



NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

Bureau of Budget

Q1 FY2019

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Quarterly Cash Report

December 2018

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Summary

Cash Balances¹

The City began 1Q19 with \$9.394 billion in cash-on-hand, roughly the same amount as in 1Q18. Total receipts in the quarter rose 13.7%, while expenditures increased 6.5%. Overall, cash expenditures exceeded cash receipts by \$1.072 billion in 1Q19. The quarter finished strong with \$8.322 billion in cash, an increase of \$1.429 billion or 20.7% from the prior fiscal year. The average cash balance rose from \$8.883 billion in 1Q18 to \$8.964 billion in 1Q19.

Cash Receipts

Cash receipts totaled \$24.456 billion in 1Q19, averaging \$388 million a day. During the same period last year, cash receipts totaled \$21.513 billion and averaged \$341 million a day. Federal and state aid increased a whopping 76.5%, while miscellaneous revenue rose 9.3% and total taxes rose 8.5%.

The cash receipts figure includes the retention of real property and personal income tax revenues for GO and TFA PIT debt service payments. Debt service funding is recorded as a negative inflow (rather than a positive expense). In 1Q19, debt service retention decreased total cash revenue by \$486 million, compared to \$905 million during the same period last year.

Total tax receipts measured \$13.266 billion, up 8.5% compared to the same period last year. Real property tax, the City's largest source of tax revenue, was up 18.5%. Personal income tax grew 7.2% and sales tax increased 6.5%. Overall, tax revenue accounted for 54.2% of total cash receipts in 1Q19.

The combined 1Q19 total of Federal and State aid amounted to \$5.9 billion compared to \$3.4 billion during the same period last year. Federal welfare rose \$917 million, State higher education rose \$856 million, and State education aid rose \$502 million, versus a year ago. Most of these payments were "prior aid" funds, which were originally scheduled to be remitted to the City last year.

Cash Expenditures

Cash expenditures, including capital, totaled \$25.529 billion in 1Q19, averaging \$405 million a day. During the same period last year, cash expenditures totaled \$23.962 billion and averaged \$380 million a day. Personal service (PS) expenditures were up 2.6% compared to last year. Payroll increased 2.3%, while other personal services—primarily pensions and other fringe benefits—rose 3.7%. Other-than-personal-service (OTPS) expenditures rose 18.1% versus a year ago. In the OTPS category, medical assistance spending showed the most growth (up 28.3%) followed by vendor and other (up 17.5%) and other social services (up 14.3%). When the impact of CapEx is removed, 1Q19 net expenditures reflect a gain of 6.8% versus a year ago.

¹ 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 according to warrants issued.

Capital Expenditures (CapEx)²

CapEx totaled \$2.435 billion in 1Q19, up 3.7% from \$2.347 billion in 1Q18. City-funded CapEx increased 3.0% while Non-City-funded CapEx grew 10.2%.

Reimbursements trailed eligible CapEx during 1Q19, resulting in a loss of \$242 million to the Central Treasury. As a quarterly metric, the CapEx reimbursement rate is a volatile statistic. However, over the long-term, CapEx and the related reimbursements offset each other. Over the past ten 1Q periods, the reimbursement rate averaged 106%.

Financings

In FY19, the City plans to issue \$6.6 billion in GO, TFA FTS, and TFA BARBs bonds for new money capital purposes. In comparison, in FY18 the City sold \$7.4 billion in new money debt across the three credits.

During 1Q19, the City closed four bond sales. The first transaction was a new money and refunding sale of approximately \$1 billion of TFA Building Aid Revenue Bonds. The TFA BARBs sale was comprised of \$929 million of tax-exempt fixed rate bonds, and \$115 million of taxable fixed rate bonds. The refunding achieved \$120.9 million in budget savings, or \$113.1 million on a present-value basis.

The second transaction was a new money sale of approximately \$1.4 billion of TFA FTS bonds. The TFA FTS sale included \$850 million of tax-exempt fixed rate bonds, \$300 million of taxable fixed rate bonds, and \$200 million of tax-exempt variable rate bonds.

The third transaction was a refunding sale of \$831 million of GO bonds. The GO sale was comprised of \$771 million of tax-exempt fixed rate bonds, and \$60 million of taxable fixed rate bonds. The refunding achieved \$101.3 million in budget savings, or \$95.7 million on a present-value basis.

The fourth transaction was a new money sale of approximately \$1.5 billion of TFA FTS bonds. The TFA FTS sale included \$750 million of tax-exempt fixed rate bonds, \$500 million of taxable fixed rate bonds, and \$275 million of tax-exempt variable rate bonds.

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, appear not to equal the given total. Examples occur throughout this report and are the result of rounding, not miscalculation.

² 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.

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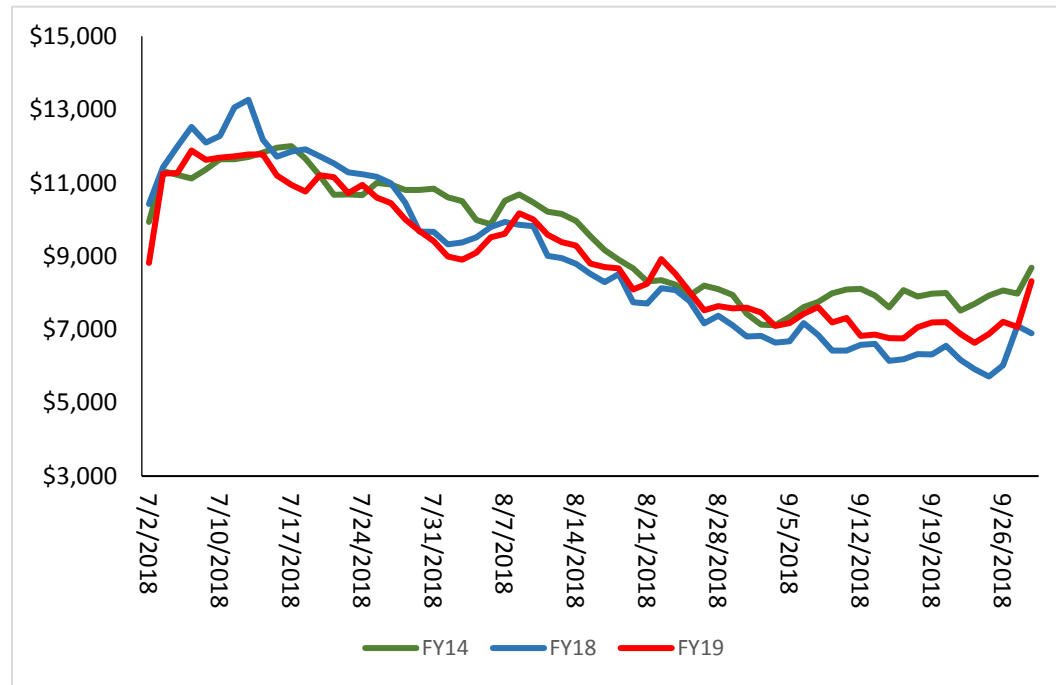
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Cash Balances

Chart 1. Daily Cash Balances of the NYC Central Treasury, 1Q14, 1Q18, and 1Q19

(\$ in millions)



The City began 1Q19 with \$9.394 billion in cash-on-hand, roughly the same amount as in 1Q18. Total receipts in the quarter rose 13.7%, while expenditures increased 6.5%. Overall, cash expenditures exceeded cash receipts by \$1.072 billion in 1Q19. The quarter finished strongly with \$8.322 billion in cash, an increase of \$1.429 billion or 20.7% from the prior fiscal year. The average cash balance rose from \$8.883 billion in 1Q18 to \$8.964 billion in 1Q19.

Table 1. Cash Position in the NYC Central Treasury, 1Q, FY10 - FY19

(\$ in millions)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Opening Balance ^a	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	\$9,341	\$9,394
Total Receipts	17,332	19,911	19,315	19,023	19,361	19,904	23,006	22,048	21,513	24,456
Total Expenditures ^b	18,575	19,165	19,221	19,085	21,531	20,750	23,017	23,349	23,962	25,528
Closing Balance	\$4,596	\$5,350	\$5,135	\$6,235	\$5,773	\$9,011	\$9,491	\$10,418	\$6,893	\$8,322
Avg. Daily Balance	\$6,348	\$4,628	\$5,843	\$6,397	\$7,274	\$9,442	\$10,046	\$10,377	\$8,883	\$8,964

a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

Cash Receipts

Receipts at a Glance

Table 2. Cash Receipts by Category, 1Q, FY10 - FY19

(\$ in millions)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Real Property Tax	\$3,778	\$4,638	\$5,154	\$4,785	\$5,573	\$5,412	\$5,587	\$5,950	\$5,400	\$6,400
Other Taxes	4,506	5,191	5,543	5,681	6,050	6,595	6,865	6,696	6,826	6,866
Total taxes	8,284	9,829	10,697	10,466	11,623	12,007	12,452	12,646	12,226	13,266
Debt Service Funding	0	(108)	0	(1,005)	(891)	(1,683)	470	(638)	(905)	(486)
Federal and State Aid	4,279	4,270	3,890	4,188	3,951	4,633	4,256	3,683	3,359	5,927
Miscellaneous	1,796	1,628	1,734	1,669	1,493	1,549	2,027	1,802	2,016	2,204
Intergovernmental Aid	63	0	0	0	0	0	0	2	0	0
Other	2,910	3,842	2,994	3,705	3,185	3,398	3,801	4,553	4,817	3,545
Total	\$17,332	\$19,911	\$19,315	\$19,023	\$19,361	\$19,904	\$23,006	\$22,048	\$21,513	\$24,456
Total, Net of Reimbursement for CapEx	\$15,392	\$17,027	\$17,432	\$16,398	\$17,660	\$18,258	\$21,081	\$19,217	\$18,601	\$22,430

Cash receipts totaled \$24.456 billion in 1Q19, averaging \$388 million a day. During the same period last year, cash receipts totaled \$21.513 billion and averaged \$341 million a day. Federal and state aid increased a whopping 76.5%, while miscellaneous revenue rose 9.3% and total taxes rose 8.5%.

The cash receipts figure includes the retention of real property and personal income tax revenues for GO and TFA PIT debt service payments. Debt service funding is recorded as a negative inflow (rather than a positive expense). In 1Q19, debt service funding decreased total cash revenue by \$486 million compared to \$905 million during the same period last year.

Taxes³

Table 3. Tax Receipts, 1Q14, 1Q18, and 1Q19

(\$ in millions)	1Q14	1Q18	1Q19	% Change 1Q19/1Q14	% Change 1Q19/1Q18
Real Property Tax	\$5,573	\$5,400	\$6,400	14.8%	18.5%
Personal Income Tax	1,861	2,418	2,591	39.2	7.2
Sales Tax	1,425	1,486	1,583	11.1	6.5
General Corporation Tax	714	902	970	35.9	7.5
Mortgage and Real Property Transfer Taxes	501	638	671	33.9	5.2
Unincorporated Business Tax	435	506	407	(6.4)	(19.6)
Commercial Rent Tax	188	244	251	33.5	2.9
Hotel Occupancy Tax	133	147	157	18.0	6.8
Utility Tax	103	95	96	(6.8)	1.1
All Other Taxes	690	390	140	(79.7)	(64.1)
Total	\$11,623	\$12,226	\$13,266	14.1%	8.5%

³ 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 debt service funding.

Total tax receipts measured \$13.266 billion, up 8.5% compared to the same period last year. Real property tax, the City's largest source of tax revenue, was up 18.5%. Personal income tax grew 7.2% and sales tax increased 6.5%. Overall, tax revenue accounted for 54.2% of total cash receipts in 1Q19.

Table 4. Selected Cash Receipts, 1Q, FY15 - FY19

(\$ in millions)	FY15	FY16	FY17	FY18	FY19
Real Property Tax	\$5,412	\$5,587	\$5,950	\$5,400	\$6,400
Personal Income Tax	2,026	2,236	2,249	2,418	2,591
NYS Education Aid	1,638	1,364	1,359	1,396	1,898
Sales Tax	1,482	1,559	1,411	1,486	1,583
Federal Welfare	1,261	1,141	922	506	1,423
General Corporation Tax	718	900	1,058	902	970
NYS Higher Education Aid	382	0	0	0	856
Water and Sewer Charges	720	830	894	871	814
Mortgage and Real Property Transfer Taxes	690	740	718	638	671
Federal Education	246	327	169	348	532
Unincorporated Business Tax	506	471	479	506	407
NYS Welfare	279	441	443	213	321
Fines and Forfeitures	250	281	238	250	280
Commercial Rent Tax	216	216	208	244	251
Hotel Occupancy Tax	129	150	141	147	157

Federal and State Aid

Chart 2. Federal & State Aid to NYC, 1Q, FY15 - FY19

(\$ in billions)

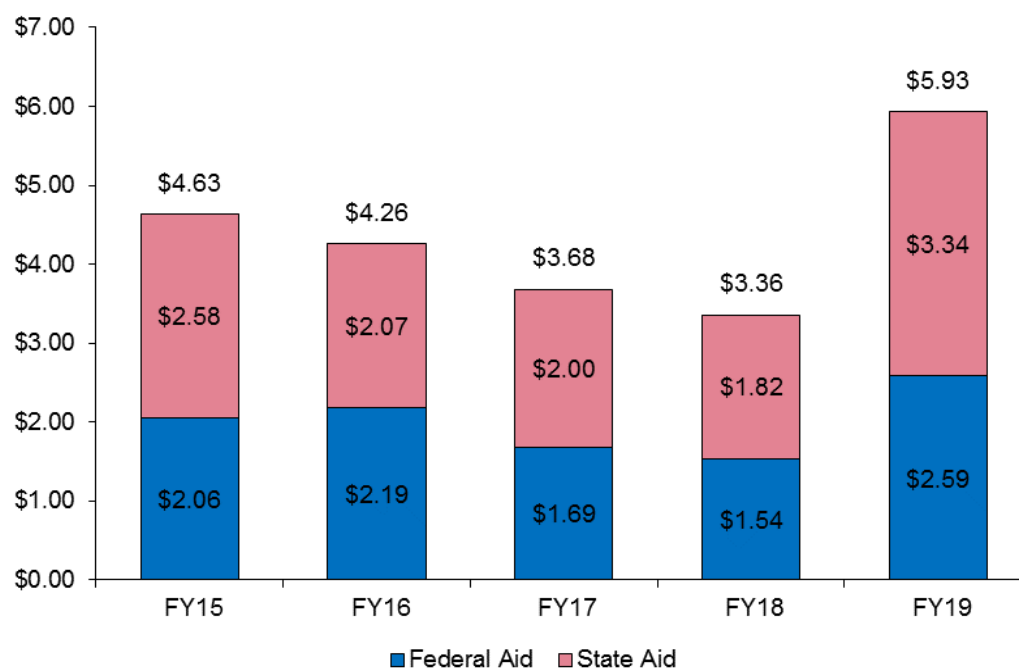


Chart 3. Federal & State Aid as % of Total Receipts, 1Q, FY15 - FY19

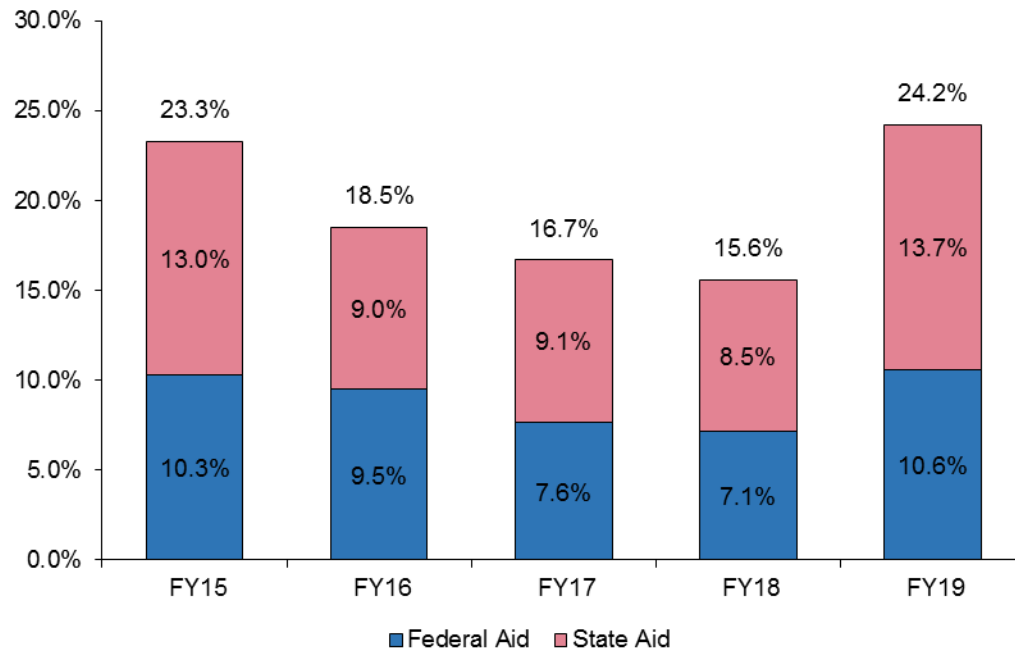


Chart 4. Components of State Aid, 1Q, FY15 - FY19

(\$ in billions)

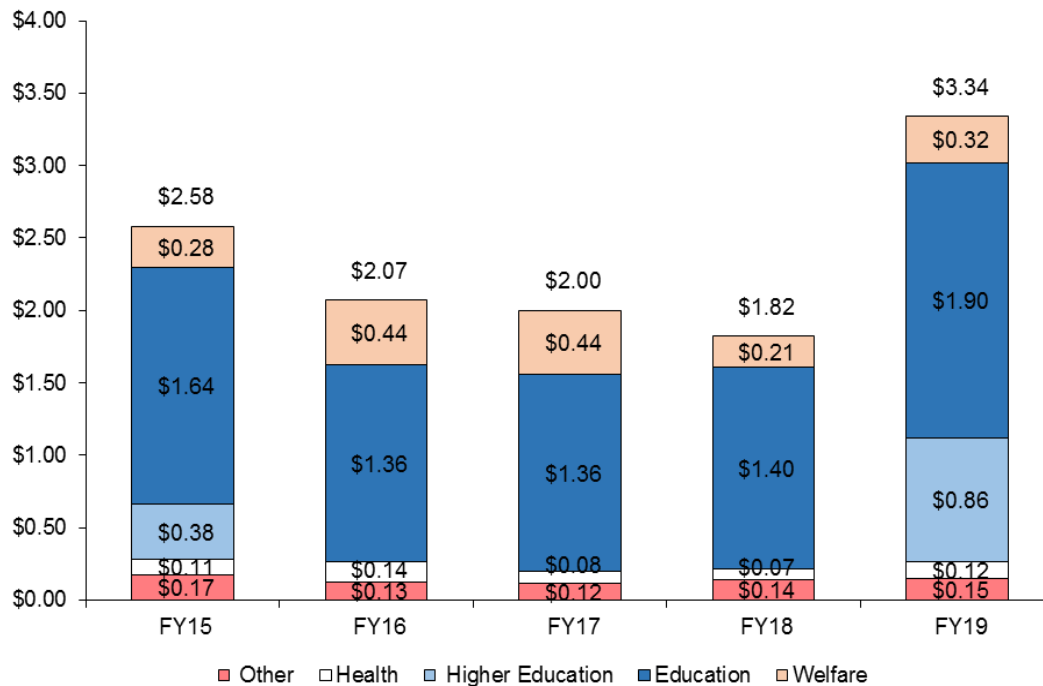
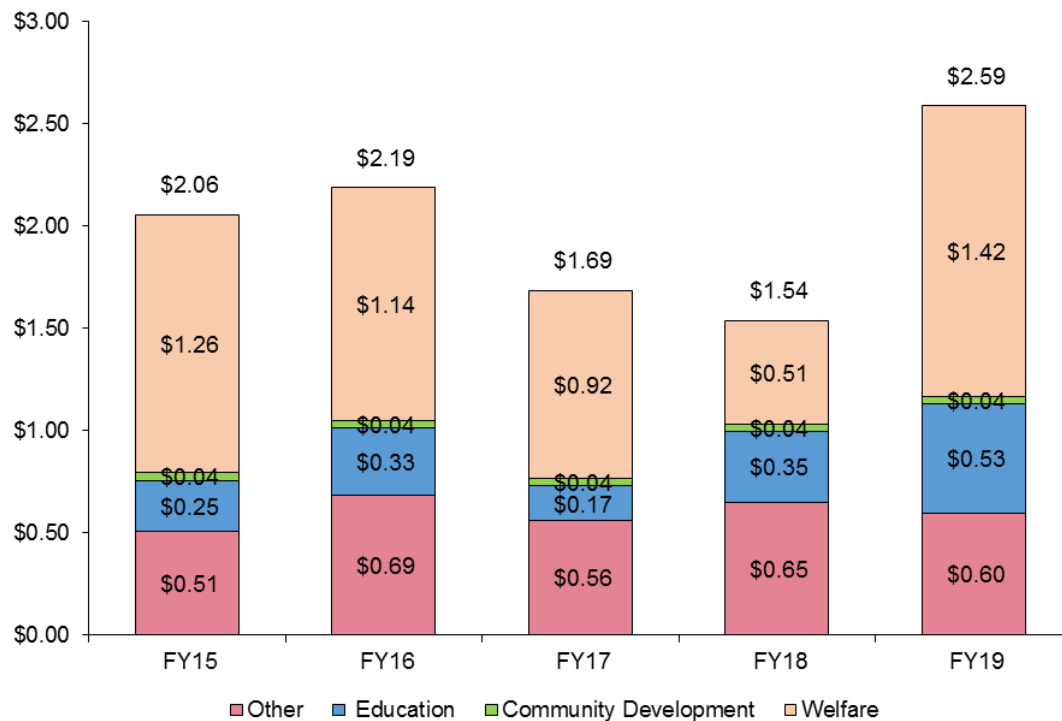


Chart 5. Components of Federal Aid, 1Q, FY15 - FY19

(\$ in billions)



The combined 1Q19 total of Federal and State aid amounted to \$5.9 billion compared to \$3.4 billion during the same period last year. Federal welfare rose \$917 million, State higher education rose \$856 million, and State education aid rose \$502 million, versus a year ago. Most of these payments were “prior aid” funds, which were originally scheduled to be remitted to the City last year.

Cash Expenditures (Including Capital)

Cash Expenditures at a Glance

Table 5. PS & OTPS, 1Q, FY10 - FY19

(\$ in millions)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Gross Payroll	\$5,759	\$5,967	\$6,176	\$6,059	\$6,134	\$6,425	\$7,036	\$7,106	\$7,157	\$7,323
Other Personal Services	3,040	3,208	3,292	3,366	3,660	3,896	3,956	4,279	4,207	4,361
Total PS	\$8,799	\$9,175	\$9,468	\$9,425	\$9,794	\$10,321	\$10,992	\$11,385	\$11,364	\$11,684
% of 1Q Total Exp	47%	48%	49%	49%	46%	50%	48%	49%	47%	46%
# of Bi-weekly Payrolls	6	6	7	7	7	7	7	7	6	6
Public Assistance	767	653	632	581	640	649	706	771	950	1,060
Medical Assistance	1,372	1,181	1,650	1,622	1,377	1,353	1,452	1,368	1,187	1,523
Other Social Services	681	655	561	639	652	625	663	697	713	815
Vendor and Other	3,654	3,820	4,034	3,816	4,525	5,036	5,128	5,707	5,383	6,326
Total OTPS	\$6,474	\$6,309	\$6,877	\$6,658	\$7,194	\$7,663	\$7,949	\$8,543	\$8,233	\$9,724
% of 1Q Total Exp	35%	33%	36%	35%	33%	37%	34%	37%	35%	38%
All Other	\$3,302	\$3,681	\$2,876	\$3,002	\$4,543	\$2,766	\$4,076	\$3,421	\$4,365	\$4,121
% of Total 1Q Exp	18%	19%	15%	16%	21%	13%	18%	14%	18%	16%
Total Expenditures	\$18,575	\$19,165	\$19,221	\$19,085	\$21,531	\$20,750	\$23,017	\$23,349	\$23,962	\$25,529
Total Expenditures, Net of CapEx	\$16,047	\$16,268	\$17,344	\$16,936	\$19,158	\$18,730	\$20,946	\$21,055	\$21,615	\$23,094

Cash expenditures, including capital, totaled \$25.529 billion in 1Q19, averaging \$405 million a day. During the same period last year, cash expenditures totaled \$23.962 billion and averaged \$380 million a day. Personal service (PS) expenditures were up 2.6% compared to last year. Payroll increased 2.3%, while other personal services—primarily pensions and other fringe benefits—rose 3.7%. Other-than-personal-service (OTPS) expenditures rose 18.1% versus a year ago. In the OTPS category, medical assistance spending showed the most growth (up 28.3%) followed by vendor and other (up 17.5%) and other social services (up 14.3%). When the impact of CapEx is removed, 1Q19 net expenditures reflect a gain of 6.8% versus a year ago.

“All Other” Spending

Table 6. Major Components of “All Other” Spending, 1Q18 and 1Q19

(\$ in millions)	1Q18	1Q19	Difference
Transit Authority	\$218	\$316	\$98
Housing Authority	4	14	10
Lump Sum Payments	840	829	(11)
H+H	401	163	(238)
Refunds	280	325	45
City-Funded Capital	2,092	2,154	62
Non-City-funded Capital	255	281	26
Fund 700 Adjustment	264	34	(230)

Capital Expenditures

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. Beginning in 2Q07, Non-City-funded capital expenditures for education were financed by TFA Building Aid bonds and Expanding Our Children's Education and Learning (EXCEL) capital grant funding from the Dormitory Authority of the State of New York (DASNY). Capital expenditures are initially paid from the New York City Central Treasury and then reimbursed from various capital accounts and State sources.

Chart 6. Total CapEx and City-Funded CapEx, 1Q, FY10 - FY19

(\$ in millions)

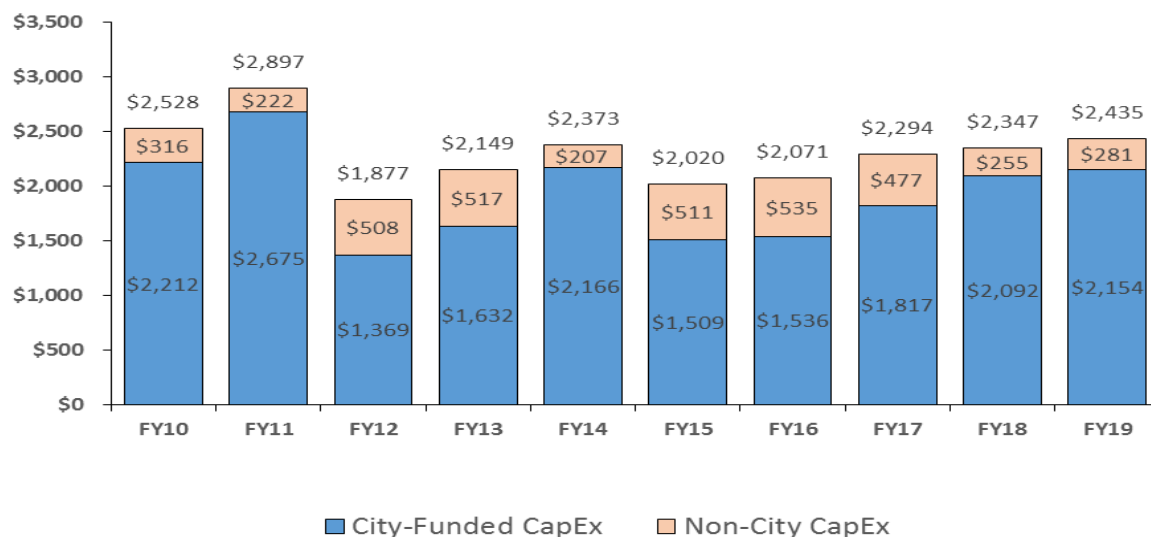
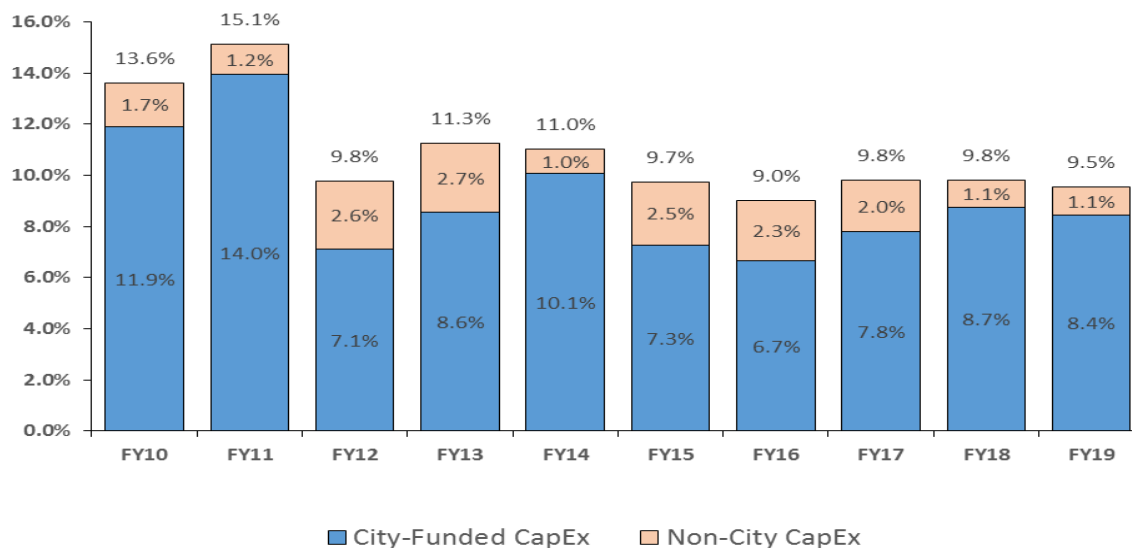


Chart 7. Total CapEx as % of Total Expenditures, 1Q, FY10 - FY19



CapEx totaled \$2.435 billion in 1Q19, up 3.7% from \$2.347 billion in 1Q18. City-funded CapEx increased 3.0% while Non-City-funded CapEx grew 10.2%.

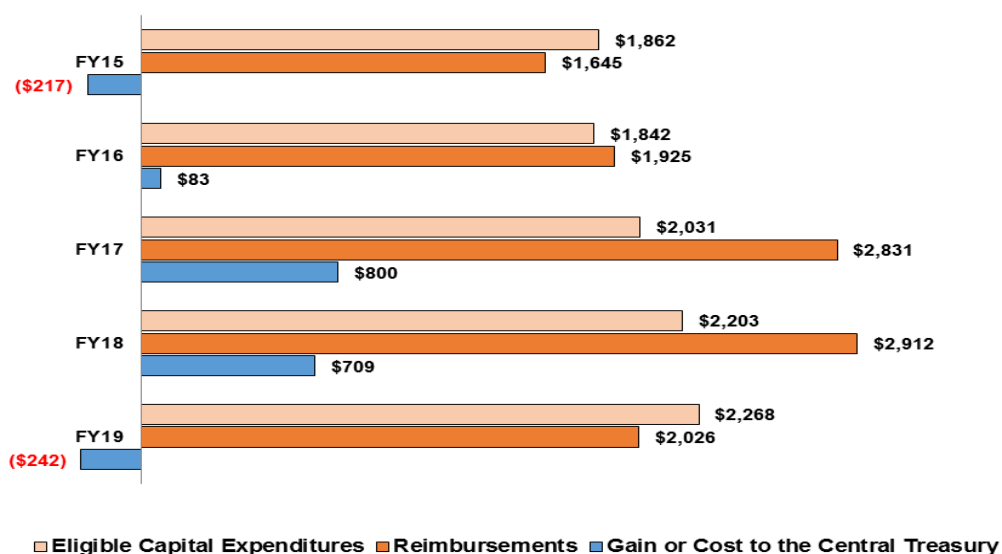
Table 7. Reimbursements to the NYC Central Treasury for CapEx, 1Q, FY10 - FY19

(\$ in millions)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Total
GO	\$532	\$759	\$456	\$295	\$471	\$333	\$562	\$1,288	\$0	\$38	\$4,734
NY Water	611	955	575	516	420	358	353	323	384	461	4,956
TFA	609	1,170	572	1,214	811	954	178	1,220	2,528	1,527	10,783
<i>Sub-total</i>	<i>1,752</i>	<i>2,884</i>	<i>1,603</i>	<i>2,025</i>	<i>1,702</i>	<i>1,645</i>	<i>1,093</i>	<i>2,831</i>	<i>2,912</i>	<i>2,026</i>	<i>20,473</i>
TFA Building Aid	182	0	280	598	0	0	832	0	0	0	1,892
DASNY	6	0	0	0	0	0	0	0	0	0	6
<i>Sub-total</i>	<i>188</i>	<i>0</i>	<i>280</i>	<i>598</i>	<i>0</i>	<i>0</i>	<i>832</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,898</i>
Total	\$1,940	\$2,884	\$1,883	\$2,623	\$1,702	\$1,645	\$1,925	\$2,831	\$2,912	\$2,026	\$22,371
1Q Reimbursable Capital Expenditures	\$2,381	\$2,721	\$1,651	\$1,987	\$2,166	\$1,862	\$1,842	\$2,031	\$2,203	\$2,268	\$21,112
1Q Reimbursements Less 1Q Reimbursable Capital Expenditures	(\$441)	\$163	\$232	\$636	(\$464)	(\$217)	\$83	\$800	\$709	(\$242)	\$1,259
1Q Reimbursements as a % of 1Q Reimbursable Capital Expenditures	81.5%	106.0%	114.1%	132.0%	78.6%	88.3%	104.5%	139.4%	132.2%	89.3%	106.0%
1Q Reimbursements as a % of 1Q Total Receipts	11.2%	14.5%	9.7%	13.8%	8.8%	8.3%	8.4%	12.8%	13.5%	8.3%	10.9%

Reimbursements trailed eligible CapEx during 1Q19, resulting in a loss of \$242 million to the Central Treasury. As a quarterly metric, the CapEx reimbursement rate is a volatile statistic. However, over the long-term, CapEx and the related reimbursements offset each other. Over the past ten 1Q periods, the reimbursement rate has averaged 106%.

Chart 8. Bond-Funded Reimbursements for Eligible CapEx, 1Q, FY15 - FY19

(\$ in millions)



Financings

In FY19, the City plans to issue \$6.6 billion in GO, TFA FTS, and TFA BARBs bonds for new money capital purposes. In comparison, in FY18 the City sold \$7.4 billion in new money debt across the three credits.

Table 8. FY19 Projected and 1Q19 Actual GO, TFA FTS, and TFA BARBs New Money Issuance

(\$ in billions)	Projected New Money Issuance	1Q19 New Money Issuance	Remaining New Money Issuance
GO	\$2.4	\$0.0	\$2.4
TFA FTS	\$3.7	\$2.9	\$0.8
TFA BARBs	\$0.5	\$0.5	\$0.0
Total	\$6.6	\$3.4	\$3.2

Projected bond issuance is based on the OMB's November 2018 Financial Plan.

During 1Q19, the City closed four bond sales. The first transaction was a new money and refunding sale of approximately \$1 billion of TFA Building Aid Revenue Bonds. The TFA BARBs sale was comprised of \$929 million of tax-exempt fixed rate bonds, and \$115 million of taxable fixed rate bonds. The refunding achieved \$120.9 million in budget savings, or \$113.1 million on a present-value basis.

The second transaction was a new money sale of approximately \$1.4 billion of TFA FTS bonds. The TFA FTS sale included \$850 million of tax-exempt fixed rate bonds, \$300 million of taxable fixed rate bonds, and \$200 million of tax-exempt variable rate bonds.

The third transaction was a refunding sale of \$831 million of GO bonds. The GO sale was comprised of \$771 million of tax-exempt fixed rate bonds, and \$60 million of taxable fixed rate bonds. The refunding achieved \$101.3 million in budget savings, or \$95.7 million on a present-value basis.

The fourth transaction was a new money sale of approximately \$1.5 billion of TFA FTS bonds. The TFA FTS sale included \$750 million of tax-exempt fixed rate bonds, \$500 million of taxable fixed rate bonds, and \$275 million of tax-exempt variable rate bonds.

Table 9. GO, TFA FTS, and TFA BARBs Bond Issuance, 1Q19

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	Total Par
7/26/2018	TFA BARBs 2019 Series S-1	New Money	\$500	\$0	\$0	\$500
7/26/2018	TFA BARBs 2019 Series S-2	Refunding	\$429	\$115	\$0	\$544
8/10/2018	TFA FTS 2019 Series A	New Money	\$850	\$300	\$200	\$1,350
8/22/2018	GO 2019 ABC	Refunding	\$771	\$60	\$0	\$831
9/25/2018	TFA FTS 2019 Series B	New Money	\$750	\$500	\$275	\$1,525

The table excludes conversions and re-offerings.

*Designates series of bonds that were sold via competitive sale.

Prepared by Irina Livshits, Division Chief
Andrew Rosenthal, Analyst; Michele Griffin, Analyst; and Alex Huang, Analyst

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Preston Niblack, Deputy Comptroller for Budget



NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

1 Centre Street, New York, NY 10007
(212) 669-3500 • comptroller.nyc.gov

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