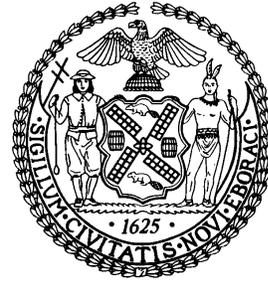


**The City Of New York
Office of the Comptroller**

**Scott M. Stringer
Comptroller**



QUARTERLY CASH REPORT

October - December 2014
Second Quarter of Fiscal Year 2015

March 2015

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Summary

Cash Balances

At the end of 2Q15 (December 31, 2014), the City recorded an unrestricted cash balance of \$9.199 billion, the highest 2Q close on record. The average daily balance in the second quarter has increased in each fiscal year since FY 2010, reaching \$6.766 billion in FY15. The City's abundant cash-on-hand reflects the improvement in the City's economy and finances.

The second quarter of a fiscal year is typically the quarter in which the lowest daily cash balance occurs. The lowest daily cash balance in 2Q15 was \$4.609 billion on December 11, 2014. The 2Q15 low continues a five-year trend of rising annual troughs. The 2Q04 was the last time short-term notes were issued to ensure that the City maintains positive cash book balances. This year, as in most years past, balances recovered sharply in the second half of December due to the incoming real estate tax receipts.

Cash receipts exceeded expenditures by \$188 million during the quarter, though receipts declined versus a year-ago due to lower capital transfers. About every two weeks NYC receives large infusions of cash from bond sales, which finance the City's spending on infrastructure and other capital assets. Capital transfers in 2Q15 totaled \$1.337 billion, versus \$2.622 billion in 2Q14.

The 1H15 average balance measured \$8.126 billion, versus \$6.256 billion during the same period last year. The 1H15 total receipts declined 3.2% versus a year-ago, while expenditures were little changed.

Cash Receipts

Cash receipts for 2Q15 fell 8.4%, or \$1.878 billion, to \$20.423 billion. This was driven by a \$1.284 billion decline in capital transfers. Removing the effect of capital transfers, 2Q15 cash receipts fell only 3% compared to a year-ago. Also impacting receipts was debt service retention. In FY14 GO debt service retention did not start until January 2014. This year, due to a smaller prepayment at the end of FY14, GO retention began in July and was in full swing during all of 2Q15. In addition, aid from the Federal and State governments fell 9.4%, mainly due to the decline in Federal payments for education and welfare. In 2Q15 total tax inflows rose 10.9% versus a year-ago. The greatest percentage increases occurred in the banking corporation tax (up 80.6%), unincorporated business tax (up 37.7%), general corporation tax (up 14.6%), and utility tax (up 10.7%).

Total cash receipts for 1H15 declined 3.2% versus year-ago, driven by a \$1.712 billion increase in debt service retention. Also impacting receipts was a \$1.341 billion reduction in capital transfers. Removing the impact of capital transfers, 1H15 cash receipts were flat versus a year-ago. Tax receipts in 1H15 were strong across all major categories of tax, led by the banking corporation tax, unincorporated business tax, and the combined total of mortgage and property transfer taxes. The combined 1H15 total of Federal and State aid was up 3.5% compared to the same period last year. NYS education aid and NYS higher education aid receipts in 1H15 exceeded last year's figures by \$398 million and \$394 million, respectively. Meanwhile, the Federal payments for education declined \$372 million compared to last year.

Cash Expenditures

Cash expenditures, including capital, totaled \$20.235 billion in 2Q15, averaging \$326 million daily. During the same period last year, cash expenditures totaled \$19.537 billion and averaged \$315 million daily. Gross payroll, at \$6.333 billion, increased 6.2% versus year-ago. Other than personal service expenditures increased 7.2%, driven by higher spending on vendor products and services, medical assistance, and other social services. Outlays considered “All Other” dropped 9.8%, due to slower City-funded capital spending.

Total cash expenditures during 1H15 were flat versus year-ago, down only 0.2%. Embedded within this total is a \$706 million decline in capital expenditures. Net of capital expenditures, 1H15 cash expenditures rose 1.7% to \$37.414 billion. Gross payroll, at \$12.758 billion, increased 5.5% versus year-ago. Higher payroll expenditures are due to the new collective bargaining agreements with the City’s workforce. United Federation of Teachers (UFT) members received retroactive 1% raises for 2013 and 2014 in their September paychecks. DC 37 members received a \$1,000 per member ratification bonus, retroactive 1% raises for 2012 and 2013, and a 1.5% pay hike for 2014 in their October paychecks.

Capital Expenditures

Total 2Q15 CapEx declined 18.5% versus a year-ago, driven by a 28.1% drop in City-funded CapEx. Non-City CapEx increased \$127 million, or 64.1%, to \$325 million.

Reimbursements to the Central Treasury for CapEx trailed reimbursable expenditures during 2Q15. CapEx is initially paid from the City treasury and then reimbursed from bond proceeds as appropriate. Over the long term, CapEx and its reimbursements should balance. However, from quarter to quarter, the lag between an expenditure and the offsetting reimbursement can result in a gain or loss to the Central Treasury. In 2Q15, this dynamic resulted in a loss of \$54 million.

Total CapEx for 1H15 declined 16.5% versus a year-ago to the lowest level since FY07. The decline was attributable to a contraction of City-Funded CapEx.

Financings

In FY15, the City plans to issue \$4.95 billion in General Obligation (GO), Transitional Finance Authority Personal Income Tax (TFA PIT), and Transitional Finance Authority Building Aid Revenue Bonds (TFA BARBs) for new money capital purposes. The City issued \$1.85 billion of new money debt in 1H15, leaving \$3.10 billion of issuance planned for the remainder of the current fiscal year.

In 2Q15, the Transitional Finance Authority sold \$850 million of future tax secured fixed-rate subordinate new money bonds. The sale included \$700 million of tax-exempt bonds and \$150 million of taxable bonds.

The pace of bond issuance in 1H15 was slower than in 1H14. In 1H15, the City issued \$2.83 billion in new money and refunding bonds, compared to \$4.13 billion in 1H14.

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Rounding of Large Numbers in the Quarterly Cash Report

When dealing with numbers as large as those in this report, for conservation of space, numbers are rounded to the nearest tenths, hundredths, or thousandths. Because of rounding, some components, appear not to equal the given total when added together. Examples occur throughout this report and are the result of rounding, not miscalculation.

I. Cash Balances ¹

October 2014 - December 2014 (2Q15)

Chart 1. Daily Cash Balances in the NYC Central Treasury, 2Q10, 2Q14, & 2Q15

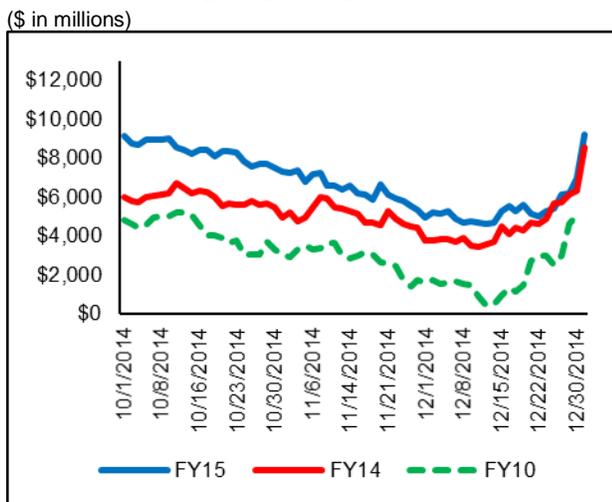
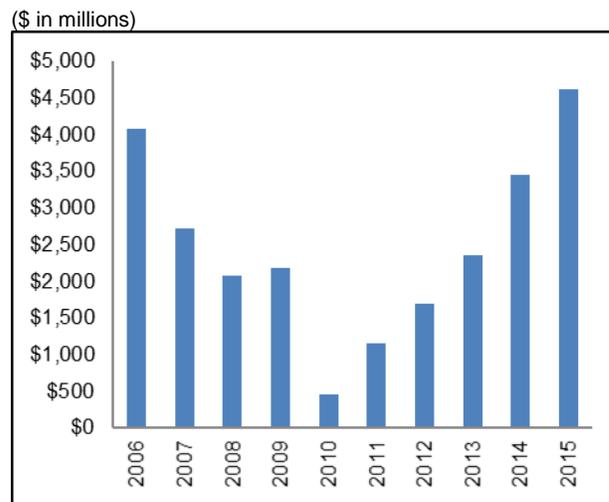


Chart 2. NYC Cash Balance Lows, FY06 - FY15



At the end of 2Q15 (December 31, 2014), the City recorded an unrestricted cash balance of \$9.199 billion, the highest 2Q close on record. The average daily balance in the second quarter has increased in each fiscal year since FY 2010, reaching \$6.766 billion in FY15. The City's abundant cash-on-hand reflects the improvement in the City's economy and finances.

The second quarter of a fiscal year is typically the quarter in which the lowest daily cash balance occurs. The lowest daily cash balance in 2Q15 was \$4.609 billion on December 11, 2014. As seen in Chart 2, 2Q15 low continues a five-year trend of rising annual troughs. The 2Q04 was the last time short-term notes were issued to ensure that the City maintains positive cash book balances.

This year, as in most years past, balances recovered sharply in the second half of December due to incoming real estate tax receipts.

Table 1. Cash Position in the NYC Central Treasury, 2Q, FY06 - FY15

(\$ in millions)

Central Treasury	2Q06	2Q07	2Q08	2Q09	2Q10	2Q11	2Q12	2Q13	2Q14	2Q15
Opening Balance ^a	\$7,296	\$6,164	\$5,686	\$6,370	\$4,596	\$5,350	\$5,135	\$6,235	\$5,773	\$9,011
Total Receipts	15,464	16,545	18,712	15,061	19,233	18,761	19,753	18,923	22,301	20,423
Total Expenditures ^b	15,015	15,853	17,648	18,611	18,737	17,967	18,534	18,962	19,537	20,235
Closing Balance ^a	\$7,745	\$6,856	\$6,750	\$2,820	\$5,092	\$6,144	\$6,354	\$6,196	\$8,537	\$9,199
Avg. Daily Balance	\$5,825	\$4,377	\$3,960	\$4,348	\$3,046	\$3,331	\$3,408	\$4,440	\$5,206	\$6,766

a. Balances as measured before City audits

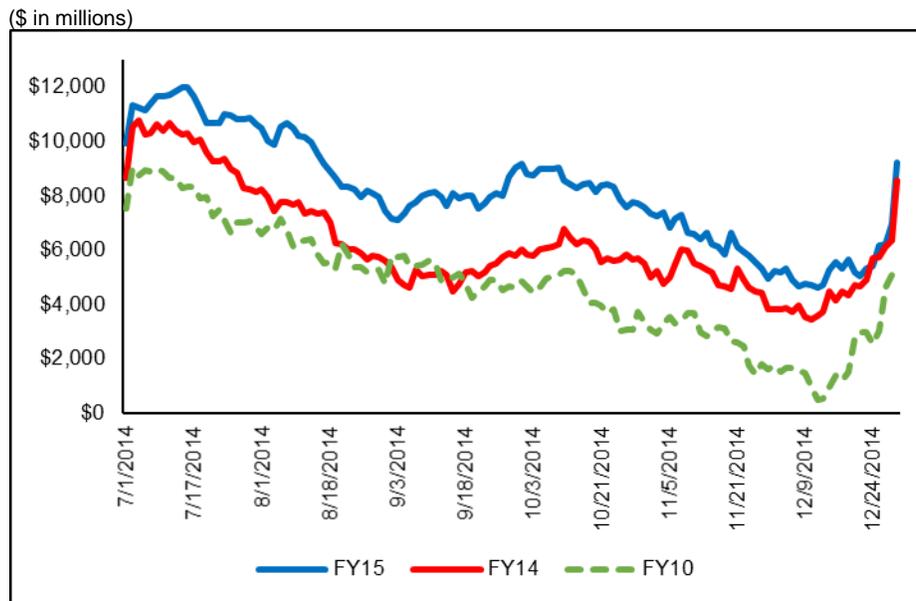
b. Total expenditures include capital expenditures.

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 Financial Analysis, 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.

Cash receipts exceeded expenditures by \$188 million during the quarter, though receipts declined versus a year-ago due to lower capital transfers. About every two weeks NYC receives large infusions of cash from bond sales, which finance the City’s spending on infrastructure and other capital assets. Capital transfers in 2Q15 totaled \$1.337 billion, versus \$2.622 billion in 2Q14.

July 2014 - December 2014 (1H15)

Chart 3. Cash Position in the NYC Central Treasury, 1H10, 1H14, & 1H15



The 1H15 average balance measured \$8.126 billion, versus \$6.256 billion during the same period last year. The 1H15 total receipts declined 3.2% versus a year-ago, while expenditures were little changed.

Table 2. Cash Position in the NYC Central Treasury, 1H, FY06 - FY15

(\$ in millions)

Central Treasury	1H06	1H07	1H08	1H09	1H10	1H11	1H12	1H13	1H14	1H15
Opening Balance ^a	\$6,830	\$6,386	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858
Total Receipts	32,001	31,715	35,533	34,811	36,565	38,672	39,068	37,946	41,662	40,326
Total Expenditures ^b	31,086	31,245	33,256	36,979	37,312	37,132	37,755	38,048	41,068	40,985
Closing Balance ^a	\$7,745	\$6,856	\$6,750	\$2,820	\$5,092	\$6,144	\$6,354	\$6,196	\$8,537	\$9,199
Avg. Daily Balance	\$6,812	\$5,358	\$4,777	\$5,412	\$4,737	\$4,000	\$4,665	\$5,426	\$6,256	\$8,126

a. Balances as measured before City audits

b. Total expenditures include capital expenditures.

II. Cash Receipts

October 2014 - December 2014 (2Q15)

Receipts at a Glance

Table 3. Cash Receipts by Category, 2Q, FY06 - FY15

(\$ in millions)

	2Q06	2Q07	2Q08	2Q09	2Q10	2Q11	2Q12	2Q13	2Q14	2Q15
Real Property Tax	\$3,688	\$3,608	\$3,734	\$1,461	\$4,612	\$4,489	\$4,866	\$5,116	\$5,377	\$5,861
Other Taxes	5,437	5,968	6,143	5,108	4,923	5,231	5,517	5,763	6,222	7,000
<i>Total taxes</i>	<i>9,125</i>	<i>9,576</i>	<i>9,877</i>	<i>6,569</i>	<i>9,535</i>	<i>9,720</i>	<i>10,383</i>	<i>10,879</i>	<i>11,599</i>	<i>12,861</i>
Federal and State Aid	2,566	2,837	3,339	3,607	3,900	4,152	4,314	4,207	4,232	3,836
Debt Service Funding	(1)	(147)	0	0	0	(158)	(146)	(652)	(134)	(1,054)
Miscellaneous	1,112	1,200	1,696	1,027	1,463	1,459	1,305	1,361	1,902	1,778
Intergovernmental Aid	383	265	4	165	193	0	1	1	0	0
Other	2,279	2,814	3,796	3,693	4,142	3,588	3,896	3,127	4,702	3,002
Total	\$15,464	\$16,545	\$18,712	\$15,061	\$19,233	\$18,761	\$19,753	\$18,923	\$22,301	\$20,423
Total, Net of Reimbursement for CapEx	\$14,267	\$15,012	\$16,182	\$12,337	\$16,112	\$16,301	\$17,100	\$17,427	\$19,679	\$19,085

Cash receipts for 2Q15 fell 8.4%, or \$1.878 billion, to \$20.423 billion. This was driven by a \$1.284 billion decline in capital transfers (reflected in the “Other” category above but explained more fully in the Capital Expenditures section of this report). Removing the effect of capital transfers, 2Q15 cash receipts fell only 3% compared to a year ago. Also impacting receipts was debt service retention, which for the purpose of this report is treated as a negative inflow rather than a positive expenditure. In FY14, GO debt service retention did not start until January 2014. This year, due to a smaller prepayment at the end of FY14, GO retention began in July and was in full swing during all of 2Q15. In addition, aid from the Federal and State governments fell 9.4%, mainly due to the decline in Federal payments for education and welfare.

Taxes²

Table 4. Tax Receipts, 2Q10, 2Q14, & 2Q15

(\$ in millions)

	2Q10	2Q14	2Q15	% Change 2Q15/ 2Q10	% Change 2Q15/ 2Q14
Real Property Tax	\$4,612	\$5,377	\$5,861	27%	9%
Personal Income Tax	1,507	2,088	2,241	49	7
Sales Tax	1,318	1,753	1,849	40	5
General Corporation Tax	785	727	833	6	15
Mortgage and Real Property Transfer Taxes	240	637	692	188	9
Banking Corporation Tax	450	320	578	28	81
Unincorporated Business Tax	204	199	274	34	38
Commercial Rent Tax	152	173	188	24	9
Hotel Occupancy Tax	107	156	170	59	9
Utility Tax	83	84	93	12	11
All Other Taxes	77	85	82	6	(4)
Total	\$9,535	\$11,599	\$12,861	35%	11%

Total tax inflows in 2Q15 rose 10.9% versus year-ago. The greatest percentage increases occurred in the banking corporation tax (up 80.6%), unincorporated business tax (up 37.7%), general corporation tax (up 14.6%), and utility tax (up 10.7%).

Selected Cash Receipts

Table 5. Selected Cash Receipts, 2Q, FY11 - FY15

(\$ in millions)

	2Q11	2Q12	2Q13	2Q14	2Q15
Real Property Tax	\$4,489	\$4,866	\$5,116	\$5,377	\$5,861
Personal Income Tax	1,512	1,780	1,847	2,088	2,241
Sales Tax	1,542	1,600	1,651	1,753	1,849
NYS Education Aid	1,286	1,289	1,416	1,488	1,499
General Corporation Tax	911	756	839	727	833
Mortgage and Real Property Transfer Taxes	270	302	427	637	692
Water and Sewer Fees	229	245	295	465	673
Federal Welfare Aid	1,038	975	823	789	625
Banking Corporation Tax	309	387	298	320	578
NYS Higher Education Aid	321	288	292	294	306
NYS Welfare Aid	559	539	360	295	299
Unincorporated Business Tax	244	205	210	199	274
Fines and Forfeitures	248	259	288	243	261
Commercial Rent Tax	161	154	173	173	188
Senior College Fees	146	159	170	182	174

² 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.

Federal and State Aid

Chart 4. Federal & State Aid to NYC, 2Q, FY11 - FY15

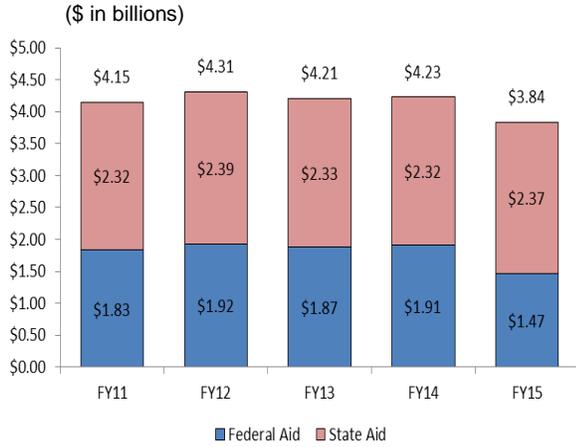


Chart 5. Federal & State Aid as % of Total Cash Receipts, 2Q, FY11 - FY15

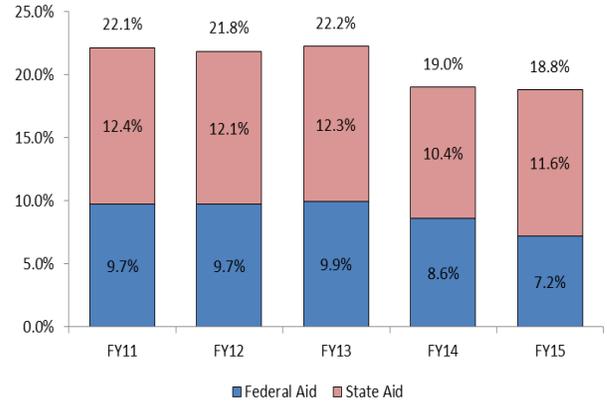


Chart 6. Components of State Aid, 2Q, FY11 - FY15

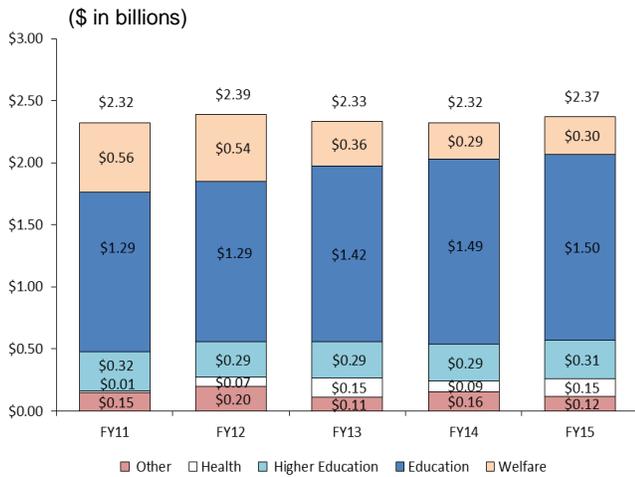
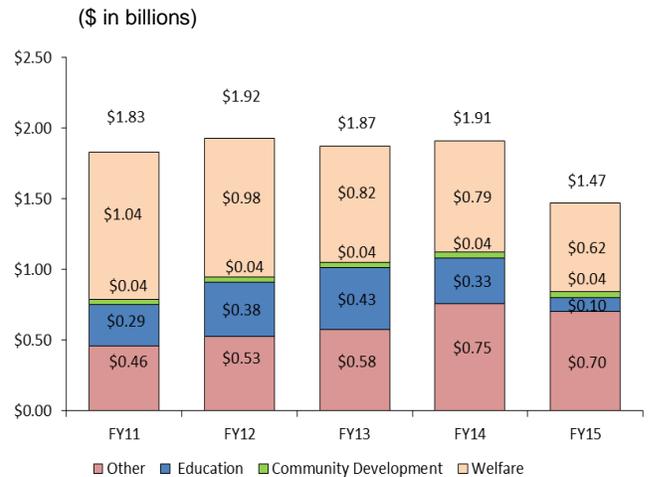


Chart 7. Components of Federal Aid, 2Q, FY11 - FY15



July 2014 - December 2014 (1H15)

Receipts at a Glance

Table 6. Cash Receipts by Category, 1H, FY06 - FY15

(\$ in millions)

	1H06	1H07	1H08	1H09	1H10	1H11	1H12	1H13	1H14	1H15
Real Property Tax	\$8,578	\$7,024	\$7,978	\$6,467	\$8,390	\$9,127	\$10,020	\$9,901	\$10,950	\$11,273
Other Taxes	9,944	11,294	11,783	10,664	9,429	10,422	11,060	11,444	12,272	13,595
Total taxes	18,522	18,318	19,761	17,131	17,819	19,549	21,080	21,345	23,222	24,868
Federal and State Aid	5,702	6,140	6,329	7,319	8,179	8,872	8,204	8,395	8,183	8,469
Debt Service Funding	(1)	(428)	0	0	0	(266)	(146)	(1,657)	(1,025)	(2,737)
Miscellaneous	2,336	2,688	3,134	2,828	3,259	3,087	3,012	3,030	3,395	3,327
Intergovernmental Aid	609	328	10	228	256	0	1	1	0	0
Other	4,833	4,669	6,299	7,305	7,052	7,430	6,917	6,832	7,887	6,400
Total	\$32,001	\$31,715	\$35,533	\$34,811	\$36,565	\$38,672	\$39,068	\$37,946	\$41,662	\$40,327
Total, Net of Reimbursement for CapEx	\$29,331	\$29,357	\$31,721	\$29,731	\$31,504	\$33,328	\$34,532	\$33,825	\$37,339	\$37,343

Total cash receipts for 1H15 declined 3.2% versus year-ago, driven by a \$1.712 billion increase in debt service retention, which is treated as a negative inflow rather than a positive expenditure. Also impacting receipts was a \$1.341 billion reduction in capital transfers (represented within the “Other” category). Removing the impact of capital transfers, 1H15 cash receipts were flat versus a year-ago.

Taxes ³

Table 7. Major Tax Receipts, 1H10, 1H14, and 1H15

(\$ in millions)

	1H10	1H14	1H15	% Change 1H15/ 1H10	% Change 1H15/ 1H14
Real Property Tax	\$8,390	\$10,950	\$11,273	34%	3%
Personal Income Tax	2,951	3,949	4,267	45	8
Sales Tax	2,307	3,178	3,331	44	5
General Corporation Tax	1,455	1,441	1,551	7	8
Mortgage and Real Property Transfer Taxes	473	1,138	1,382	192	21
Banking Corporation Tax	632	743	1,012	60	36
Unincorporated Business Tax	551	634	780	42	23
Commercial Rent Tax	308	361	404	31	12
Hotel Occupancy Tax	190	289	299	57	3
STAR	221	189	203	(8)	7
All Other Taxes	341	350	366	7	5
Total Taxes	\$17,819	\$23,222	\$24,868	40%	7%

Tax receipts in 1H15 were strong across all major categories of tax, led by the banking corporation tax, unincorporated business tax, and the combined total of mortgage and property transfer taxes.

Selected Cash Receipts

Table 8. Selected Cash Receipts, 1H11 - 1H15

(\$ in millions)

	1H11	1H12	1H13	1H14	1H15
Real Property Tax	\$9,127	\$10,020	\$9,901	\$10,950	\$11,273
Personal Income Tax	2,992	3,484	3,568	3,949	4,267
Sales Tax	2,735	2,879	2,968	3,178	3,331
NYS Education Aid	2,782	2,600	2,740	2,739	3,137
Federal Welfare Aid	2,117	1,845	1,846	1,741	1,886
General Corporation Tax	1,595	1,484	1,508	1,441	1,551
Water and Sewer Fees	771	831	925	1,123	1,393
Mortgage and Real Property Transfer Taxes	550	752	848	1,138	1,382
Banking Corporation Tax	846	699	760	743	1,012
Unincorporated Business Tax	626	609	621	634	780
NYS Higher Education Aid	651	288	646	294	688
NYS Welfare Aid	1,044	1,121	715	641	578
Fines and Forfeitures	491	502	577	468	511
Commercial Rent Tax	319	322	347	361	404
Federal Education Aid	718	* 675	574	719	347

* 1H12 Federal Education Aid has been amended from \$636 million (in 2Q12 QCR) to \$675 million.

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.

Federal and State Aid

Chart 8. Federal & State Aid to NYC, 1H, FY11 - FY15

(\$ in billions)

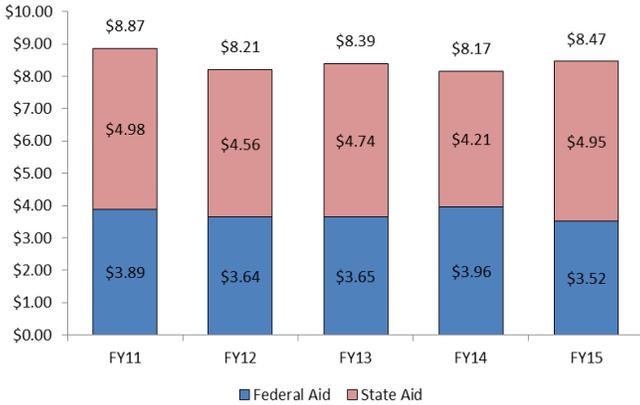


Chart 9. Federal & State Aid as % of Total Revenue, 1H, FY11 - FY15

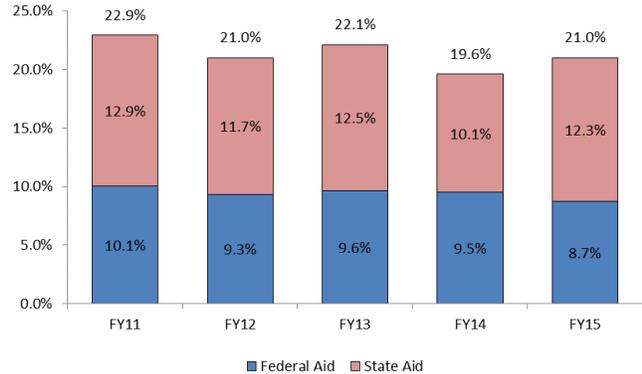


Chart 10. Components of State Aid, 1H, FY11 - FY15

(\$ in billions)

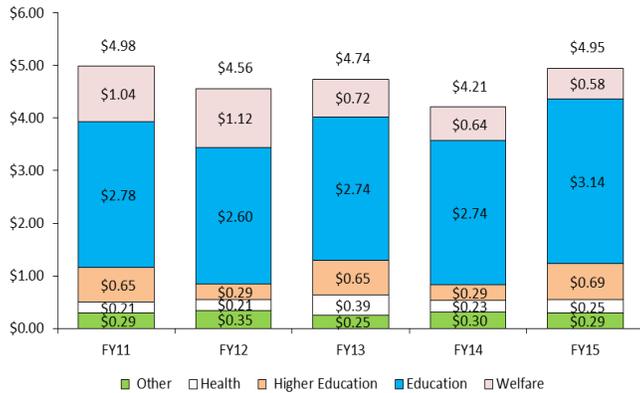


Chart 11. Components of Federal Aid, 1H, FY11 - FY15

(\$ in billions)



The combined 1H15 total of Federal and State aid was up 3.5% compared to the same period last year. NYS education aid and NYS higher education aid receipts in 1H15 exceeded last year's figures by \$398 million and \$394 million, respectively. Meanwhile, Federal payments for education declined \$372 million compared to last year.

III. Cash Expenditures (Including Capital)

October 2014 - December 2014 (2Q15)

Cash Expenditures at a Glance

Table 9. PS & OTPS, 2Q, FY06 - FY15

(\$ in millions)

	2Q06	2Q07	2Q08	2Q09	2Q10	2Q11	2Q12	2Q13	2Q14	2Q15
Gross Payroll	\$5,397	\$5,330	\$5,799	\$6,124	\$6,071	\$6,154	\$5,775	\$5,953	\$5,961	\$6,333
Fringe and Other	2,383	2,423	2,806	2,886	3,289	2,821	3,402	3,600	3,573	3,715
Total PS	\$7,780	\$ 7,753	\$ 8,605	\$9,010	\$9,360	\$8,975	\$9,177	\$9,553	\$9,534	\$10,048
% of 2Q Total Exp	52%	49%	49%	48%	50%	50%	50%	50%	49%	50%
# of Bi-weekly Payrolls	7	7	7	7	7	7	6	6	6	6
Public Assistance	\$603	\$519	\$543	\$643	\$646	\$629	\$591	\$610	\$ 629	\$ 634
Medical Assistance	1,083	1,065	1,172	1,166	1,066	1,330	1,262	1,466	1,386	1,524
Other Social Services	458	610	600	585	742	595	621	557	584	649
Vendor and Other	2,906	3,212	3,381	3,394	3,330	3,399	3,701	3,909	4,244	4,530
Total OTPS	\$5,050	\$5,406	\$5,696	\$5,788	\$5,784	\$ 5,953	\$6,175	\$6,542	\$6,843	\$7,337
% of 2Q Total Exp	34%	34%	32%	31%	31%	33%	33%	35%	35%	36%
All Other	\$2,185	\$2,694	\$3,347	\$3,813	\$3,593	\$3,039	\$3,182	\$2,868	\$3,160	\$2,850
% of 2Q Total Exp	15%	17%	19%	20%	19%	17%	17%	15%	16%	14%
Total Expenditures	\$15,015	\$15,853	\$17,648	\$18,611	\$18,737	\$17,967	\$18,534	\$18,963	\$19,537	\$20,235
Total Expenditures Net of CapEx	\$13,613	\$14,219	\$15,591	\$16,153	\$16,037	\$15,869	\$16,263	\$17,182	\$17,632	\$18,684

Cash expenditures, including capital, totaled \$20.235 billion in 2Q15, averaging \$326 million daily. During the same period last year, cash expenditures totaled \$19.537 billion and averaged \$315 million daily. Gross payroll, at \$6.333 billion, increased 6.2% versus a year-ago. Other than personal service expenditures increased 7.2%, driven by higher spending on vendor products and services, medical assistance, and other social services. Outlays considered "All Other" dropped 9.8%, due to slower City-funded capital spending.

“All Other” Spending

Table 10. Major Components of “All Other” Spending, 2Q14 & 2Q15

(\$ in millions)

	2Q14	2Q15	Difference
Transit Authority	\$50	\$50	\$0
Housing Authority	0	15	15
Lump Sum Payments	573	671	98
HHC	178	129	(49)
Refunds	174	195	21
City-Funded Capital	1,706	1,226	(480)
Non-City Funded Capital	198	325	127
F-700 Adjustment	280	202	(78)

July 2014 - December 2014 (1H15)

Cash Expenditures at a Glance

Table 11. PS & OTPS, 1H, FY06 - FY15

(\$ in millions)

	1H06	1H07	1H08	1H09	1H10	1H11	1H12	1H13	1H14	1H15
Gross Payroll	\$10,727	\$10,372	\$10,999	\$12,285	\$11,830	\$12,121	\$11,951	\$12,012	\$12,095	\$12,758
Fringe and Other	4,882	4,842	5,292	5,678	6,329	6,029	6,694	6,966	7,233	7,611
Total PS	\$15,609	\$15,214	\$16,291	\$17,963	\$18,159	\$18,150	\$18,645	\$18,978	\$19,328	\$20,369
% of Total Exp	50%	49%	49%	49%	49%	49%	49%	50%	47%	50%
Public Assistance	\$1,299	\$1,112	\$1,104	\$1,209	\$1,413	\$1,282	\$1,223	\$1,190	\$1,269	\$1,283
Medical Assistance	2,168	2,159	2,284	2,380	2,438	2,511	2,912	3,088	2,763	2,877
Other Social Services	1,047	1,260	1,170	1,310	1,423	1,250	1,182	1,195	1,236	1,274
Vendor and Other	6,030	6,385	6,790	7,122	6,984	7,219	7,735	7,726	8,769	9,566
Total OTPS	\$10,544	\$10,916	\$11,348	\$12,021	\$12,258	\$12,262	\$13,052	\$13,199	\$14,037	\$15,000
% of Total Exp	34%	35%	34%	33%	33%	33%	35%	35%	34%	36%
All Other	\$4,933	\$5,115	\$5,617	\$6,995	\$6,895	\$6,720	\$6,058	\$5,871	\$7,703	5,616
% of Total Exp	16%	16%	17%	19%	18%	18%	16%	15%	19%	14%
Total Expenditures	\$31,086	\$31,245	\$33,256	\$36,979	\$37,312	\$37,132	\$37,755	\$38,048	\$41,068	\$40,985
Total Expenditures Net of CapEx	\$27,954	\$28,112	\$29,637	\$32,213	\$32,084	\$32,137	\$33,607	\$34,118	\$36,790	\$37,414

Total cash expenditures during 1H15 were flat versus a year-ago, down only 0.2%. Embedded within this total is a \$706 million decline in capital expenditures. Net of capital expenditures, 1H15 cash expenditures rose 1.7% to \$37.414 billion. Gross payroll, at \$12.758 billion, increased 5.5% versus a year-ago. Higher payroll expenditures are due to the new collective bargaining agreements with the City’s workforce. United Federation of Teachers (UFT) members received retroactive 1% raises for 2013 and 2014 in their September paychecks. DC 37 members received a \$1,000 per member ratification bonus, retroactive 1% raises for 2012 and 2013, and a 1.5% pay hike for 2014 in their October paychecks.

“All Other” Spending

Table 12. Major Components of “All Other” Spending, 1H14 & 1H15

(\$ in millions)

	1H14	1H15	Difference
Transit Authority	\$278	\$281	\$3
Housing Authority	28	15	(12)
Lump Sum Payments	1,287	1,298	11
HHC	506	421	(85)
Refunds	577	498	(79)
City-Funded Capital	3,874	2,735	(1139)
Non-City Funded Capital	403	836	433
F-700 Adjustment	750	(504)	(1,254)

IV. 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.

October 2014 - December 2014 (2Q15)

Chart 12. Total CapEx, 2Q, FY06 - FY15

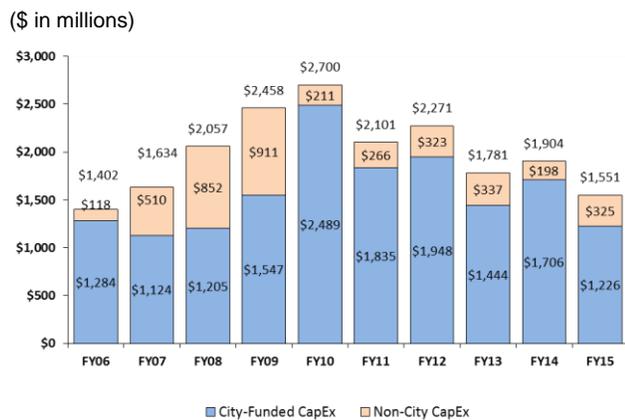
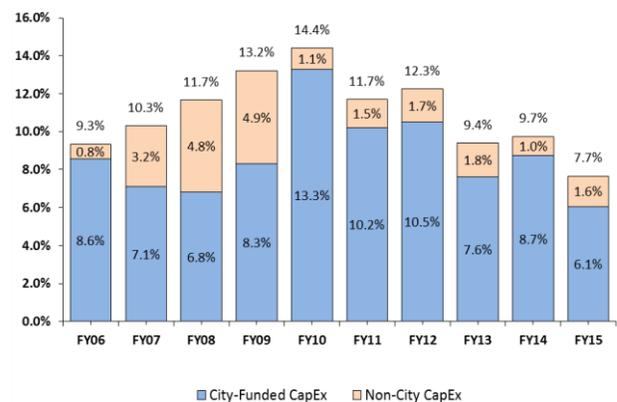


Chart 13. Total CapEx as % of Total Expenditures, 2Q, FY06 - FY15



Total 2Q15 CapEx declined 18.5% versus a year-ago, driven by a 28.1% drop in City-funded CapEx. Non-City CapEx increased \$127 million, or 64.1%, to \$325 million.

Table 13. Reimbursements to the NYC Central Treasury for CapEx, 2Q, FY06 - FY15

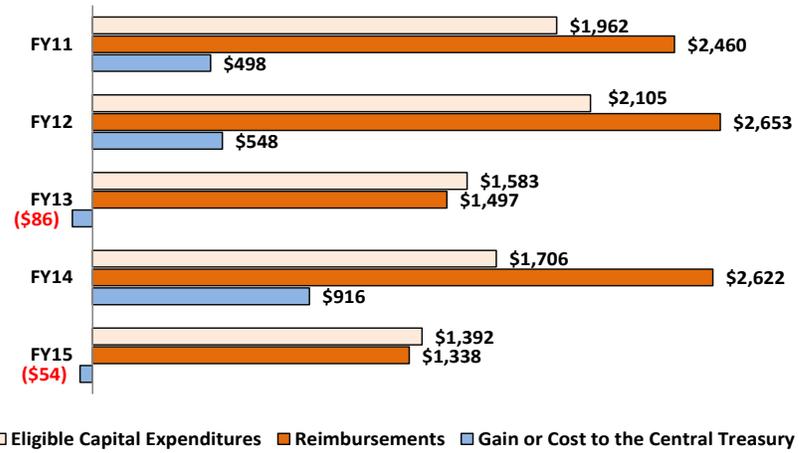
(\$ in millions)

	2Q06	2Q07	2Q08	2Q09	2Q10	2Q11	2Q12	2Q13	2Q14	2Q15	Total
GO	\$836	\$40	\$1,144	\$1,412	\$1,399	\$ 885	\$977	\$127	\$901	\$24	\$7,745
NY Water	361	219	674	659	785	693	582	470	397	315	5,155
TFA	0	761	208	2	937	613	797	768	1,324	999	6,409
City-Funded Sub-Total	\$1,197	\$1,020	\$2,026	\$2,073	\$3,121	\$2,191	\$2,356	\$1,365	\$2,622	\$1,338	\$19,309
TFA Building Aid	0	300	372	610	0	269	297	132	0	0	1,980
DASNY	0	213	132	41	0	0	0	0	0	0	386
Non-City Sub-Total	\$0	\$513	\$504	\$651	\$0	\$269	\$297	\$132	\$0	\$0	\$2,366
Total	\$1,197	\$1,533	\$2,530	\$2,724	\$3,121	\$2,460	\$2,653	\$1,497	\$2,622	\$1,338	\$21,675
2Q Reimbursable Capital Expenditures	\$1,282	\$1,492	\$1,964	\$2,303	\$2,442	\$1,962	\$2,105	\$1,583	\$1,706	\$1,392	\$18,231
2Q Reimbursements Less 2Q Reimbursable Capital Expenditures	(\$85)	\$41	\$566	\$421	\$679	\$498	\$548	(\$86)	\$916	(\$54)	\$3,444
2Q Reimbursements as a % of 2Q Reimbursable Capital Expenditures	93.4%	102.7%	128.8%	118.3%	127.8%	125.4%	126.0%	94.6%	153.7%	96.1%	118.9%
2Q Reimbursements as a % of 2Q Total Receipts	7.7%	9.3%	13.5%	18.1%	16.2%	13.1%	13.4%	7.9%	11.8%	6.6%	10.8%

Reimbursements to the Central Treasury for CapEx trailed reimbursable expenditures during 2Q15. CapEx is initially paid from the City treasury and then reimbursed from bond proceeds as appropriate. Over the long term, CapEx and reimbursements should balance. However, from quarter to quarter, the lag between an expenditure and the offsetting reimbursement can result in a gain or loss to the Central Treasury. In 2Q15, this dynamic resulted in a loss of \$54 million.

Chart 14. Bond-Funded Reimbursements for Eligible CapEx, 2Q, FY11 - FY15

(\$ in millions)



July 2014 - December 2014 (1H15)

Chart 15. Total CapEx, 1H, FY06 - FY15

(\$ in millions)

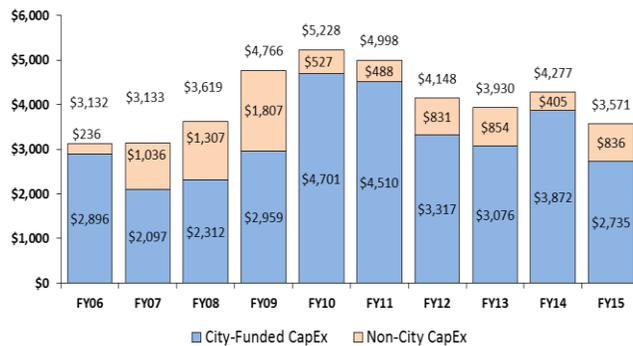
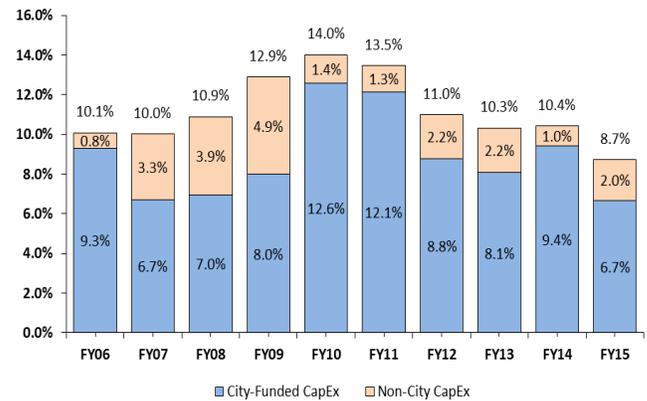


Chart 16. Total CapEx as % of Total Expenditures, 1H, FY06 - FY15



Total CapEx for 1H15 declined 16.5% versus a year-ago to the lowest level since FY07. The decline was attributable to a contraction of City-Funded CapEx.

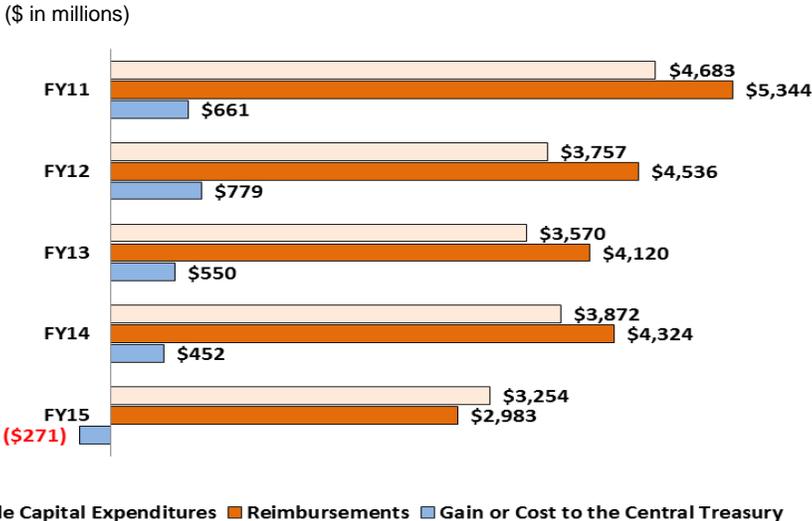
Table 14. Reimbursements to the NYC Central Treasury, 1H, FY06 - FY15

(\$ in millions)

	1H06	1H07	1H08	1H09	1H10	1H11	1H12	1H13	1H14	1H15	Total
GO	\$2,066	\$ 392	\$1,426	\$2,541	\$1,932	\$1,644	\$1,433	\$422	\$1,372	\$357	\$13,584
NY Water	604	692	922	1,343	1,396	1,648	1,157	986	817	673	10,238
TFA	0	761	494	7	1,545	1,783	1,369	1,982	2,135	1,953	12,030
City-Funded Sub-Total	\$2,670	\$1,845	\$2,842	\$3,891	\$4,873	\$5,075	\$3,959	\$3,390	\$4,324	\$2,983	\$35,852
TFA Building Aid	0	300	650	820	182	269	577	730	0	0	3,528
DASNY	0	213	320	367	6	0	0	0	0	0	906
Non-City Sub-Total	\$0	\$513	\$970	\$1,187	\$188	\$269	\$577	\$730	\$0	\$0	\$4,434
Total	\$2,670	\$2,358	\$3,812	\$5,078	\$5,061	\$5,344	\$4,536	\$4,120	\$4,324	\$2,983	\$40,286
1H Reimbursable Capital Expenditures	\$2,892	\$2,863	\$3,446	\$4,465	\$4,823	\$4,683	\$3,757	\$3,570	\$3,872	\$3,254	\$37,625
1H Reimbursements Less 1H Reimbursable Capital Expenditures	(\$222)	(\$505)	\$366	\$613	\$238	\$661	\$779	\$550	\$452	(\$271)	\$2,661
1H Reimbursements as a % of 1H Reimbursable Capital Expenditures	92.3%	82.4%	110.6%	113.7%	104.9%	114.1%	120.8%	115.4%	111.7%	91.7%	107.1%
1H Reimbursements as a % of 1H Total Receipts	8.3%	7.4%	10.7%	14.6%	13.8%	13.8%	11.6%	10.9%	10.4%	7.4%	10.1%

1H eligible spending exceeded reimbursements for the first time since FY08, resulting in a \$271 million drain to the Central Treasury during 1H15. Over the past ten years, 1H reimbursements have exceeded eligible spending by 7.1%.

Chart 17. Bond-Funded Reimbursements for Eligible CapEx, 1H11 - 1H15



V. Financings ⁴

Table 15. FY 2015 Projected vs. 1H15 Actual GO, TFA PIT, and TFA BARBs Issuance

(\$ in billions)

	FY15 Projected Issuance	1H15 Issuance	Remaining Issuance
GO	\$0.80	\$0.00	\$0.80
TFA PIT	2.65	1.85	0.80
TFA BARBs	1.50	0.00	1.50
Total	\$4.95	\$1.85	\$3.10

Projected bond issuance is based on the OMB's FY 2015 February Financial Plan.

In FY15, the City plans to issue \$4.95 billion in General Obligation (GO), Transitional Finance Authority Personal Income Tax (TFA PIT), and Transitional Finance Authority Building Aid Revenue Bonds (TFA BARBs) for new money capital purposes. The City issued \$1.85 billion of new money debt in 1H15, leaving \$3.10 billion of issuance planned for the remainder of the current fiscal year.

Table 16. GO and TFA PIT Bond Issuance, 1H15

(\$ in millions)

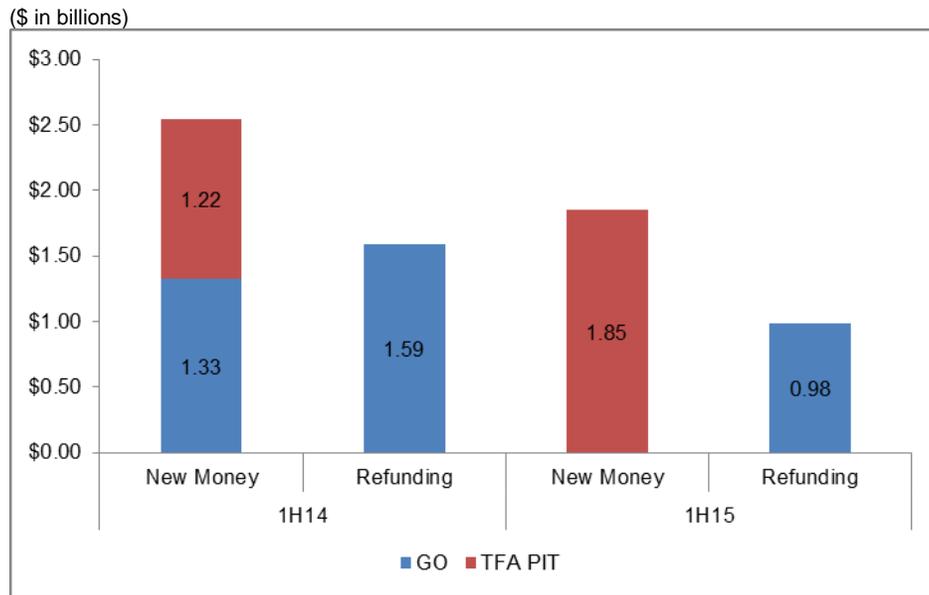
Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	Total Par
8/1/2014	TFA PIT 2015 A	New Money	\$675	\$125	\$200	\$1,000
9/4/2014	GO 2015 AB	Refunding	\$980	\$0	\$0	\$980
11/13/2014	TFA PIT 2015 B	New Money	\$700	\$150	\$0	\$850

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

In 2Q15, the Transitional Finance Authority sold \$850 million of future tax secured fixed-rate subordinate new money bonds. The sale included \$700 million of tax-exempt bonds and \$150 million of taxable bonds.

⁴ We gratefully acknowledge the assistance of the Bureau of Public Finance in the construction of this section.

Chart 18. GO, TFA PIT, and TFA BARBs Issues, 1H14 & 1H15



The pace of bond issuance in 1H15 was slower than during the same period a year ago. In 1H15 the City issued \$2.83 billion in new money and refunding bonds, compared to \$4.13 billion in 1H14.

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