



NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

Bureau of Budget

Q2 FY2020

October - December 2019

Quarterly Cash Report

March 2020

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Summary

Cash Balances¹

At the end of 2Q20 (December 31, 2019), the City recorded an unrestricted cash balance of \$5.122 billion. Typically, the lowest daily cash balance of a fiscal year occurs during the second quarter. This year's seasonal low measured \$1.769 billion, versus \$2.211 billion in 2Q19 and \$1.022 billion in 2Q18.

Both receipts and expenditures reached record highs during the quarter. At the end of December, New Yorkers usually pay property tax bills due on January 1, typically in excess of \$6 or \$7 billion in recent years. All in all, the net cash flow during 2Q periods is usually positive or flat. But in the last two years, expenditures exceeded receipts by \$986 million in 2Q19 and \$950 million in 2Q20. For the second year in a row, capital expenditures rose substantially from \$1.798 billion in 2Q18 to \$2.524 billion in 2Q19 to \$2.958 billion in 2Q20.

The 1H20 daily cash balance averaged \$5.632 billion, compared to \$7.058 billion during the same period last year. For the sixteenth consecutive year, the City maintained sufficient operating cash without issuing short-term notes.

Cash Receipts

Total cash receipts in 2Q20 increased 5.1% versus a year ago. Total Federal and State aid experienced the most growth, increasing \$1.2 billion, or 30.5%. Federal welfare aid surged \$537 million, while NYS welfare aid and NYS education aid rose \$401 million and \$309 million, respectively. A significant portion of these funds were prior year payments. Removing the effect of capital transfers, receipts increased 6.2%.

The City collected \$15.6 billion in tax revenues in 2Q20, almost the same amount as in 2Q19. The largest revenue source, the real property tax, declined 4.1%, largely due to the timing of receipts. The personal income tax increased \$116 million, or 4.1%. The sales tax was up \$148 million, or 6.6%. Overall, tax revenue accounted for 59.2% of total cash receipts in 2Q20.

Total cash receipts for 1H20 increased 5.3% versus a year ago. The cash receipts include the retention of real property and personal income tax revenues for GO and TFA PIT debt service payments. Debt service funding is counted as a negative inflow (rather than a positive expense). In 1H20, debt service funding decreased total cash revenues by almost \$1.1 billion, compared to \$813 million in 1H19.

Tax receipts in 1H20 increased 7% from a year ago. Tax revenues from three major sources—property, personal income, and sales taxes—were collectively up \$1.6 billion, compared to the prior year. The strongest performer in 1H20 was general corporation tax, which rose 23.4%. The sharp increase in general corporation tax is related to changes in Federal Tax law enacted as part of the Tax Cut and Jobs Act (TCJA). The lowering of the federal corporate tax rate from 35 percent to 21 percent caused some businesses to shift income into FY20 to take advantage of the lower rate. Additionally the lowering of the corporate tax rate compared to the unincorporated business rate may have caused some unincorporated filers to switch and become corporations. Only two taxes declined year over year.

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.

Unincorporated business tax was down 11.7%, while mortgage and real property transfer taxes decreased 1.6%.

The combined 1H20 total of Federal and State aid decreased \$402 million compared to the same period last year. Together, federal welfare and education aid, which make up over 60% of annual federal aid receipts, declined \$559 million.

Cash Expenditures²

Cash expenditures, including capital, totaled \$27.365 billion in 2Q20, averaging \$448.607 million daily. During the same period last year, cash expenditures totaled \$26.113 billion and averaged \$421.180 million daily. Gross payroll increased 1.1%, while fringe benefits rose 2.4%. Fringe benefits include pension contributions, social security, health plan, and supplemental (union-related) welfare benefits. Other than personal service expenditures (OTPS) grew 0.7%. Medical assistance spending increased 6.1%, while vendor and other services spending went up 1.5%. Outlays in the “All Other” category increased 25.5%, as a result of higher City-funded capital expenditures, higher NYC Health + Hospitals (H+H) spending, and a positive Fund 700 adjustment.

Cash expenditures in 1H20 grew 4.9% compared to the same period last year. Personal service expenditures rose 3%, to \$25.8 billion. Other than personal service expenditures went up 4.5%, to \$19.5 billion, with vendor and other contributing the most to the increase. Outlays considered “All Other” rose 11.7%, mostly due to higher City-funded capital spending and increased spending on H+H.

Capital Expenditures (CapEx)

CapEx totaled \$2.958 billion in 2Q20, up 17.2% from \$2.524 billion in 2Q19. Non-City-funded CapEx declined 20.8% while City-funded CapEx went up 24.1%.

Reimbursements to the Central Treasury for CapEx trailed reimbursable expenditures during 2Q20. 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 2Q20, this dynamic resulted in a drain of \$884 million.

Total CapEx equaled \$5.620 billion in 1H20 compared to \$5.021 billion during the same period last year. Non-City-funded CapEx declined 21.5% while City-funded CapEx grew 17.1%.

1H20 reimbursements trailed eligible spending, resulting in a \$22 million drain to the Central Treasury. Over the past ten years, 1H reimbursements have exceeded eligible spending by 9.6%.

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.

Financings

In FY20, the City plans to issue \$7.2 billion in GO, TFA FTS, and TFA BARBs for new money capital purposes. The City issued \$5.2 billion of new money debt in 1H20, leaving \$1.9 billion of issuance planned for the remainder of the current fiscal year.

Three transactions closed in 2Q20. The first transaction was a new money sale of approximately \$1.1 billion of GO Bonds. The GO sale included approximately \$850 million of tax-exempt fixed rate bonds, \$130 million of taxable fixed rate bonds, and \$100 million of tax-exempt variable rate bonds. The second transaction was a new money sale of approximately \$250 million of tax-exempt fixed rate TFA Building Aid Revenue Bonds. The third transaction was a new money sale of \$1.2 billion of TFA Future Tax-Secured (FTS) bonds. The TFA FTS sale included approximately \$850 million of tax-exempt fixed rate bonds, and \$300 million of taxable fixed rate bonds.

The pace of bond issuance in 1H20 was lower than last year's pace. In 1H20, the City issued \$5.2 billion in new money bonds. Over the same period last year, the City issued \$4.6 billion in new money bonds and \$2.8 billion in refunding bonds.

Notes

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.

Note that totals may not equal sum of components due to rounding.

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Cash Balances

October 2019 - December 2019 (2Q20)

Chart 1. Daily Cash Balances in the NYC Central Treasury, 2Q15, 2Q19, & 2Q20

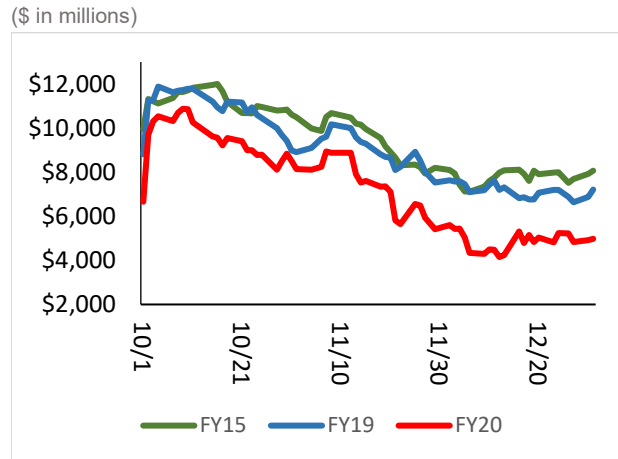
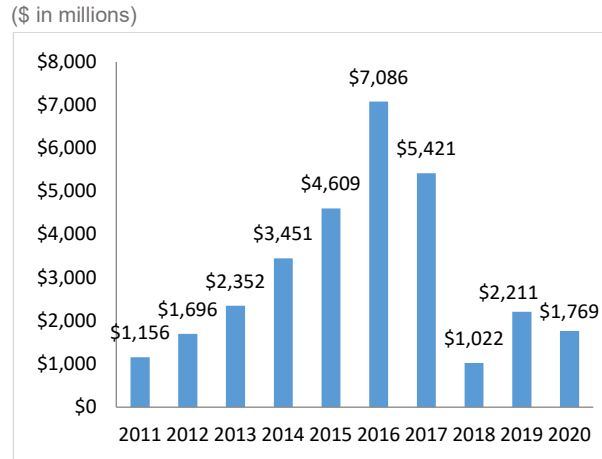


Chart 2. NYC Cash Balance Lows, FY11 – FY20



At the end of 2Q20, the City recorded an unrestricted cash balance of \$5.122 billion. Typically, the lowest daily cash balance of a fiscal year occurs during the second quarter. This year's seasonal low measured \$1.769 billion, versus \$2.211 billion in 2Q19 and \$1.022 billion in 2Q18.

Both receipts and expenditures reached record highs during the quarter. At the end of December, New Yorkers usually pay property tax bills due on January 1, typically in excess of \$6 or \$7 billion in recent years. All in all, the net cash flow during 2Q periods is usually positive or flat. But in the last two years, expenditures exceeded receipts by \$986 million in 2Q19 and \$950 million in 2Q20. For the second year in a row, capital expenditures rose substantially from \$1.798 billion in 2Q18 to \$2.524 billion in 2Q19 to \$2.958 billion in 2Q20.

Table 1. Cash Position in the NYC Central Treasury, 2Q, FY11 – FY20

(\$ in millions)	2Q11	2Q12	2Q13	2Q14	2Q15	2Q16	2Q17	2Q18	2Q19	2Q20
Opening Balance ^a	\$5,350	\$5,135	\$6,235	\$5,773	\$9,011	\$9,491	\$10,418	\$6,893	\$8,322	\$6,071
Total Receipts	18,761	19,753	18,923	22,301	20,423	24,666	22,237	23,686	25,127	26,415
Total Expenditures ^b	17,967	18,534	18,962	19,537	20,235	22,553	22,306	23,652	26,113	27,365
Closing Balance	\$6,144	\$6,354	\$6,196	\$8,537	\$9,199	\$11,604	\$10,349	\$6,926	\$7,335	\$5,122
Avg. Daily Balance	\$3,331	\$3,408	\$4,440	\$5,206	\$6,766	\$8,831	\$8,234	\$4,164	\$5,122	\$4,033

a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

July 2019 - December 2019 (1H20)

Chart 3. Cash Position in the NYC Central Treasury, 1H15, 1H19, & 1H20

(\$ in millions)



The 1H20 daily cash balance averaged \$5.632 billion, compared to \$7.058 billion during the same period last year. For the sixteenth consecutive year, the City maintained sufficient operating cash without issuing short-term notes.

Table 2. Cash Position in the NYC Central Treasury, 1H, FY11 – FY20

(\$ in millions)	1H11	1H12	1H13	1H14	1H15	1H16	1H17	1H18	1H19	1H20
Opening Balance ^a	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	\$9,341	\$9,394	\$7,110
Total Receipts	38,672	39,068	37,946	41,662	40,326	47,672	44,285	45,199	49,583	52,196
Total Expenditures ^b	37,132	37,755	38,048	41,068	40,985	45,570	45,655	47,614	51,641	54,185
Closing Balance	\$6,144	\$6,354	\$6,196	\$8,537	\$9,199	\$11,604	\$10,349	\$6,926	\$7,335	\$5,122
Avg. Daily Balance	\$4,000	\$4,665	\$5,426	\$6,256	\$8,126	\$9,448	\$9,332	\$6,561	\$7,058	\$5,632

a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

Cash Receipts

October 2019 - December 2019 (2Q20)

Receipts at a Glance

Table 3. Cash Receipts by Category, 2Q, FY11 – FY20

(\$ in millions)	2Q11	2Q12	2Q13	2Q14	2Q15	2Q16	2Q17	2Q18	2Q19	2Q20
Real Property Tax	\$4,489	\$4,866	\$5,116	\$5,377	\$5,861	\$6,497	\$6,611	\$7,305	\$7,652	\$7,335
Other Taxes	5,231	5,517	5,763	6,222	7,000	7,498	7,427	8,118	8,027	8,295
Total taxes	9,720	10,383	10,879	11,599	12,861	13,995	14,038	15,423	15,679	15,630
Federal and State Aid	4,152	4,314	4,207	4,232	3,836	4,359	4,091	3,422	3,942	5,146
Debt Service Funding	(158)	(146)	(652)	(134)	(1,054)	658	(305)	(334)	(327)	(273)
Miscellaneous	1,459	1,305	1,361	1,902	1,778	1,843	1,418	1,604	2,132	2,070
Intergovernmental Aid	0	1	1	0	0	4	57	0	0	0
Other	3,588	3,896	3,127	4,702	3,002	3,807	2,938	3,571	3,701	3,842
Total	\$18,761	\$19,753	\$18,923	\$22,301	\$20,423	\$24,666	\$22,237	\$23,686	\$25,127	\$26,415
Total, Net of Reimbursement for CapEx	\$16,301	\$17,100	\$17,427	\$19,679	\$19,085	\$22,756	\$20,708	\$21,501	\$23,116	\$24,557

Total cash receipts in 2Q20 increased 5.1% versus a year ago. Total Federal and State aid experienced the most growth, increasing \$1.2 billion, or 30.5%. Federal welfare aid surged \$537 million, while NYS welfare aid and NYS education aid rose \$401 million and \$309 million, respectively. A significant portion of these funds were prior year payments. Removing the effect of capital transfers, receipts increased 6.2%.

Taxes³

Table 4. Tax Receipts, 2Q15, 2Q19, & 2Q20

(\$ in millions)	2Q15	2Q19	2Q20	% Change 2Q20/2Q15	% Change 2Q20/2Q19
Real Property Tax	\$5,861	\$7,652	\$7,335	25%	(4)%
Personal Income Tax	2,241	2,848	2,964	32	4
Sales Tax	1,849	2,238	2,386	29	7
General Corporation Tax	833	1,276	1,425	71	12
Mortgage and Real Property Transfer Taxes	692	613	607	(12)	(1)
Unincorporated Business Tax	274	419	271	(1)	(35)
Commercial Rent Tax	188	235	225	20	(4)
Hotel Occupancy Tax	170	184	181	6	(2)
All Other Taxes	753	214	236	(69)	10
Total Taxes	\$12,861	\$15,679	\$15,630	22%	0%

The City collected \$15.6 billion in tax revenues in 2Q20, almost the same amount as in 2Q19. The largest revenue source, the real property tax, declined 4.1%, largely due to the timing of receipts. The personal

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.

income tax increased \$116 million, or 4.1%. The sales tax was up \$148 million, or 6.6%. Overall, tax revenue accounted for 59.2% of total cash receipts in 2Q20.

Selected Cash Receipts

Table 5. Selected Cash Receipts, 2Q, FY16 – FY20

(\$ in millions)	2Q16	2Q17	2Q18	2Q19	2Q20
Real Property Tax	\$6,497	\$6,611	\$7,305	\$7,652	\$7,335
Personal Income Tax	2,458	2,512	3,065	2,848	2,964
Sales Tax	2,047	2,050	2,152	2,238	2,386
NYS Education Aid	1,647	1,757	1,894	2,054	2,363
General Corporation Tax	982	1,075	1,275	1,276	1,425
Federal Welfare Aid	623	692	445	886	1,423
Water and Sewer Fees	567	332	494	615	712
Mortgage and Real Property Transfer Taxes	736	648	603	613	607
NYS Welfare Aid	311	242	2	203	604
Fines and Forfeitures	332	293	248	307	345
Senior College Fees	212	147	145	315	272
Unincorporated Business Tax	301	286	451	419	271
Commercial Rent Tax	214	217	215	235	225
Federal Education Aid	605	162	209	106	187
Hotel Occupancy Tax	163	171	158	184	181

Federal and State Aid

Chart 4. Federal & State Aid to NYC, 2Q, FY16 – FY20

(\$ in billions)

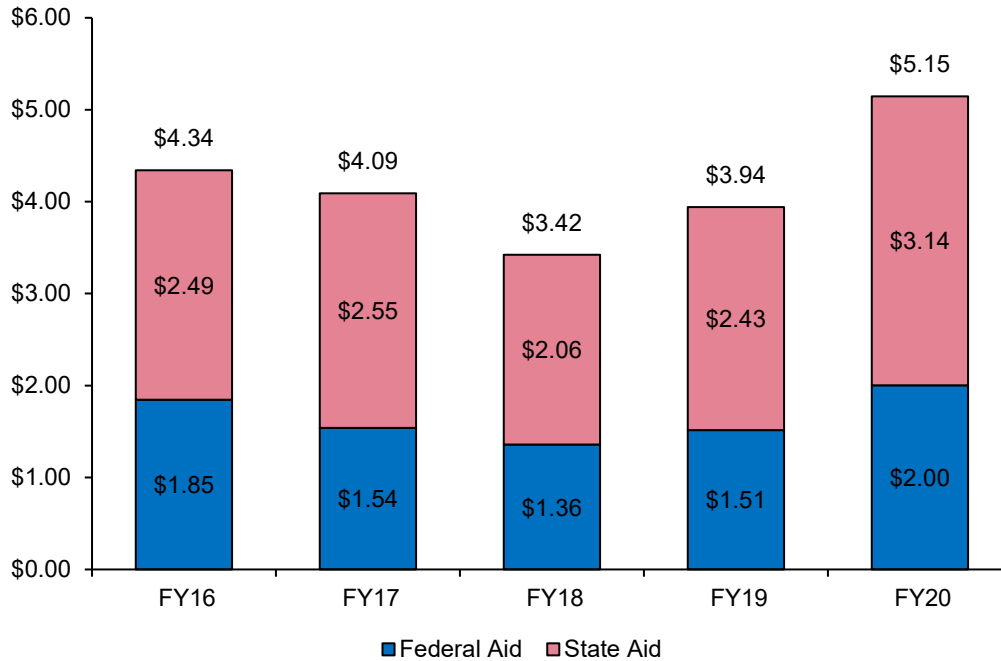


Chart 5. Federal & State Aid as % of Total Cash Receipts, 2Q, FY16 – FY20

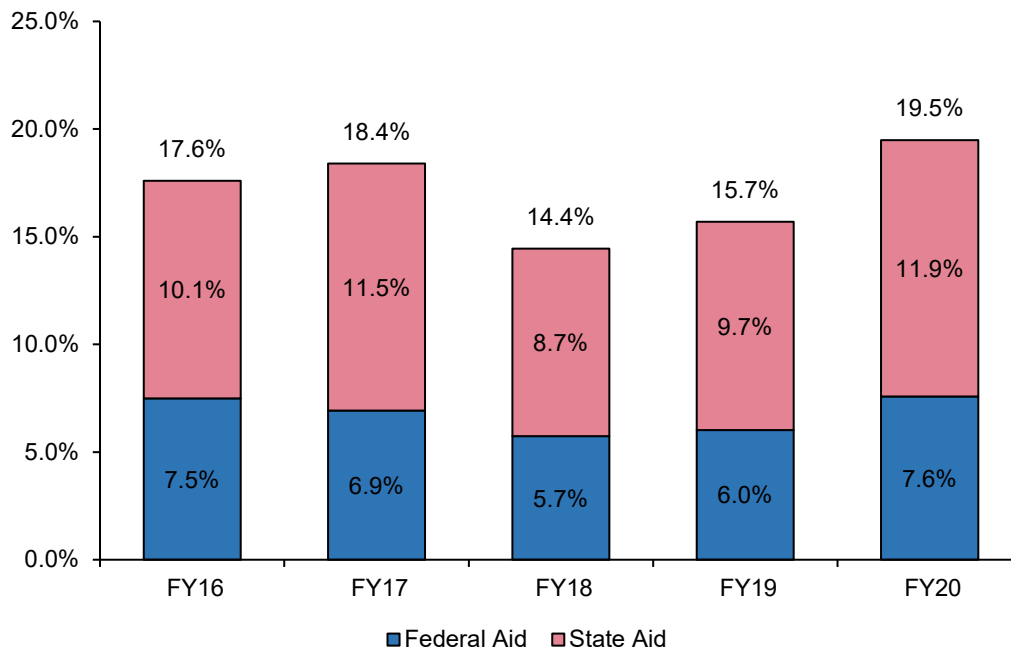


Chart 6. Components of State Aid, 2Q, FY16 – FY20

(\$ in billions)

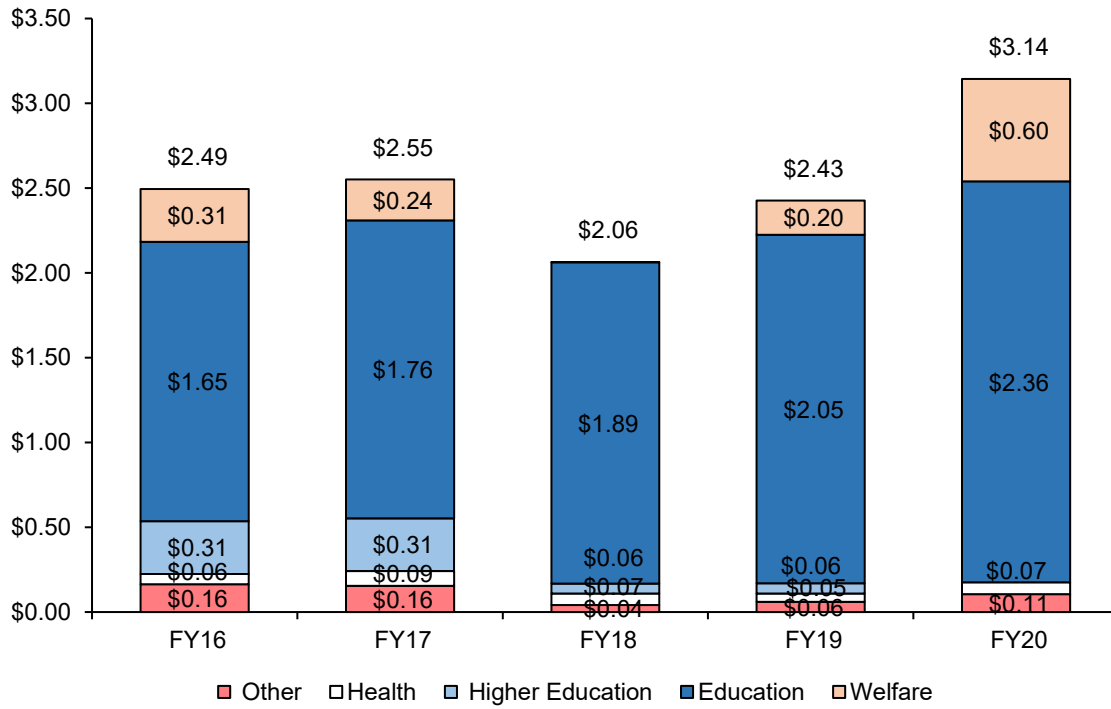
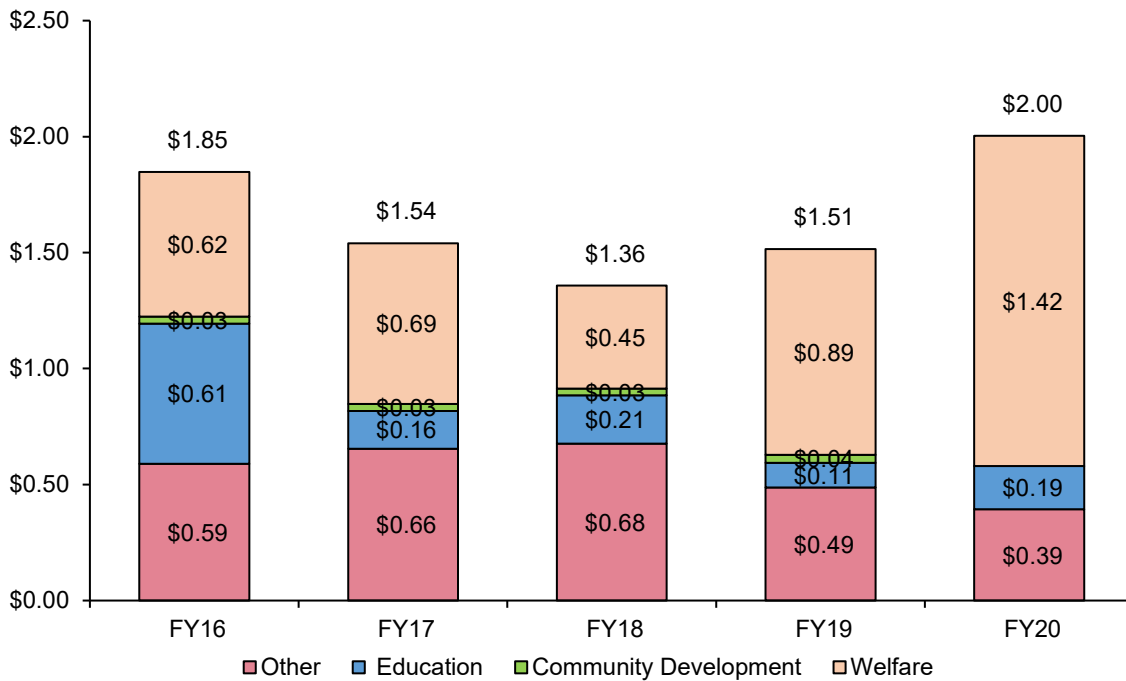


Chart 7. Components of Federal Aid, 2Q, FY16 – FY20

(\$ in billions)



July 2019 - December 2019 (1H20)

Receipts at a Glance

Table 6. Cash Receipts by Category, 1H, FY11 – FY20

(\$ in millions)	1H11	1H12	1H13	1H14	1H15	1H16	1H17	1H18	1H19	1H20
Real Property Tax	\$9,127	\$10,020	\$9,901	\$10,950	\$11,273	\$12,084	\$12,561	\$12,705	\$14,052	\$14,991
Other Taxes	10,422	11,060	11,444	12,272	13,595	14,363	14,123	14,944	14,893	15,979
Total taxes	19,549	21,080	21,345	23,222	24,868	26,447	26,684	27,649	28,945	30,970
Federal and State Aid	8,872	8,204	8,395	8,183	8,469	8,615	7,774	6,781	9,869	9,467
Debt Service Funding	(266)	(146)	(1,657)	(1,025)	(2,737)	1,128	(943)	(1,239)	(813)	(1,092)
Miscellaneous	3,087	3,012	3,030	3,395	3,327	3,870	3,220	3,620	4,336	4,129
Intergovernmental Aid	0	1	1	0	0	4	59	0	0	0
Other	7,430	6,917	6,832	7,887	6,400	7,608	7,491	8,388	7,246	8,722
Total	\$38,672	\$39,068	\$37,946	\$41,662	\$40,327	\$47,672	\$44,285	\$45,199	\$49,583	\$52,196
Total, Net of Reimbursement for CapEx	\$33,328	\$34,532	\$33,825	\$37,339	\$37,343	\$43,837	\$39,925	\$40,102	\$45,546	\$46,988

Total cash receipts for 1H20 increased 5.3% versus a year ago. The cash receipts include the retention of real property and personal income tax revenues for GO and TFA PIT debt service payments. Debt service funding is counted as a negative inflow (rather than a positive expense). In 1H20, debt service funding decreased total cash revenues by almost \$1.1 billion, compared to \$813 million in 1H19.

Taxes⁴

Table 7. Major Tax Receipts, 1H15, 1H19, & 1H20

(\$ in millions)	1H15	1H19	1H20	% Change 1H20/1H15	% Change 1H20/1H19
Real Property Tax	\$11,273	\$14,052	\$14,991	33%	7%
Personal Income Tax	4,267	5,439	5,821	36	7
Sales Tax	3,331	3,821	4,085	23	7
General Corporation Tax	1,551	2,246	2,772	79	23
Mortgage and Real Property Transfer Taxes	1,382	1,284	1,263	(9)	(2)
Unincorporated Business Tax	780	826	729	(7)	(12)
Commercial Rent Tax	404	486	519	28	7
Hotel Occupancy Tax	299	341	344	15	1
All Other Taxes	1,581	450	446	(72)	(1)
Total Taxes	\$24,868	\$28,945	\$30,970	25%	7%

Tax receipts in 1H20 increased 7% from a year ago. Tax revenues from three major sources—property, personal income, and sales taxes—were collectively up \$1.6 billion, compared to the prior year. The strongest performer in 1H20 was general corporation tax, which rose 23.4%. The sharp increase in general corporation tax is related to changes in Federal Tax law enacted as part of the TCJA. The lowering of the federal corporate tax rate from 35 percent to 21 percent caused some businesses to shift income into FY20 to take advantage of the lower rate. Additionally the lowering of the corporate tax rate compared to the

⁴ 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.

unincorporated business rate may have caused some unincorporated filers to switch and become corporations. Only two taxes declined year over year. Unincorporated business tax was down 11.7%, while mortgage and real property transfer taxes decreased 1.6%.

Selected Cash Receipts

Table 8. Selected Cash Receipts, 1H16 - 1H20

(\$ in millions)	1H16	1H17	1H18	1H19	1H20
Real Property Tax	\$12,084	\$12,561	\$12,705	\$14,052	\$14,991
Personal Income Tax	4,694	4,761	5,483	5,439	5,821
NYS Education Aid	3,011	3,116	3,290	3,952	4,161
Sales Tax	3,606	3,461	3,638	3,821	4,085
General Corporation Tax	1,882	2,133	2,177	2,246	2,772
Federal Welfare Aid	1,764	1,614	951	2,309	1,811
Water and Sewer Fees	1,397	1,226	1,365	1,429	1,509
Mortgage and Real Property Transfer Taxes	1,476	1,366	1,241	1,284	1,263
NYS Higher Education Aid	312	310	59	916	925
NYS Welfare Aid	752	685	215	524	823
Unincorporated Business Tax	772	765	957	826	729
Fines and Forfeitures	613	531	498	587	661
Federal Education Aid	932	331	557	638	577
Commercial Rent Tax	430	425	459	486	519
Hotel Occupancy Tax	313	312	305	341	344
Senior College Fees	213	148	165	335	272

Federal and State Aid

Chart 8. Federal & State Aid to NYC, 1H, FY16 – FY20

(\$ in billions)

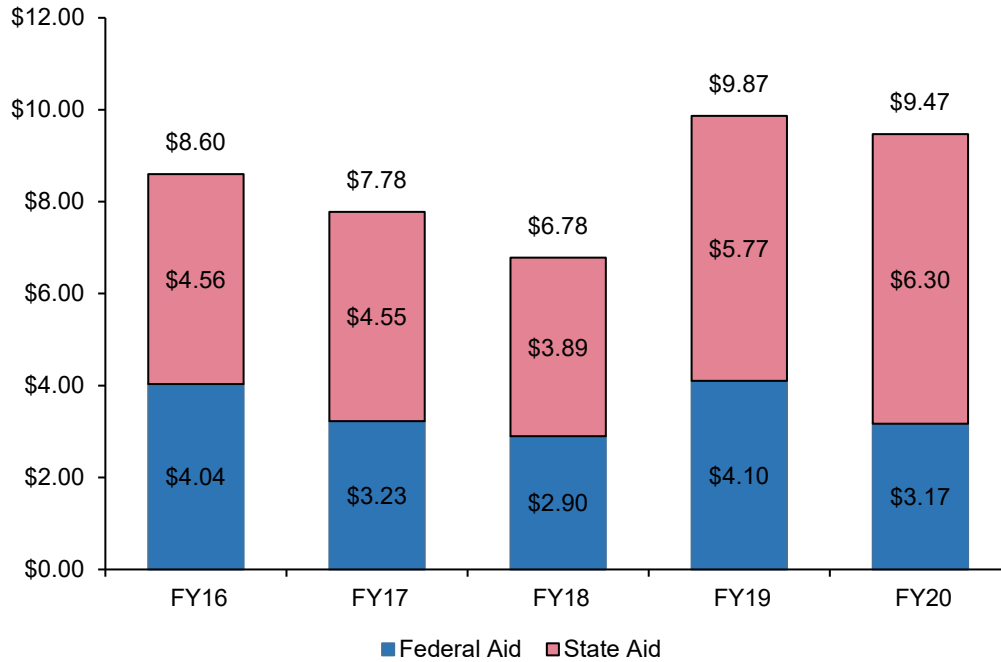


Chart 9. Federal & State Aid as % of Total Cash Receipts, 1H, FY16 – FY20

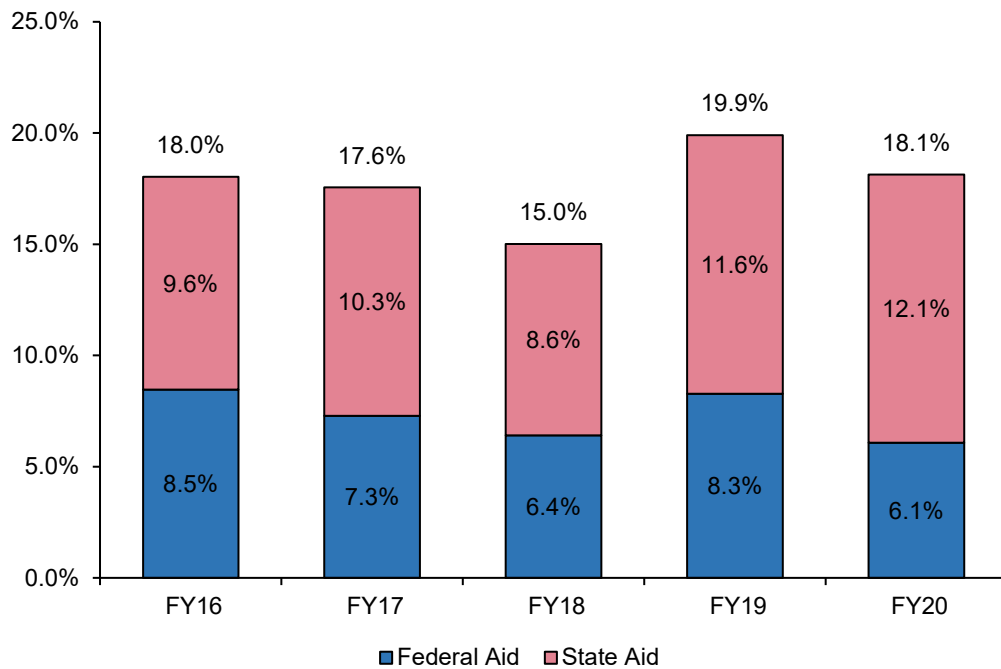


Chart 10. Components of State Aid, 1H, FY16 – FY20

(\$ in billions)

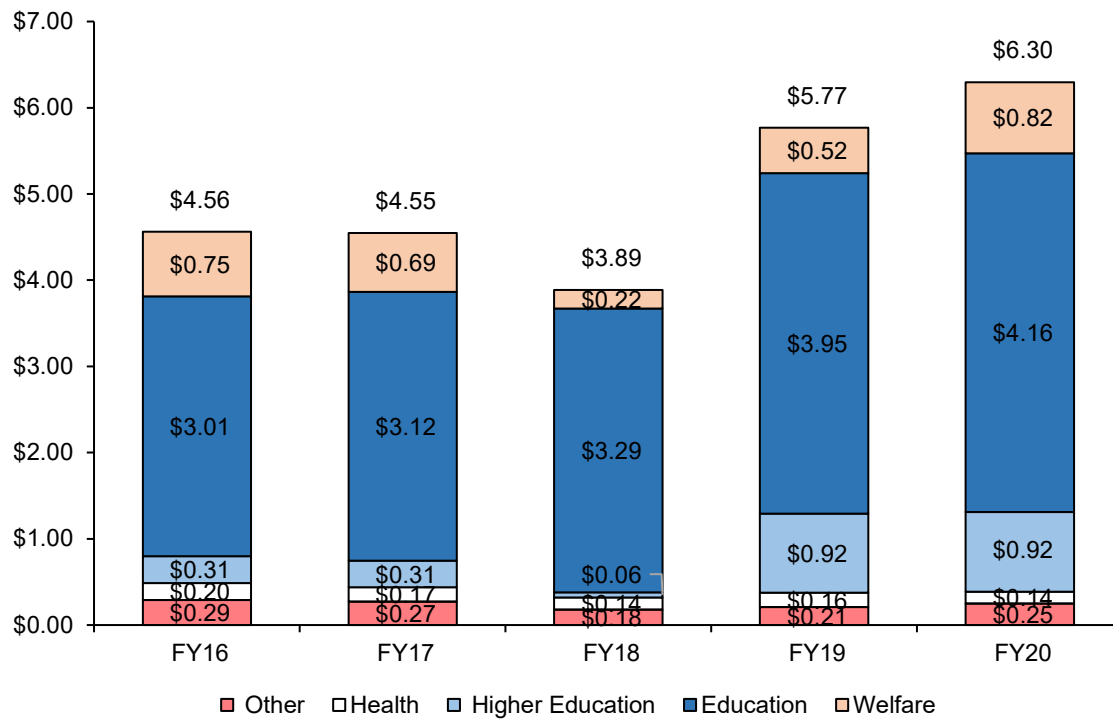
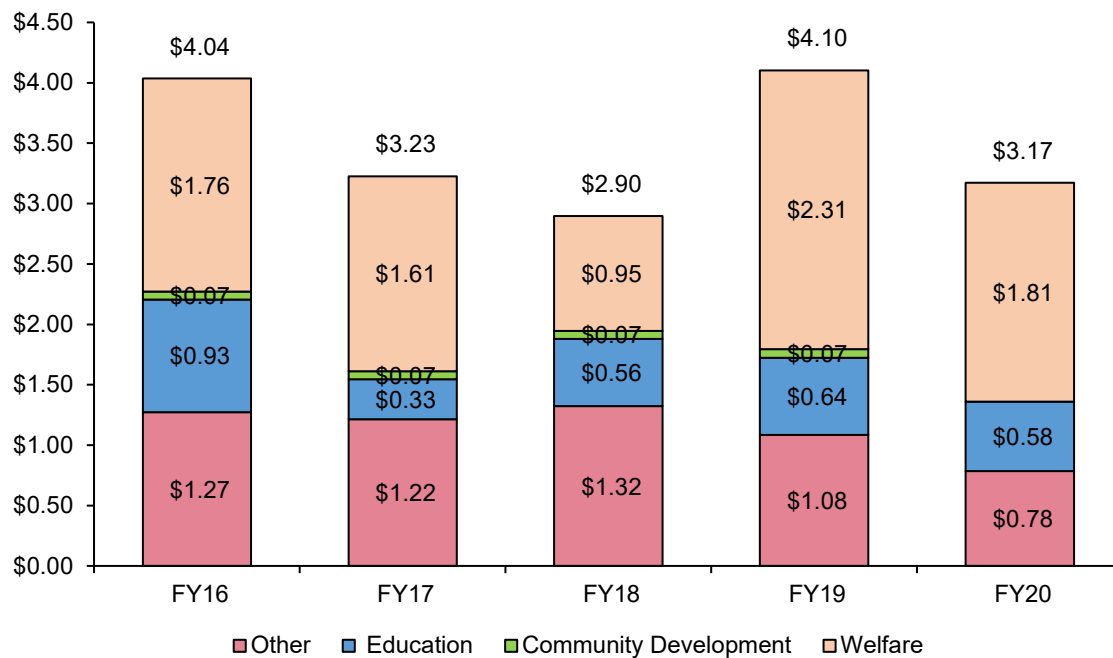


Chart 11. Components of Federal Aid, 1H, FY16 – FY20

(\$ in billions)



The combined 1H20 total of Federal and State aid decreased \$402 million compared to the same period last year. Together, federal welfare and education aid declined \$559 million.

Cash Expenditures (Including Capital)

October 2019 - December 2019 (2Q20)

Cash Expenditures at a Glance

Table 9. PS & OTPS, 2Q, FY11 – FY20

(\$ in millions)	2Q11	2Q12	2Q13	2Q14	2Q15	2Q16	2Q17	2Q18	2Q19	2Q20
Gross Payroll	\$6,154	\$5,775	\$5,953	\$5,961	\$6,333	\$7,284	\$6,955	\$7,777	\$8,638	\$8,736
Fringe and Other	2,821	3,402	3,600	3,573	3,715	3,897	4,190	4,488	4,700	4,811
Total PS	\$8,975	\$9,177	\$9,553	\$9,534	\$10,048	\$11,181	\$11,145	\$12,265	\$13,338	\$13,547
% of 2Q Total Exp	50%	50%	50%	49%	50%	50%	50%	52%	51%	50%
# of Bi-weekly Payrolls	7	6	6	6	6	7	7	7	7	7
Public Assistance	\$629	\$591	\$610	\$629	\$634	\$673	\$750	\$801	\$950	\$901
Medical Assistance	1,330	1,262	1,466	1,386	1,524	1,431	1,266	1,536	1,271	1,349
Other Social Services	595	621	557	584	649	644	703	624	798	744
Vendor and Other	3,399	3,701	3,909	4,244	4,530	4,782	5,022	5,819	5,920	6,009
Total OTPS	\$5,953	\$6,175	\$6,542	\$6,843	\$7,337	\$7,530	\$7,741	\$8,780	\$8,939	\$9,003
% of 2Q Total Exp	33%	33%	35%	35%	36%	33%	35%	37%	34%	33%
All Other	\$3,039	\$3,182	\$2,868	\$3,160	\$2,850	\$3,842	\$3,420	\$2,607	\$3,836	\$4,815
% of 2Q Total Exp	17%	17%	15%	16%	14%	17%	15%	11%	15%	17%
Total Expenditures	\$17,967	\$18,534	\$18,963	\$19,537	\$20,235	\$22,553	\$22,306	\$23,652	\$26,113	\$27,365
Total Expenditures, Net of CapEx	\$15,869	\$16,263	\$17,182	\$17,632	\$18,684	\$20,648	\$20,588	\$21,853	\$23,590	\$24,407

Cash expenditures, including capital, totaled \$27.365 billion in 2Q20, averaging \$448.607 million daily. During the same period last year, cash expenditures totaled \$26.113 billion and averaged \$421.180 million daily. Gross payroll increased 1.1%, while fringe benefits rose 2.4%. Fringe benefits include pension contributions, social security, health plan, and supplemental (union-related) welfare benefits. Other than personal service expenditures (OTPS) grew 0.7%. Medical assistance spending increased 6.1%, while vendor and other services spending went up 1.5%. Outlays in the “All Other” category increased 25.5%, as a result of higher City-funded capital expenditures, higher H+H spending, and a positive Fund 700 adjustment.

“All Other” Spending

Table 10. Major Components of “All Other” Spending, 2Q19 & 2Q20

(\$ in millions)	2Q19	2Q20	Difference
Transit Authority	\$15	\$0	(\$15)
Housing Authority	48	41	(7)
Lump Sum Payments	611	691	80
NYC H+H	70	455	385
Refunds	420	291	(129)
City-Funded Capital	2,134	2,649	515
Non-City-Funded Capital	390	309	(81)
Fund 700 Adjustment	148	382	234

Certain bookkeeping procedures within the City's financial management system serve as a mechanism through which City agencies give notice of upcoming expenditures or of funds held in trust on behalf of non-City entities. Such entries are collectively captured in the Fund 700 adjustment and are deducted from our calculation of the unrestricted cash balance. As the City's business proceeds throughout the year, the Fund 700 adjustment may be reflected as a positive expense (more cash excluded from the unrestricted balance) or as a negative expense (as previously disclosed Fund 700 obligations are satisfied). In 2Q20, the Fund 700 adjustment was reflected as a positive expense, and it reduced the unrestricted cash balance by \$382 million.

July 2019 - December 2019 (1H20)

Cash Expenditures at a Glance

Table 11. PS & OTPS, 1H, FY11 – FY20

(\$ in millions)	1H11	1H12	1H13	1H14	1H15	1H16	1H17	1H18	1H19	1H20
Gross Payroll	\$12,121	\$11,951	\$12,012	\$12,095	\$12,758	\$14,320	\$14,061	\$14,934	\$15,961	\$16,308
Fringe and Other	6,029	6,694	6,966	7,233	7,611	7,853	8,469	8,695	9,061	9,476
Total PS	\$18,150	\$18,645	\$18,978	\$19,328	\$20,369	\$22,173	\$22,530	\$23,629	\$25,022	\$25,784
% of Total Exp	49%	49%	50%	47%	50%	48%	49%	50%	48%	48%
Public Assistance	\$1,282	\$1,223	\$1,190	\$1,269	\$1,283	\$1,379	\$1,521	\$1,751	\$2,010	\$2,041
Medical Assistance	2,511	2,912	3,088	2,763	2,877	2,883	2,634	2,723	2,794	2,803
Other Social Services	1,250	1,182	1,195	1,236	1,274	1,307	1,400	1,337	1,613	1,698
Vendor and Other	7,219	7,735	7,726	8,769	9,566	9,910	10,729	11,202	12,246	12,968
Total OTPS	\$12,262	\$13,052	\$13,199	\$14,037	\$15,000	\$15,479	\$16,284	\$17,013	\$18,663	\$19,510
% of Total Exp	33%	35%	35%	34%	36%	35%	36%	36%	36%	36%
All Other	\$6,720	\$6,058	\$5,871	\$7,703	\$5,616	\$7,918	\$6,841	\$6,972	\$7,957	\$8,891
% of Total Exp	18%	16%	15%	19%	14%	17%	15%	14%	15%	16%
Total Expenditures	\$37,132	\$37,755	\$38,048	\$41,068	\$40,985	\$45,570	\$45,655	\$47,614	\$51,642	\$54,185
Total Expenditures, Net of CapEx	\$32,137	\$33,607	\$34,118	\$36,790	\$37,414	\$41,594	\$41,643	\$43,468	\$46,684	\$48,565

Cash expenditures in 1H20 grew 4.9% compared to the same period last year. Personal service expenditures rose 3%, to \$25.8 billion. Other than personal service expenditures went up 4.5%, to \$19.5 billion, with vendor and other contributing the most to the increase. Outlays considered "All Other" rose 11.7%, mostly due to higher City-funded capital spending and increased spending on H+H.

"All Other" Spending

Table 12. Major Components of "All Other" Spending, 1H19 & 1H20

(\$ in millions)	1H19	1H20	Difference
Transit Authority	\$270	\$266	(\$4)
Housing Authority	62	102	40
Lump Sum Payments	1,440	1,593	153
NYC H+H	233	658	425
Refunds	745	470	(275)
City-Funded Capital	4,350	5,093	743
Non-City-Funded Capital	671	527	(144)
Fund 700 Adjustment	182	182	0

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 2019 - December 2019 (2Q20)

Chart 12. Total CapEx, 2Q, FY11 – FY20

(\$ in millions)

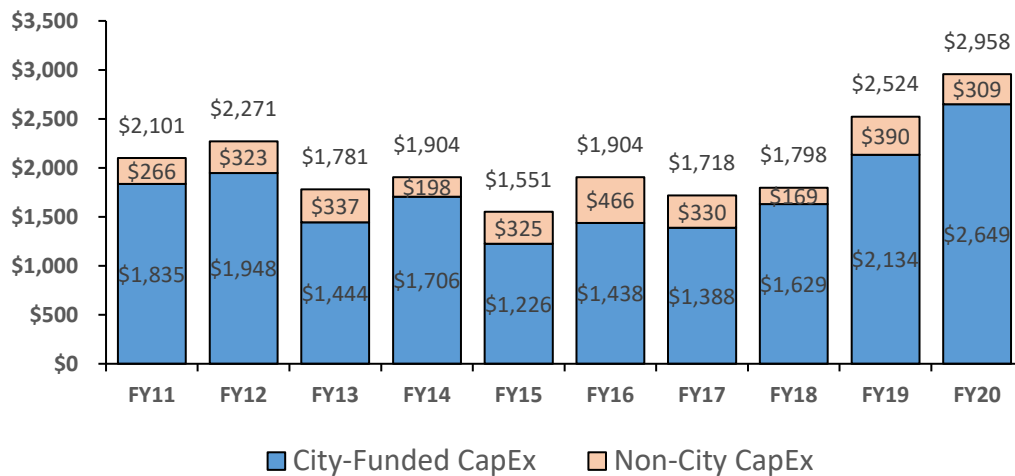
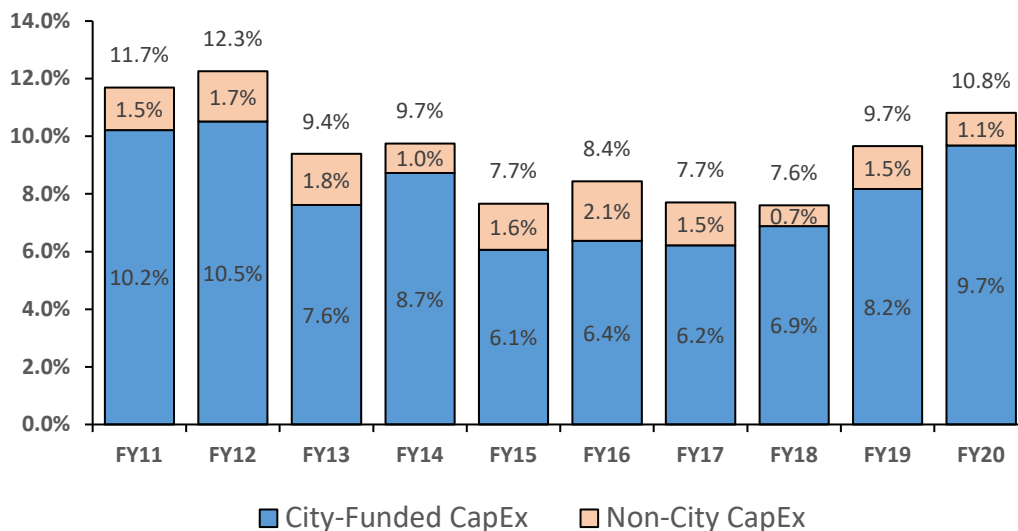


Chart 13. Total CapEx as % of Total Expenditures, 2Q, FY11 – FY20



CapEx totaled \$2.958 billion in 2Q20, up 17.2% from \$2.524 billion in 2Q19. Non-City-funded CapEx declined 20.8% while City-funded CapEx went up 24.1%.

Reimbursements to the New York City Central Treasury for Capital Expenditures

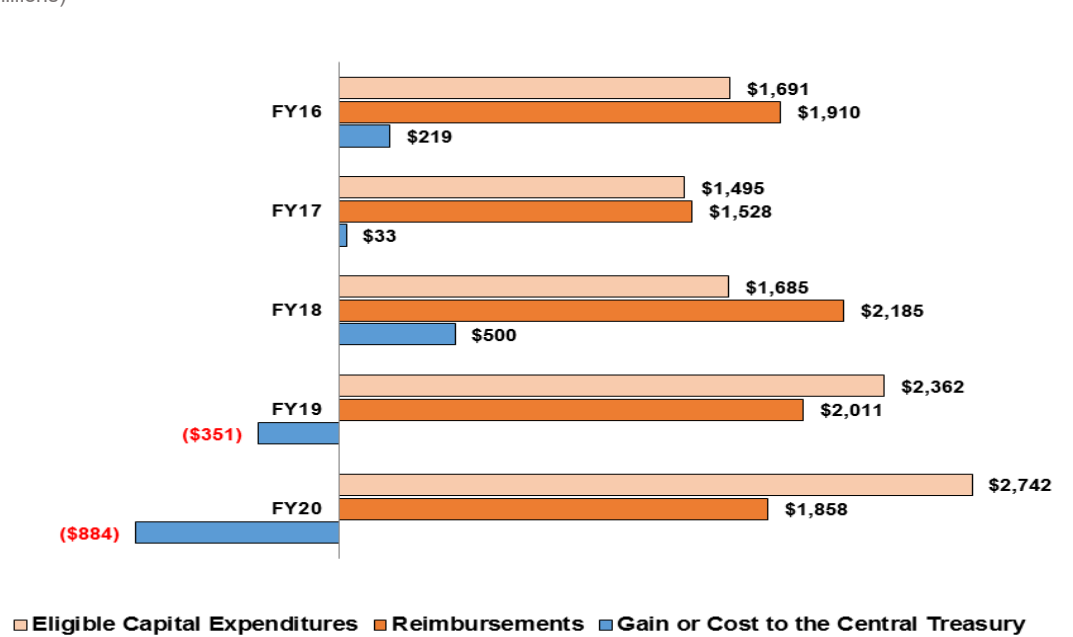
Table 13. Reimbursements to the NYC Central Treasury for CapEx, 2Q, FY11 – FY20

(\$ in millions)	2Q11	2Q12	2Q13	2Q14	2Q15	2Q16	2Q17	2Q18	2Q19	2Q20	Total
GO	\$885	\$977	\$127	\$901	\$24	\$47	\$244	\$998	\$0	\$589	\$4,792
NY Water	693	582	470	397	315	334	409	432	438	477	4,547
TFA	613	797	768	1,324	999	1,529	875	755	1,573	505	9,738
<i>Subtotal</i>	<i>\$2,191</i>	<i>\$2,356</i>	<i>\$1,365</i>	<i>\$2,622</i>	<i>\$1,338</i>	<i>\$1,910</i>	<i>\$1,528</i>	<i>\$2,185</i>	<i>\$2,011</i>	<i>\$1,571</i>	<i>\$19,077</i>
TFA Building Aid	269	297	132	0	0	0	0	0	0	287	985
Total	\$2,460	\$2,653	\$1,497	\$2,622	\$1,338	\$1,910	\$1,528	\$2,185	\$2,011	\$1,858	\$20,062
2Q Reimbursable Capital Expenditures	\$1,962	\$2,105	\$1,583	\$1,706	\$1,392	\$1,691	\$1,495	\$1,685	\$2,362	\$2,742	\$18,723
2Q Reimbursements Less 2Q Reimbursable Capital Expenditures	\$498	\$548	(\$86)	\$916	(\$54)	\$219	\$33	\$500	(\$351)	(\$884)	\$1,339
2Q Reimbursements as a % of 2Q Reimbursable Capital Expenditures	125.4%	126.0%	94.6%	153.7%	96.1%	113.0%	102.2%	129.7%	85.1%	67.8%	107.2%
2Q Reimbursements as a % of 2Q Total Receipts	13.1%	13.4%	7.9%	11.8%	6.6%	7.7%	6.9%	9.2%	8.0%	7.0%	9.0%

Reimbursements to the Central Treasury for CapEx trailed reimbursable expenditures during 2Q20. 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 2Q20, this dynamic resulted in a drain of \$884 million.

Chart 14. Bond-Funded Reimbursements for Eligible CapEx, 2Q, FY16 – FY20

(\$ in millions)



July 2019 - December 2019 (1H20)

Chart 15. Total CapEx, 1H, FY11 – FY20

(\$ in millions)

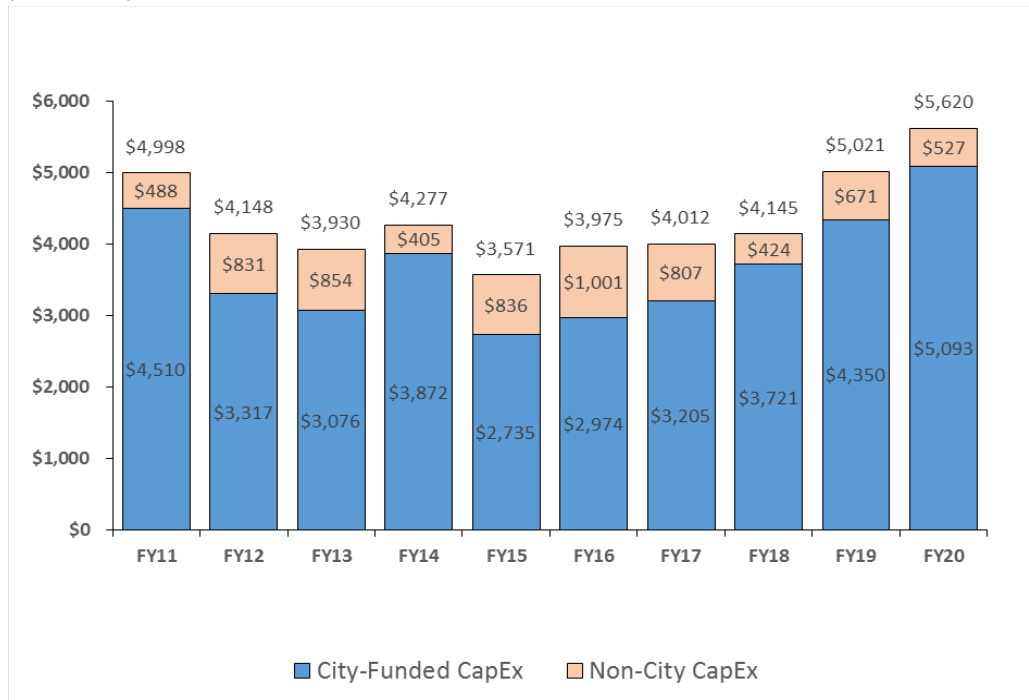
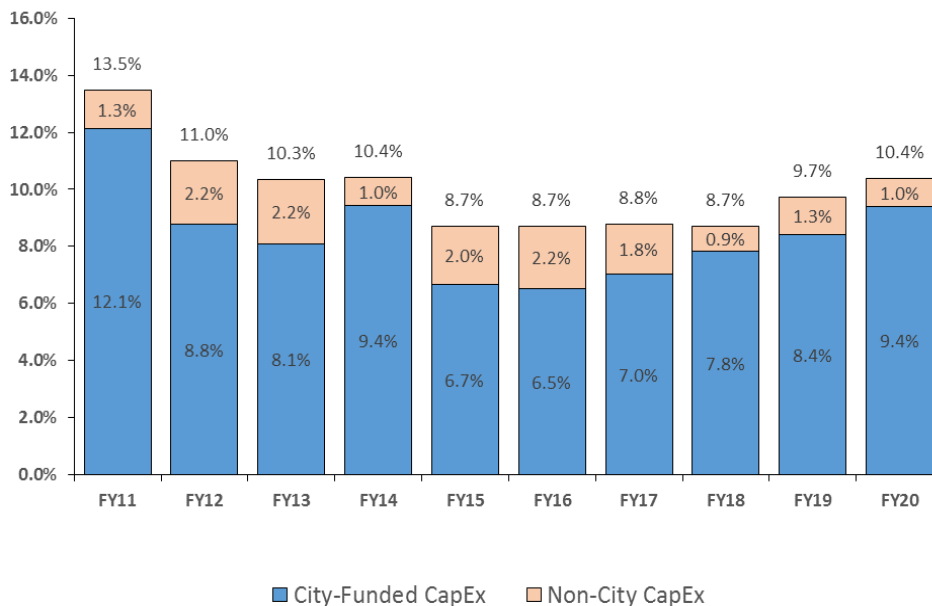


Chart 16. Total CapEx as % of Total Expenditures, 1H, FY11 – FY20



Total CapEx equaled \$5.620 billion in 1H20 compared to \$5.021 billion during the same period last year. Non-City-funded CapEx declined 21.5% while City-funded CapEx grew 17.1%.

Reimbursements to the New York City Central Treasury for Capital Expenditures

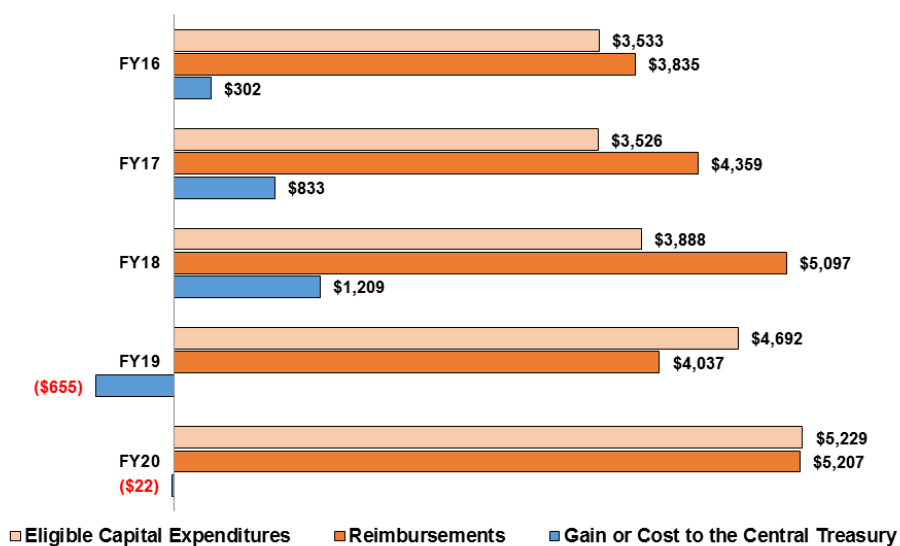
Table 14. Reimbursements to the NYC Central Treasury, 1H, FY11 – FY20

(\$ in millions)	1H11	1H12	1H13	1H14	1H15	1H16	1H17	1H18	1H19	1H20	Total
GO	\$1,644	\$1,433	\$422	\$1,372	\$357	\$609	\$1,532	\$998	\$38	\$2,090	\$10,495
NY Water	1,648	1,157	986	817	673	687	732	816	899	1,034	9,449
TFA	1,783	1,369	1,982	2,135	1,953	1,707	2,095	3,283	3,100	1,796	21,203
<i>Subtotal</i>	<i>\$5,075</i>	<i>\$3,959</i>	<i>\$3,390</i>	<i>\$4,324</i>	<i>\$2,983</i>	<i>\$3,003</i>	<i>\$4,359</i>	<i>\$5,097</i>	<i>\$4,037</i>	<i>\$4,920</i>	<i>\$41,147</i>
TFA Building Aid	269	577	730	0	0	832	0	0	0	287	2,695
Total	\$5,344	\$4,536	\$4,120	\$4,324	\$2,983	\$3,835	\$4,359	\$5,097	\$4,037	\$5,207	\$43,842
1H Reimbursable Capital Expenditures	\$4,683	\$3,757	\$3,570	\$3,872	\$3,254	\$3,533	\$3,526	\$3,888	\$4,692	\$5,229	\$40,003
1H Reimbursements Less 1H Reimbursable Capital Expenditures	\$661	\$779	\$550	\$452	(\$271)	\$302	\$833	\$1,209	(\$655)	(\$22)	\$3,839
1H Reimbursements as a % of 1H Reimbursable Capital Expenditures	114.1%	120.8%	115.4%	111.7%	91.7%	108.5%	123.6%	131.1%	86.0%	99.6%	109.6%
1H Reimbursements as a % of 1H Total Receipts	13.8%	11.6%	10.9%	10.4%	7.4%	8.0%	9.8%	11.3%	8.1%	10.0%	10.0%

1H20 reimbursements trailed eligible spending, resulting in a \$22 million drain to the Central Treasury. Over the past ten years, 1H reimbursements have exceeded eligible spending by 9.6%.

Chart 17. Bond-Funded Reimbursements for Eligible CapEx, 1H16 - 1H20

(\$ in millions)



Financings

Table 15. FY 2020 Projected New Money vs. 1H20 Actual New Money GO, TFA FTS, and TFA BARBs Issuance

(\$ in millions)	Projected FY20 New Money Issuance	1H20 New Money Issuance	Remaining New Money Issuance
GO	\$3,910	\$2,480	\$1,430
TFA FTS	\$3,000	\$2,500	\$500
TFA BARBs	\$250	\$250	\$0
Total	\$7,160	\$5,230	\$1,930

Projected bond issuance is based on the OMB's January 2020 Financial Plan.

In FY20, the City plans to issue \$7.2 billion in GO, TFA FTS, and TFA BARBs for new money capital purposes. The City issued \$5.2 billion of new money debt in 1H20, leaving \$1.9 billion of issuance planned for the remainder of the current fiscal year.

Table 16. GO, TFA FTS, and TFA BARBs Bond Issuance, 1H20

(\$ in millions)

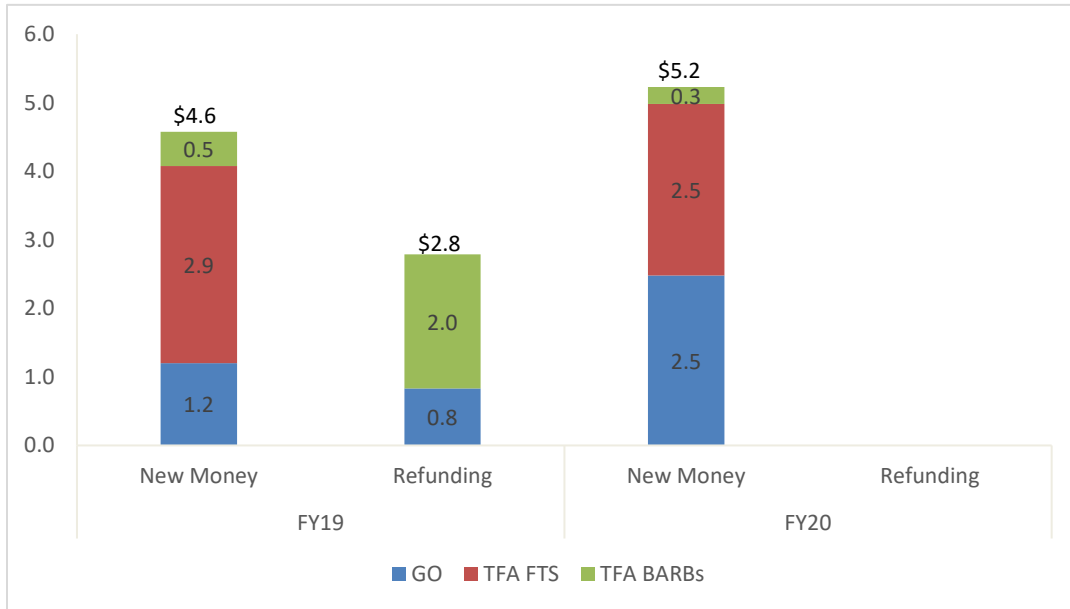
Closing Date	Deal	Purpose	TE Fixed	TX Fixed	TE Variable	Total Par
8/13/2019	GO 2020 Series A	New Money	\$800	\$600	\$0	\$1,400
8/15/2019	TFA FTS 2020 Series A	New Money	\$850	\$500	\$0	\$1,350
10/22/2019	GO 2020 Series B	New Money	\$850	\$130	\$100	\$1,080
10/30/2019	TFA BARBs Series S-1	New Money	\$250	\$0	\$0	\$250
12/19/2019	TFA FTS Series B	New Money	\$850	\$300	\$0	\$1,150

The table excludes conversions and re-offerings.

Three transactions closed in 2Q20. The first transaction was a new money sale of approximately \$1.1 billion of GO Bonds. The GO sale included approximately \$850 million of tax-exempt fixed rate bonds, \$130 million of taxable fixed rate bonds, and \$100 million of tax-exempt variable rate bonds. The second transaction was a new money sale of approximately \$250 million of tax-exempt fixed rate TFA Building Aid Revenue Bonds. The third transaction was a new money sale of \$1.2 billion of TFA FTS bonds. The TFA FTS sale included approximately \$850 million of tax-exempt fixed rate bonds, and \$300 million of taxable fixed rate bonds.

Chart 18. GO, TFA FTS, and TFA BARBs Issues, 1H19 & 1H20

(\$ in billions)



The pace of bond issuance in 1H20 was lower than last year's pace. In 1H20, the City issued \$5.2 billion in new money bonds. Over the same period last year, the City issued \$4.6 billion in new money bonds and \$2.8 billion in refunding bonds.

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