendor and Other	10,359	10,531	10,290	11,256	11,492	12,127	12,932	13,994	14,708	16,020
<b>Total OTPS</b>	<b>\$17,738</b>	<b>\$17,866</b>	<b>\$17,649</b>	<b>\$18,602</b>	<b>\$19,471</b>	<b>\$20,088</b>	<b>\$20,917</b>	<b>\$22,163</b>	<b>\$23,303</b>	<b>\$24,496</b>
<b>% of 3Q Total Exp</b>	<b>35%</b>	<b>33%</b>	<b>32%</b>	<b>33%</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>	<b>35%</b>	<b>36%</b>
<b>All Other</b>	<b>\$8,544</b>	<b>\$9,999</b>	<b>\$10,261</b>	<b>\$10,064</b>	<b>\$9,030</b>	<b>\$9,076</b>	<b>\$10,568</b>	<b>\$10,402</b>	<b>\$10,748</b>	<b>\$10,288</b>
<b>% of 3Q Total Exp</b>	<b>17%</b>	<b>18%</b>	<b>19%</b>	<b>18%</b>	<b>16%</b>	<b>16%</b>	<b>17%</b>	<b>16%</b>	<b>16%</b>	<b>15%</b>
<b>Total Expenditures</b>	<b>\$50,488</b>	<b>\$54,529</b>	<b>\$54,655</b>	<b>\$56,142</b>	<b>\$56,370</b>	<b>\$57,669</b>	<b>\$60,534</b>	<b>\$63,555</b>	<b>\$67,015</b>	<b>\$68,300</b>
<b>Total Expenditures, Net of CapEx</b>	<b>\$44,755</b>	<b>\$47,821</b>	<b>\$47,167</b>	<b>\$48,813</b>	<b>\$50,092</b>	<b>\$51,514</b>	<b>\$54,193</b>	<b>\$57,946</b>	<b>\$60,815</b>	<b>\$61,860</b>

FYTD17 total expenditures rose 1.9% versus a year-ago. Gross payroll decreased 1.2%, while other personal service expenditures increased 6.8%. OTPS outflows rose 5.1%, boosted by increases in spending on public assistance (up 11.9%), vendor and other spending (up 8.9%), and other social services (up 5.1%). Other social services expenditures include, but are not limited to, payments made to various charitable and other non-for-profit organizations that provide services to the homeless, hungry or disabled people, senior citizens, disadvantaged children, and other people in need. When the impact of CapEx is removed, FYTD17 net expenditures reflect a gain of 1.7% versus a year-ago.

## **“All Other” Spending**

**Table 12. Major Components of “All Other” Spending, FYTD16 & FYTD17**

(\$ in millions)

	<b>FYTD16</b>	<b>FYTD17</b>	<b>Difference</b>
<b>Transit Authority</b>	\$264	\$251	(\$13)
<b>Housing Authority</b>	79	94	15
<b>Lump Sum Payments</b>	1,932	2,241	309
<b>H+H</b>	711	1,061	350
<b>Refunds</b>	595	720	125
<b>City-Funded Capital</b>	4,675	5,272	597
<b>Non-City-Funded Capital</b>	1,524	1,168	(356)
<b>Fund-700 Adjustment</b>	877	(534)	(1,411)

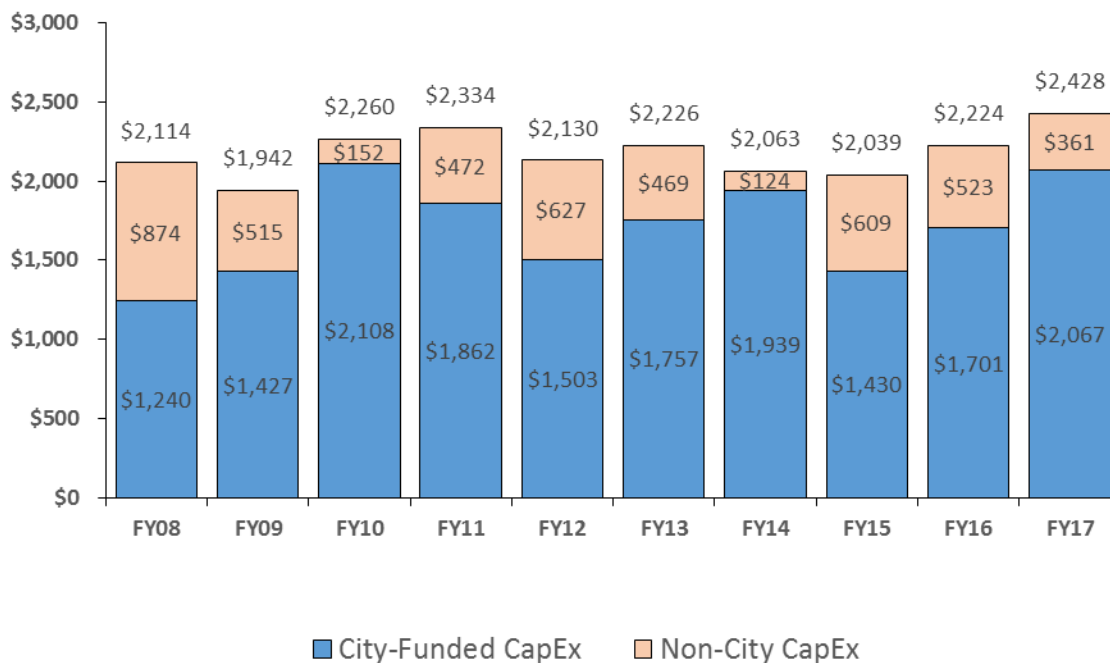
## IV. Capital Expenditures<sup>4</sup>

### January 2017 – March 2017 (3Q17)

CapEx totaled \$2.428 billion in 3Q17, up 9.2% from \$2.224 billion in 3Q16. City-funded CapEx increased 21.5% while Non-City-funded CapEx declined 31%.

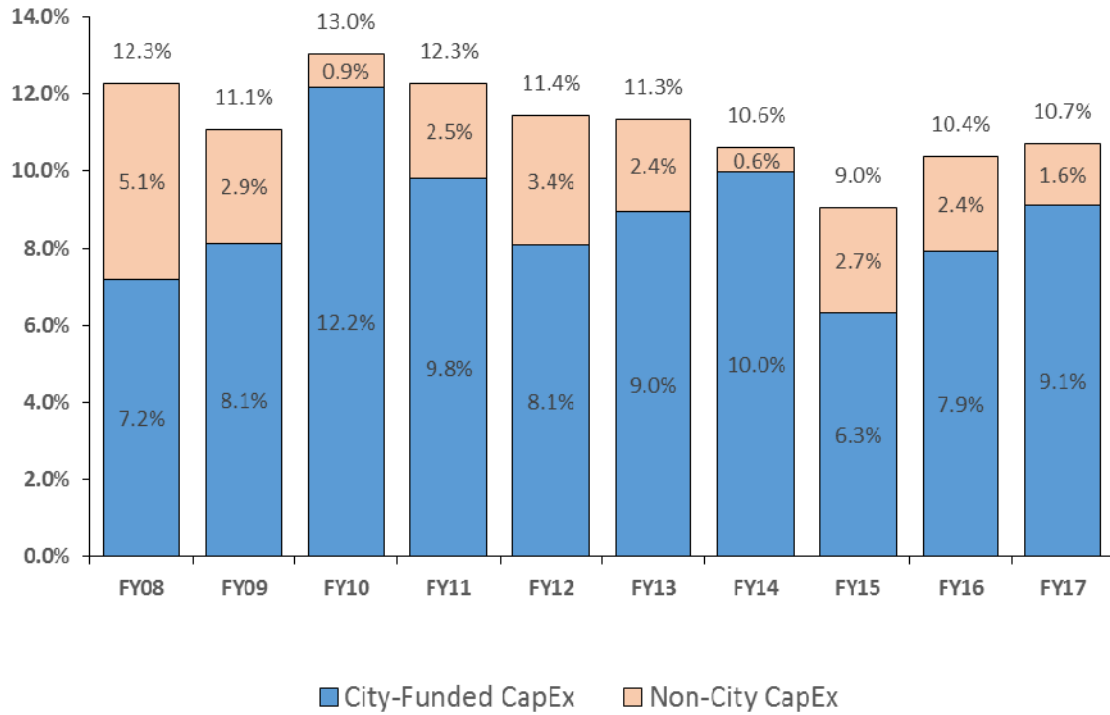
**Chart 11. Total CapEx, 3Q, FY08 - FY17**

(\$ in millions)



<sup>4</sup> City-funded capital expenditures are primarily financed from the proceeds of General Obligation (GO), New York City Transitional Finance Authority (TFA), and New York City Municipal Water Finance Authority (NY Water) debt. Capital expenditures are initially paid from the General Fund and then reimbursed from various capital accounts and State sources.

**Chart 12. Total CapEx as % of Total Expenditures, 3Q, FY08 - FY17**



## Reimbursements to the New York City Central Treasury for Capital Expenditures

**Table 13. Reimbursements to the NYC Central Treasury for CapEx, 3Q, FY08 - FY17**

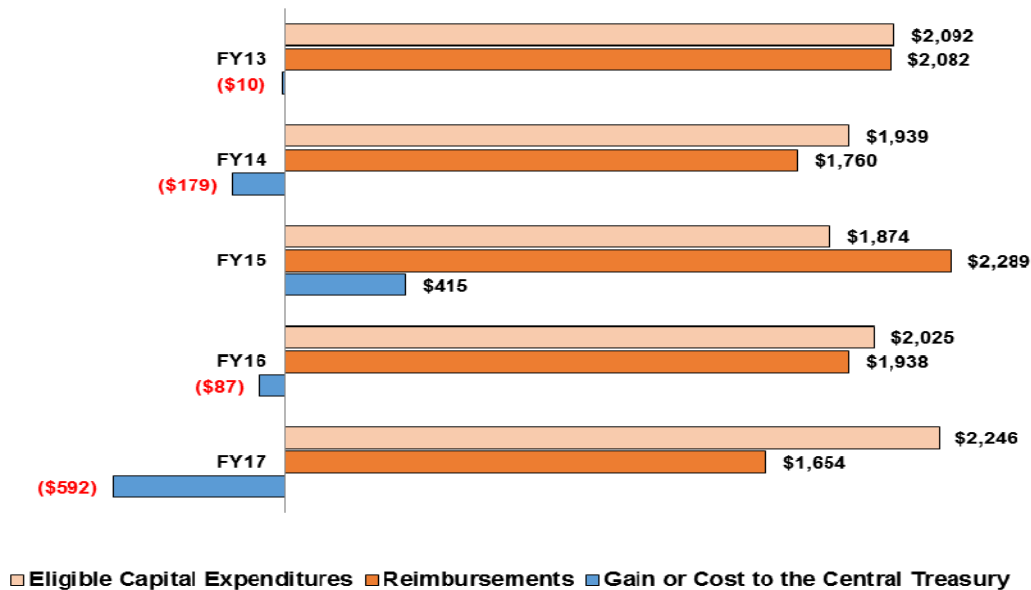
(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total
GO	\$753	\$969	\$324	\$927	\$213	\$476	\$340	\$25	\$0	\$936	\$4,963
NY Water	538	647	623	630	534	452	426	401	343	363	4,957
TFA	30	7	394	744	376	927	994	980	1,595	355	6,402
<i>Sub-total</i>	<i>1,321</i>	<i>1,623</i>	<i>1,341</i>	<i>2,301</i>	<i>1,123</i>	<i>1,855</i>	<i>1,760</i>	<i>1,406</i>	<i>1,938</i>	<i>1,654</i>	<i>16,322</i>
TFA Building Aid	89	828	0	83	402	227	0	883	0	0	2,512
DASNY	145	0	0	0	0	0	0	0	0	0	145
<i>Sub-total</i>	<i>234</i>	<i>828</i>	<i>0</i>	<i>83</i>	<i>402</i>	<i>227</i>	<i>0</i>	<i>883</i>	<i>0</i>	<i>0</i>	<i>2,657</i>
<b>3Q Total</b>	<b>\$1,555</b>	<b>\$2,451</b>	<b>\$1,341</b>	<b>\$2,384</b>	<b>\$1,525</b>	<b>\$2,082</b>	<b>\$1,760</b>	<b>\$2,289</b>	<b>\$1,938</b>	<b>\$1,654</b>	<b>\$18,979</b>
3Q Reimbursable Capital Expenditures	\$2,005	\$1,810	\$2,125	\$2,180	\$1,949	\$2,092	\$1,939	\$1,874	\$2,025	\$2,246	\$20,245
3Q Reimbursements Less 3Q Reimbursable Capital Expenditures	(\$450)	\$641	(\$784)	\$204	(\$424)	(\$10)	(\$179)	\$415	(\$87)	(\$592)	(\$1,266)
3Q Reimbursements as a % of 3Q Reimbursable Capital Expenditures	77.6%	135.4%	63.1%	109.4%	78.2%	99.5%	90.8%	122.1%	95.7%	73.6%	93.7%
3Q Reimbursements as a % of Total 3Q Receipts	7.6%	10.9%	7.3%	11.4%	7.6%	9.4%	7.9%	8.9%	8.2%	6.9%	8.6%

During 3Q17, eligible CapEx exceeded reimbursements, decreasing the City's cash balance by \$592 million. Table 13 shows that eligible CapEx exceeded reimbursements in seven out of the last ten 3Q periods (FY08-FY17), resulting in a total drain of \$1.266 billion to the Central Treasury.

**Chart 13. Bond-Funded Reimbursements for Eligible CapEx, 3Q, FY13 - FY17**

(\$ in millions)

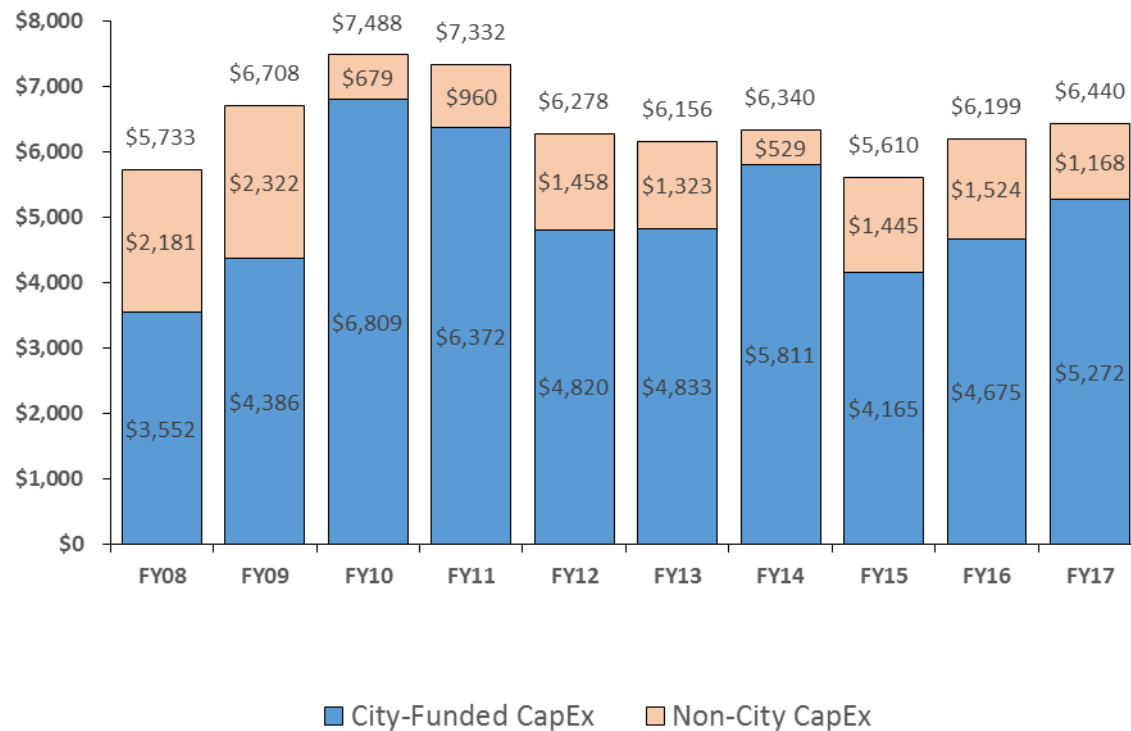


**July 2016 – March 2017 (FYTD17)**

FYTD17, total CapEx increased 3.9% versus a year-ago. The City-funded CapEx jumped 12.8%, while Non-City CapEx declined 23.4%.

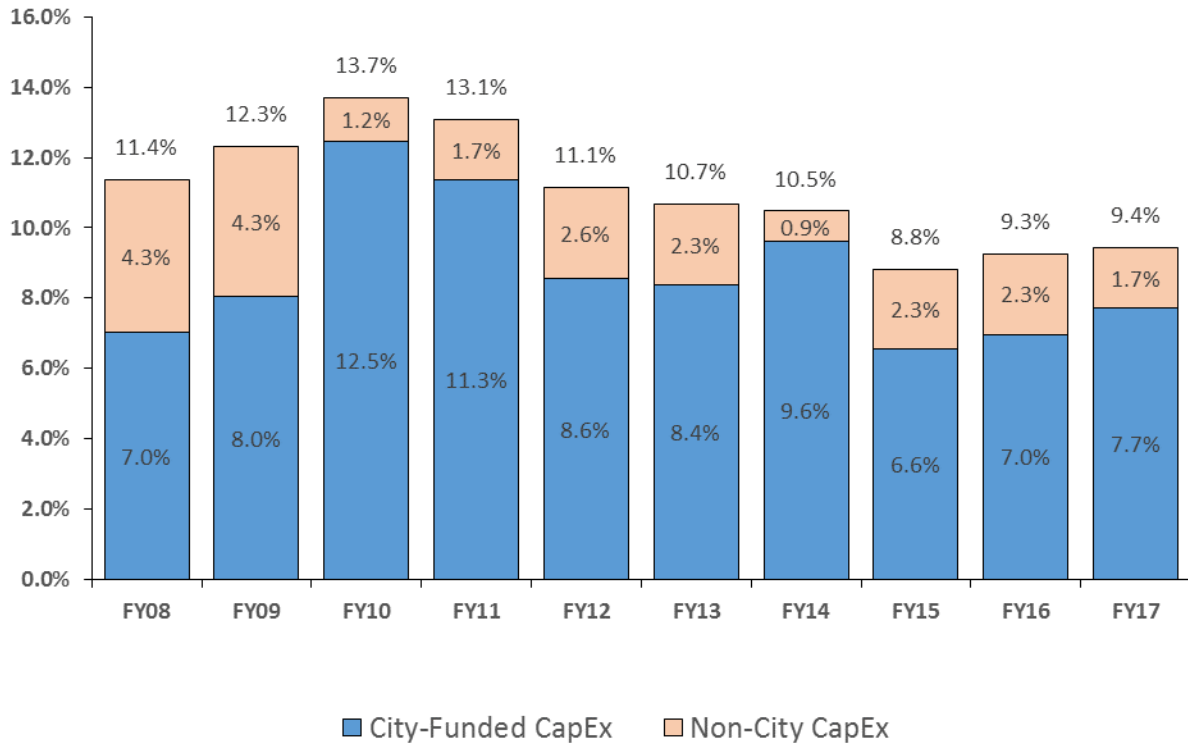
**Chart 14. Total CapEx, FYTD, FY08 - FY17**

(\$ in millions)





**Chart 15. Total CapEx as % of Total Expenditures, FYTD, FY08 - FY17**



## Reimbursements to the New York City Central Treasury for Capital Expenditures

**Table 14. Reimbursements to the NYC Central Treasury, FYTD, 2008 - 2017**

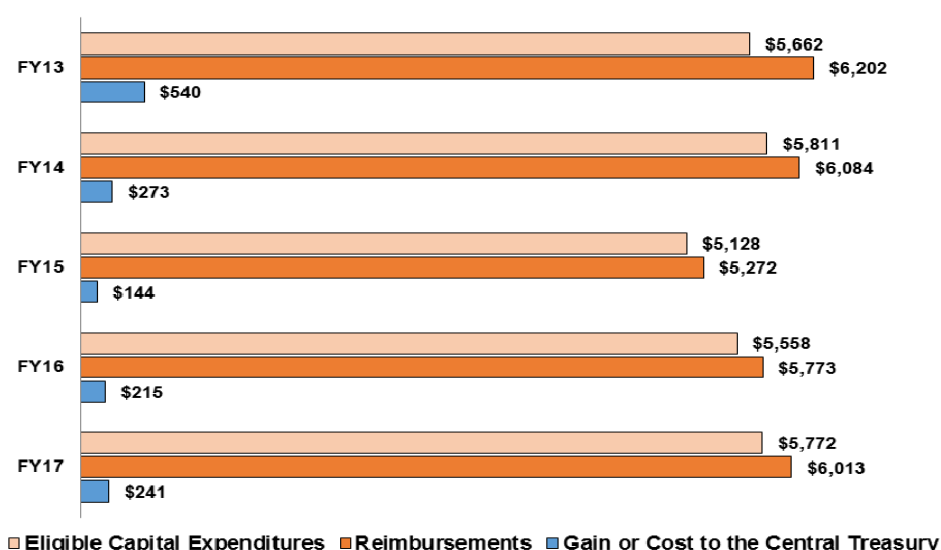
(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total
GO	\$2,179	\$3,510	\$2,255	\$2,571	\$1,646	\$898	\$1,712	\$382	\$609	\$2,468	\$18,230
NY Water	1,460	1,990	2,019	2,278	1,691	1,438	1,243	1,074	1,032	1,095	15,318
TFA	524	14	1,940	2,527	1,745	2,909	3,129	2,933	3,302	2,450	21,473
<i>City-Funded Sub-total</i>	<i>4,163</i>	<i>5,514</i>	<i>6,214</i>	<i>7,376</i>	<i>5,082</i>	<i>5,245</i>	<i>6,084</i>	<i>4,389</i>	<i>4,943</i>	<i>6,013</i>	<i>55,021</i>
TFA Building Aid	739	1649	182	352	979	957	0	883	832	0	6,573
DASNY	465	368	6	0	0	0	0	0	0	0	839
<i>Non-City Sub-total</i>	<i>1,204</i>	<i>2,017</i>	<i>188</i>	<i>352</i>	<i>979</i>	<i>957</i>	<i>0</i>	<i>883</i>	<i>832</i>	<i>0</i>	<i>7,412</i>
<b>FYTD Total</b>	<b>\$5,367</b>	<b>\$7,531</b>	<b>\$6,402</b>	<b>\$7,728</b>	<b>\$6,061</b>	<b>\$6,202</b>	<b>\$6,084</b>	<b>\$5,272</b>	<b>\$5,775</b>	<b>\$6,013</b>	<b>\$62,433</b>
YTD Reimbursable Capital Expenditures	\$5,451	\$6,275	\$6,948	\$6,863	\$5,705	\$5,662	\$5,811	\$5,128	\$5,558	\$5,772	\$59,173
YTD Reimbursements Less YTD Reimbursable Capital Expenditures	(\$84)	\$1,256	(\$546)	\$865	\$356	\$540	\$273	\$144	\$217	\$241	\$3,260
YTD Reimbursements as a % of YTD Reimbursable Capital Expenditures	98.5%	120.0%	92.1%	112.6%	106.2%	109.5%	104.7%	102.8%	103.9%	104.2%	105.5%
YTD Reimbursements as a % of YTD Total Receipts	9.6%	13.1%	11.6%	13.0%	10.3%	10.3%	9.5%	8.0%	8.1%	8.8%	10.1%

FYTD17 reimbursements exceeded eligible CapEx by \$241 million, or 4.2%. Over the long term, CapEx and reimbursements offset each other. Over the past ten FYTD periods they have been closely paired, with reimbursements exceeding CapEx by only 5.5%.

**Chart 16. Bond-Funded Reimbursements for Eligible CapEx, FYTD, 2013 - 2017**

(\$ in millions)



## V. Financings

In FY17, the City plans to issue \$5.6 billion in General Obligation (GO) and Transitional Finance Authority Personal Income Tax (TFA PIT) bonds for new money capital purposes. The City issued \$4.5 billion of new money debt FYTD17.

**Table 15. FY17 Projected vs. FYTD17 Actual GO, TFA PIT, and TFA BARBs Issuance**

(\$ in billions)

	Projected New Money Issuance	Actual New Money Issuance	Remaining New Money Issuance
GO	\$2.3	\$2.3	\$0
TFA PIT	3.3	2.2	1.1
Total	\$5.6	\$4.5	\$1.1

Projected bond issuance is based on OMB's April 2017 Executive Budget.

There were no new money sales in 3Q17. Two bond sales refinanced outstanding debt. The first transaction was a GO sale of \$900 million of refunding bonds. The refunding achieved \$133.7 million in budget savings, or more than \$118.8 million on a present-value basis. The second transaction was a TFA sale of \$795 million of refunding bonds. The refunding achieved \$99.2 million in budget savings, or more than \$84.9 million on a present-value basis.

**Table 16. GO, TFA PIT, and TFA BARBs Bond Issuance, FYTD17**

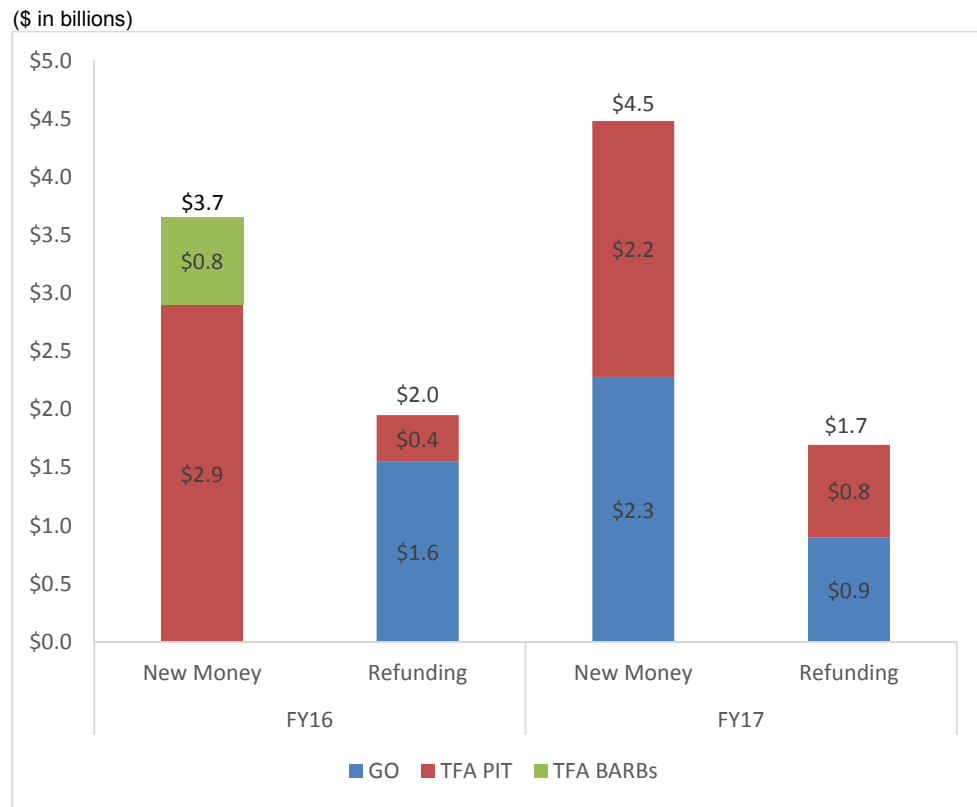
(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	TE Index	Total Par
7/28/2016	TFA 2017 A	New Money	\$800	\$250	\$0	\$0	\$1,050
8/18/2016	GO 2017 A	New Money	\$800	\$250	\$381	\$0	\$1,431
9/22/2016	TFA 2017 B	New Money	\$800	\$250	\$0	\$100	\$1,150
12/20/2016	GO 2017 B	New Money	\$650	\$200	\$0	\$0	\$850
2/22/2017	GO 2017 CD	Refunding	\$900	\$0	\$0	\$0	\$900
3/22/2017	TFA 2017 CD	Refunding	\$795	\$0	\$0	\$0	\$795

\*Designates series of bonds that were sold via competitive sale  
The table excludes conversions and re-offerings.

The pace of bond issuance in FYTD17 exceeded last year's pace. As shown in the following chart, in FYTD17 the City issued \$6.2 billion in new money and refunding bonds versus \$5.7 billion in FYTD16.

**Chart 17. *GO, TFA PIT, and TFA BARBs Issues, FYTD16 & FYTD17***



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