



NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

Bureau of Budget

Q3 FY2018

January - March 2018

Quarterly Cash Report

June 2018

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Summary

Cash Balances

At the end of the third quarter of FY18 (January through March 2018; hereafter 3Q18), the City recorded an unrestricted cash balance of \$9.953 billion, \$1.850 billion below last year's figure.¹ The average 3Q daily cash balance increased each year between FY12 and FY16, reaching \$11.775 billion in 3Q16. During 3Q18, the average daily cash balance measured \$7.877 billion, the lowest since FY13.

As usual for this time of the year, cash balances were slipping for most of the quarter. This trend reversed in mid-March due to the arrival of real estate taxes payable by April 1. The period finished strong with the receipt of \$3.8 billion in State aid, which included the "Spring Advance," a component of State education aid.

Receipts in 3Q18 exceeded expenditures by \$3.026 billion. In comparison, receipts exceeded expenditures in 3Q14, 3Q15, 3Q16, and 3Q17 by \$2.911 billion, \$3.169 billion, \$2.112 billion, and \$1.454 billion, respectively.

The City of New York began FY18 (in July 2017) with \$9.341 billion in cash-on-hand. From July 3 to December 4, 2017, the cash balance declined by \$8.320 billion, reaching a low point of \$1.022 billion for the year.

However, the cash balance recovered quickly at the end of December thanks to incoming real property and income tax receipts as New Yorkers rushed to prepay their taxes before a federal tax overhaul kicked in and capped deductions for state and local taxes. At the end of 3Q18, the City's unrestricted cash balance stood at \$9.953 billion, compared to \$11.803 billion at the same time last year. FYTD18, receipts exceeded expenditures by \$611 million.

Cash Receipts

Total receipts in 3Q18 totaled \$27.103 billion, up 12.5% versus a year ago. The City collected a record of \$15.3 billion in tax revenues in 3Q18, \$2.5 billion more than at the same time last year.

Tax receipts were strong across all categories, with the exception of STAR, which declined 6.9%. Real property tax collections rose 19.1%, and PIT receipts increased 35.9% due to a combination of factors, many of which are non-recurring. Sales tax receipts increased 9%. Business taxes, the general corporation tax and the unincorporated business tax, grew 1.2% and 7.7%, respectively. Commercial real estate and the tourism industry also performed well. Commercial rent tax increased 14%. Hotel occupancy tax rose 14.8%. Overall, tax revenues represented 56.6% of total receipts in 3Q18.

During the first half of FY18, NYS and federal governments delayed payments to NYC for social welfare programs. In 3Q18, the City received the missing funds: \$1.2 billion in federal welfare aid and \$674 million in NYS welfare aid came in. In contrast, in 3Q18, the City received \$257 million in federal education aid,

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 based on warrants issued.

compared to \$1.1 billion in the previous year. In 3Q17, the large amount was due to the late arrival of \$389 million in Title I funding in March, 2017.

FYTD18 cash receipts totaled \$72.302 billion, up \$3.918 billion from the previous year. Removing the effect of CapEx reimbursements, net cash receipts increased 4.7%.

FYTD18 tax receipts rose 8.7% versus a year ago. Real property and personal income taxes grew 6% and 23.8%, respectively. Sales tax increased 6.3%. The largest drag on tax receipts was STAR, which slipped 39.2% versus a year ago. The decline in STAR was due to the restructuring of the NYS School Tax Relief program. Previously, NYC PIT payers received a tax credit on their local income taxes and the City was paid by the State for the cost of offering this tax credit. Retroactive to January 1, 2017, the NYC PIT payers have this credit applied to their NYS taxes and the reimbursement payment has been eliminated. Real-estate transaction tax, which includes the mortgage recording and the real property transfer taxes, declined 9.3%, indicating that the residential housing market in NYC has softened.

FYTD18 the City received \$14.5 billion in Federal and State Aid, 5% less than at the same time last year. Federal education aid was down 42.1% compared to FYTD17. NYS higher education and welfare receipts were down 28.3% and 21.2%, respectively, compared to FYTD17. Overall, Federal and State Aid accounted for 20% of total receipts in FYTD18.

Cash Expenditures

Cash expenditures, including capital, totaled \$24.077 billion in 3Q18, averaging \$388 million daily. During the same period last year, cash expenditures totaled \$22.645 billion and averaged \$365 million daily. Personal service expenditures grew 3.5% versus a year ago. The gross payroll increased 4.5% mostly due to holiday payments made to police, fire, and correction officers. Other-than-personal-service expenditures (OTPS) remained unchanged compared to the same period last year. Public assistance and medical assistance were up 8.9% and 5.1%, respectively, while other social services and vendor and other spending fell 9.4% and 1%. The expenditure category titled “All Other” increased by over \$1 billion. The main factor driving the growth in “All Other” outlays was spending on City-funded capital projects, which increased 28.4% compared to the same period last year.

FYTD18 total expenditures rose 5% versus a year ago. Gross payroll increased 5.6%, while other personal service expenditures jumped 2.4%. OTPS outflows rose 3.1%, boosted by increases in spending on public assistance (up 12.9%), medical assistance (up 4%), and vendor and other payments (up 2.6%). “All Other” spending rose 11.1%, mostly due to higher City-funded capital spending and a positive Fund 700 adjustment. When the impact of CapEx is removed, FYTD18 net expenditures reflect a gain of 4.6% versus a year ago.

Capital Expenditures (CapEx) and Reimbursements

CapEx totaled \$2.827 billion in 3Q18, up 16.4% from \$2.428 billion in 3Q17.² City-funded CapEx increased 28.4% while non-City-funded CapEx declined 52.1%.

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.

During 3Q18, eligible CapEx exceeded reimbursements, decreasing the City's cash balance by \$837 million. Eligible CapEx exceeded reimbursements in seven out of the last ten 3Q periods (FY09-FY18), resulting in a total drain of \$1.653 billion to the Central Treasury.

FYTD18, total CapEx increased 8.3% versus a year ago. The City-funded CapEx jumped 20.9%, while non-City CapEx declined 48.9%.

FYTD18 reimbursements exceeded eligible CapEx by \$372 million, or 5.6%. 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 6.2%.

Financings

In FY18, the City plans to issue \$7.3 billion in GO, TFA FTS, and TFA BARB bonds for new money capital purposes. The City issued \$5 billion of new money debt FYTD18.

Two transactions closed in 3Q18. The first transaction was a new money sale of \$1.2 billion GO bonds. The GO sale was comprised of \$700 million of tax-exempt fixed rate bonds, \$250 million of taxable fixed rate bonds, \$50 million of tax-exempt variable rate bonds, and \$200 million of tax-exempt index floating rate bonds. The second transaction was a TFA BARBs sale of approximately \$1.1 billion of new money and refunding bonds. The TFA BARBs sale was comprised of \$1 billion of tax-exempt fixed rate bonds, and \$73 million of taxable fixed rate bonds. The refunding achieved \$86.8 million in budget savings, or about \$83.1 million on a present-value basis.

The pace of bond issuance in FYTD18 exceeded last year's pace. In FYTD18 the City issued \$8.4 billion in new money and refunding bonds versus \$6.2 billion in FYTD17.

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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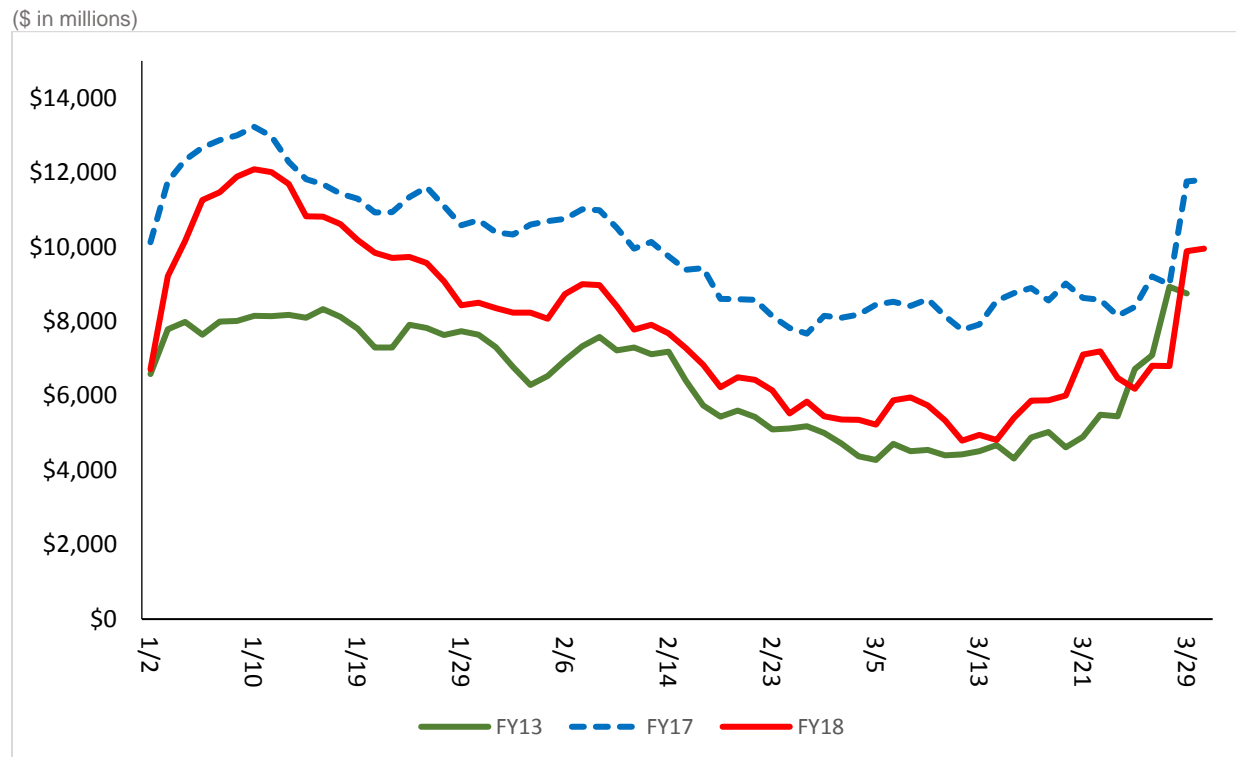
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Cash Balances

January 2018 – March 2018 (3Q18)

Chart 1. Daily Cash Balances in the NYC Central Treasury, 3Q13, 3Q17, & 3Q18



At the end of the third quarter of FY18 (hereafter 3Q18), the City recorded an unrestricted cash balance of \$9.953 billion, \$1.850 billion below last year's figure. The average 3Q daily cash balance increased each year between FY12 and FY16, reaching \$11.775 billion in 3Q16. During 3Q18, the average daily cash balance measured \$7.877 billion, the lowest since FY13.

As usual for this time of the year, cash balances were slipping for most of the quarter. This trend reversed in mid-March due to the arrival of real estate taxes payable by April 1. The period finished strong with the receipt of \$3.8 billion in State aid, which included the "Spring Advance," a component of State education aid.

Receipts in 3Q18 exceeded expenditures by \$3.026 billion. In comparison, receipts exceeded expenditures in 3Q14, 3Q15, 3Q16, and 3Q17 by \$2.911 billion, \$3.169 billion, \$2.112 billion, and \$1.454 billion, respectively.

Table 1. Cash Position in the NYC Central Treasury, 3Q, 2009 - 2018

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Opening Balance ^a	\$2,820	\$5,092	\$6,144	\$6,354	\$6,196	\$8,537	\$9,199	\$11,604	\$10,349	\$6,926
Total Receipts	22,492	18,439	20,967	20,004	22,179	22,377	25,740	23,557	24,099	27,103
Total Expenditures ^b	17,550	17,343	19,011	18,615	19,621	19,466	22,571	21,445	22,645	24,077
Closing Balance	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448	\$12,368	\$13,716	\$11,803	\$9,953
Avg. Daily Balance	\$5,536	\$5,426	\$5,806	\$5,709	\$6,461	\$9,029	\$10,692	\$11,775	\$9,993	\$7,877

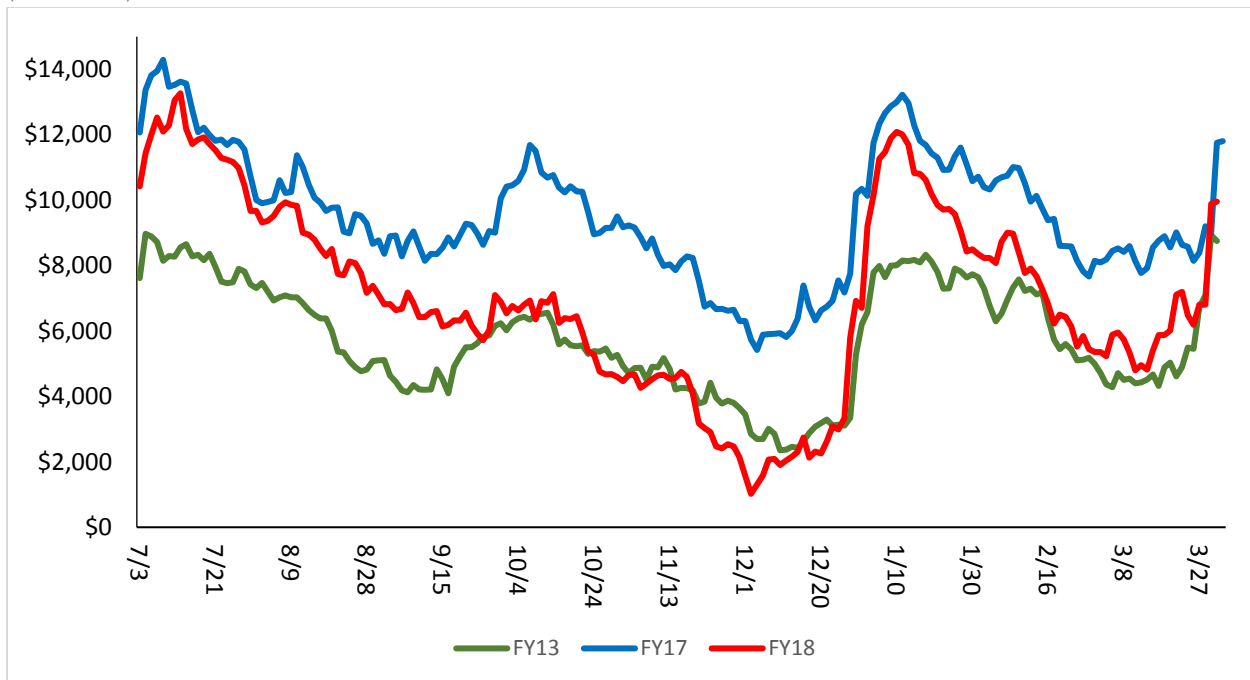
a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

July 2017 – March 2018 (FYTD18)

Chart 2. Daily Cash Balances in the NYC Central Treasury, FYTD, 2013, 2017, & 2018

(\$ in millions)

**Table 2. Cash Position in the NYC Central Treasury, FYTD09 - FYTD18**

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Opening Balance ^a	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	\$9,341
Total Receipts	57,303	55,004	59,639	59,072	60,126	64,039	66,066	71,229	68,384	72,302
Total Expenditures ^b	54,529	54,655	56,142	56,370	57,669	60,535	63,556	67,015	68,300	71,691
Closing Balance	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448	\$12,368	\$13,716	\$11,803	\$9,953
Avg. Daily Balance	\$5,453	\$4,963	\$4,602	\$5,013	\$5,766	\$7,161	\$8,963	\$10,216	\$9,551	\$7,000

a. Opening balances are before City audits.

b. Total expenditures include capital expenditures.

The City of New York began FY18 (in July 2017) with \$9.341 billion in cash-on-hand. From July 3 to December 4, 2017, the cash balance declined by \$8.320 billion, reaching a low point of \$1.022 billion for the year.

However, the cash balance recovered quickly at the end of December thanks to incoming real property and income tax receipts as New Yorkers rushed to prepay their taxes before a federal tax overhaul kicked in and capped deductions for state and local taxes. At the end of 3Q18, the City's unrestricted cash balance stood at \$9.953 billion, compared to \$11.803 billion at the same time last year. FYTD18, receipts exceeded expenditures by \$611 million.

Cash Receipts

January 2018 – March 2018 (3Q18)

Receipts at a Glance

Table 3. Cash Receipts by Category, 3Q, FY09 - FY18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Real Property Tax	\$5,153	\$3,176	\$3,295	\$3,399	\$3,643	\$3,789	\$3,879	\$4,464	\$4,601	\$5,482
Other Taxes	6,196	6,258	6,457	6,636	7,614	8,481	8,538	8,423	8,265	9,846
Total Taxes	11,349	9,434	9,752	10,035	11,257	12,270	12,417	12,887	12,866	15,328
Federal and State Aid	6,315	5,258	7,021	6,615	6,485	6,476	6,099	6,624	7,480	7,693
Debt Service Funding	(31)	0	(650)	(907)	(1,127)	(966)	(657)	(899)	(1,050)	(1,075)
Miscellaneous	1,569	1,462	1,525	1,726	1,945	1,944	1,872	1,491	1,610	1,633
Intergovernmental Aid	0	24	14	0	0	1	0	2	0	0
Other	3,290	2,261	3,305	2,534	3,619	2,652	6,009	3,452	3,193	3,524
3Q Total	\$22,492	\$18,439	\$20,967	\$20,003	\$22,179	\$22,377	\$25,740	\$23,557	\$24,099	\$27,103
Total, Net of CapEx Reimbursements	\$20,041	\$17,098	\$18,583	\$18,478	\$20,097	\$20,618	\$23,451	\$21,619	\$22,445	\$25,221

Total receipts in 3Q18 totaled \$27.103 billion, up 12.5% versus a year ago. The City collected a record \$15.3 billion in tax revenues in 3Q18, \$2.5 billion more than at the same time last year.

Tax receipts were strong across all categories, with the exception of STAR, which declined 6.9%. Real property tax collections rose 19.1%, and PIT receipts increased 35.9%. The increase in PIT receipts is driven in large part by non-recurring factors related to Federal tax reform – Public Law 115-97, the Tax Cuts and Jobs Act (TCJA). These include the shifting of income into FY 2018 due to the anticipation and enactment of the TCJA and the limitation of SALT deductibility, and two specific tax provisions: the Repatriation of Non-Qualified Deferred Compensation and the Transition Tax on Foreign Earnings. In addition, this year's Wall Street bonuses grew 17% from the previous year, and lower tax rates on pass-through corporations led the self-employed and others with business income to shift profits from 2017 to 2018.³

Sales tax receipts increased 9%. Business taxes, the general corporation tax and the unincorporated business tax, grew 1.2% and 7.7%, respectively. Commercial real estate and the tourism industries also performed well: commercial rent tax receipts increased 14%, and hotel occupancy tax receipts rose 14.8%. Overall, tax revenues represented 56.6% of total receipts in 3Q18.

³ For more information, refer to Office of the New York City Comptroller, [Comments on New York City's Fiscal Year 2019 Executive Budget](#).

Taxes

Table 4. Tax Receipts, 3Q13, 3Q17, & 3Q18

(\$ in millions)	FY13	FY17	FY18	% Change FY18/FY13	% Change FY18/FY17
Real Property Tax	\$3,643	\$4,601	\$5,482	50.5%	19.1%
Personal Income Tax	2,721	3,391	4,607	69.3	35.9
Sales Tax	1,445	1,511	1,647	14.0	9.0
General Corporation Tax	1,190	1,125	1,138	(4.4)	1.2
Unincorporated Business Tax	517	770	829	60.3	7.7
Mortgage and Real Property Transfer Taxes	547	653	590	7.9	(9.6)
Commercial Rent Tax	192	214	244	27.1	14.0
Banking Corporation Tax	481	30	212	(55.9)	606.7
STAR	219	203	189	(13.7)	(6.9)
Hotel Occupancy Tax	115	122	140	21.7	14.8
All Other Taxes	187	246	250	33.7	1.6
3Q Total	\$11,257	\$12,866	\$15,328	19.1%	36.2%

Selected Cash Receipts

Table 5. Selected Cash Receipts, 3Q, 2014 - 2018

(\$ in millions)	FY14	FY15	FY16	FY17	FY18
Real Property Tax	\$3,789	\$3,879	\$4,464	\$4,601	\$5,482
Personal Income Tax	2,966	3,205	3,144	3,391	4,607
NYS Education Aid	3,397	3,209	3,683	3,917	3,777
Sales Tax	1,496	1,579	1,716	1,511	1,647
Federal Welfare	752	627	654	550	1,221
General Corporation Tax	1,614	1,282	1,303	1,125	1,138
Unincorporated Business Tax	568	517	556	770	829
NYS Welfare	530	479	498	446	674
NYS Higher Education Aid	566	603	619	606	599
Mortgage and Real Property Transfer Taxes	656	803	804	653	590
Senior College Fees	527	481	502	485	507
Fines and Forfeitures	236	240	262	265	302
Federal Education Aid	439	432	376	1,069	257
Commercial Rent Tax	204	192	206	214	244
Banking Corporation Tax	417	429	108	30	212

Federal and State Aid

Chart 3. Federal & State Aid to NYC, 3Q, FY14 - FY18

(\$ in billions)

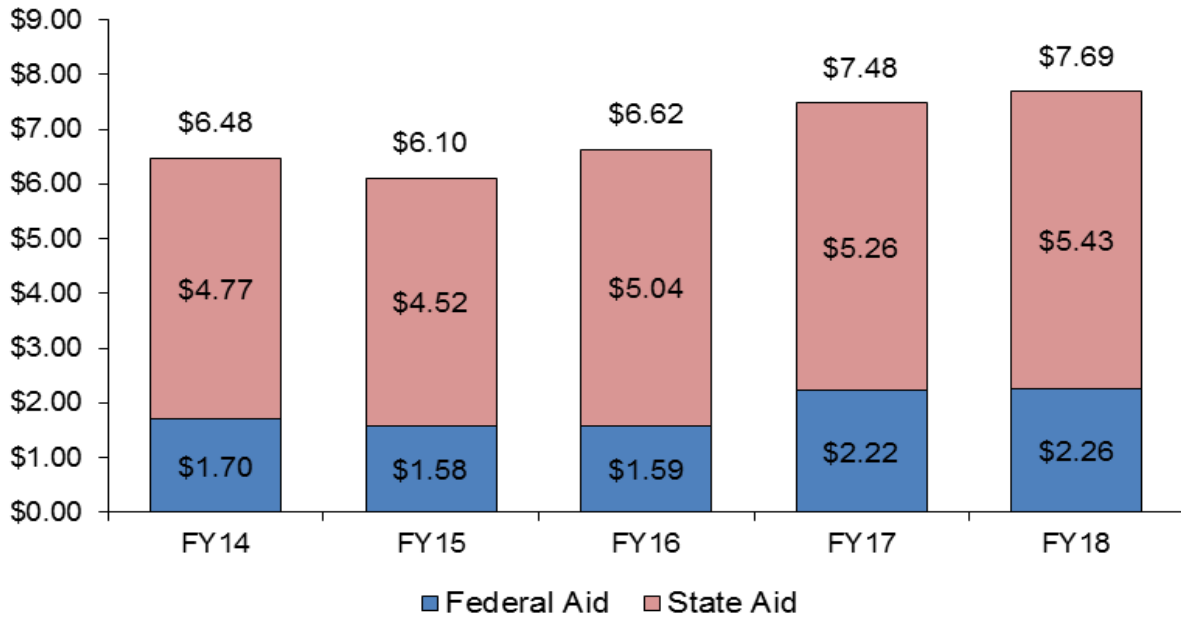


Chart 4. Federal & State Aid as % of Total Cash Receipts, 3Q, FY14 - FY18

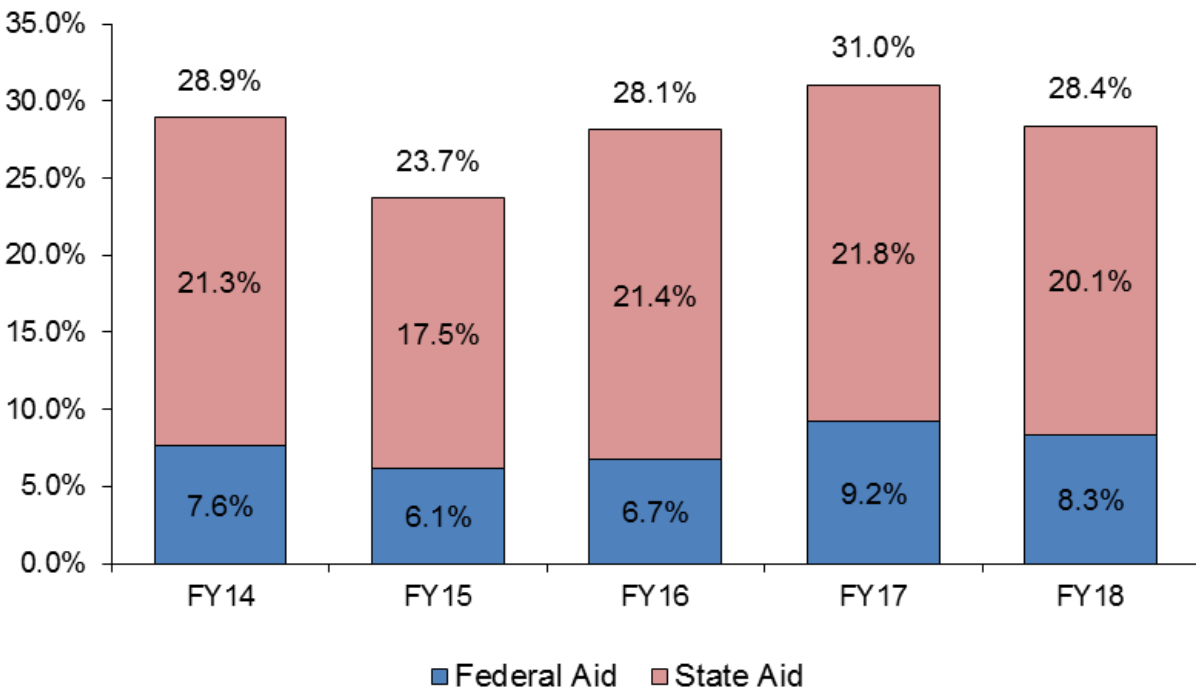


Chart 5. Components of State Aid, 3Q, FY14 - FY18

(\$ in billions)

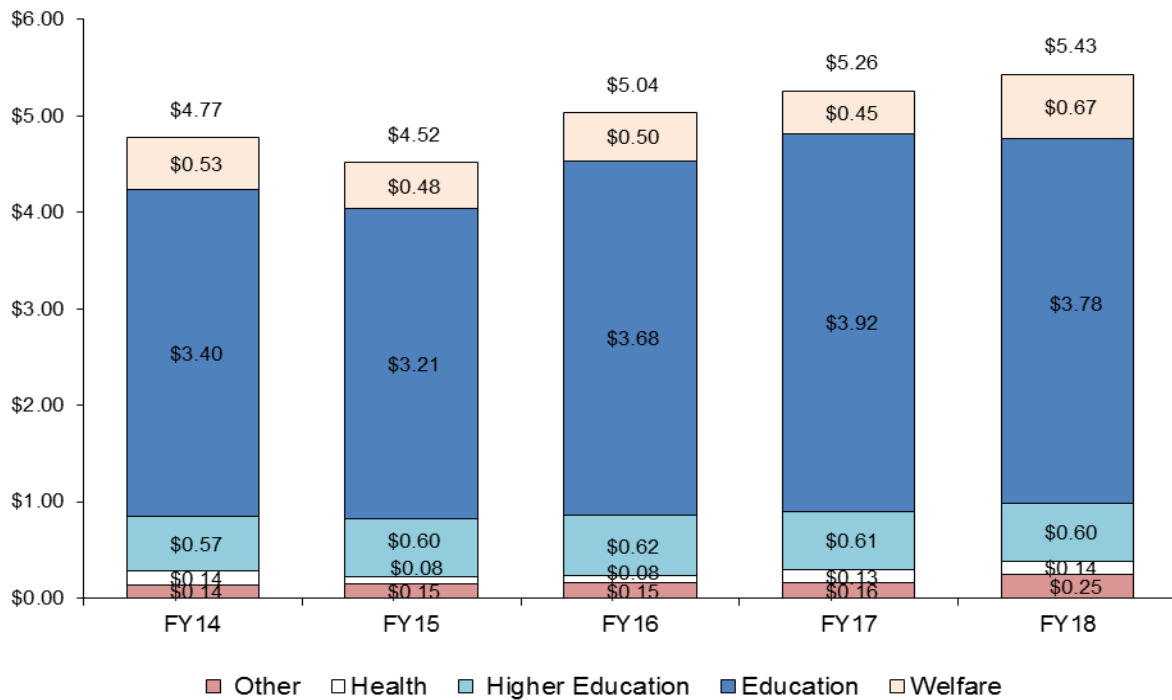
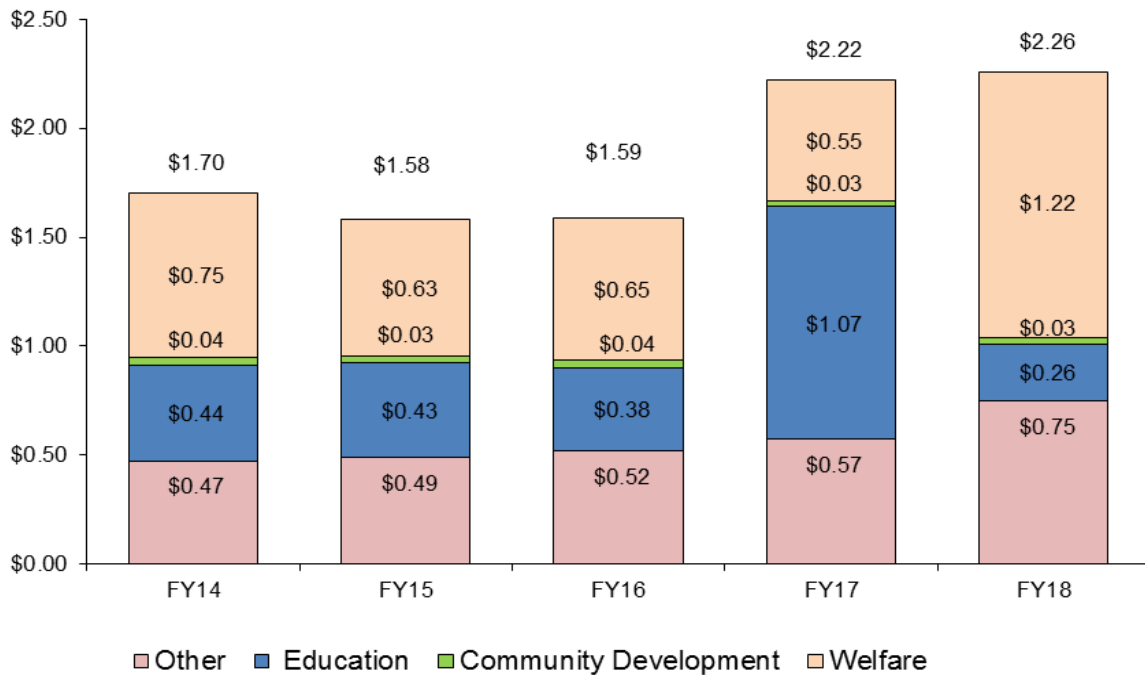


Chart 6. Components of Federal Aid, 3Q, FY14 - FY18

(\$ in billions)



During the first half of FY18, payments to NYC for social welfare programs by both the New York State and federal governments were delayed. In 3Q18, the City received the missing funds: \$1.2 billion in federal welfare aid and \$674 million in NYS welfare aid came in. In contrast, in 3Q18, the City also received \$257 million in federal education aid, well below the \$1.1 billion in the previous year. In 3Q17, the large amount was due to the late arrival of \$389 million in Title I funding in March, 2017.

July 2017 – March 2018 (FYTD18)

Receipts at a Glance

Table 6. Cash Receipts by Category, FYTD, 2009 - 2018

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Real Property Tax	\$11,620	\$11,566	\$12,422	\$13,419	\$13,544	\$14,739	\$15,152	\$16,548	\$17,162	\$18,187
Other Taxes	16,860	15,687	16,879	17,696	19,058	20,753	22,133	22,786	22,388	24,790
Total Taxes	28,480	27,253	29,301	31,115	32,602	35,492	37,285	39,334	39,550	42,977
Federal and State Aid	13,634	13,437	15,893	14,819	14,880	14,659	14,568	15,239	15,254	14,474
Debt Service Funding	(31)	0	(916)	(1,053)	(2,784)	(1,991)	(3,394)	229	(1,993)	(2,314)
Miscellaneous	4,397	4,721	4,612	4,738	4,975	5,339	5,199	5,361	4,830	5,253
Intergovernmental Aid	228	280	14	1	1	1	0	6	59	0
Other	10,595	9,313	10,735	9,451	10,451	10,539	12,409	11,060	10,684	11,912
FYTD Total	\$57,303	\$55,004	\$59,639	\$59,071	\$60,125	\$64,039	\$66,067	\$71,229	\$68,384	\$72,302
Total, Net of CapEx Reimbursements	\$49,772	\$48,602	\$51,911	\$53,010	\$53,922	\$57,957	\$60,794	\$65,456	\$62,370	\$65,323

FYTD18 cash receipts totaled \$72.302 billion, up \$3.918 billion from the previous year. Removing the effect of CapEx reimbursements, net cash receipts increased 4.7%.

Taxes

Table 7. Major Tax Receipts, FYTD, 2013, 2017, & 2018

(\$ in millions)	FY13	FY17	FY18	% Change FY18/FY13	% Change FY18/FY17
Real Property Tax	\$13,544	\$17,162	\$18,187	34.3%	6.0%
Personal Income Tax	6,289	8,152	10,090	60.4	23.8
Sales Tax	4,413	4,972	5,285	19.8	6.3
General Corporation Tax	2,698	3,258	3,315	22.9	1.7
Mortgage and Real Property Transfer Taxes	1,395	2,019	1,831	31.3	(9.3)
Unincorporated Business Tax	1,138	1,535	1,786	56.9	16.4
Commercial Rent Tax	539	639	703	30.4	10.0
Banking Corporation Tax	1,241	411	531	(57.2)	29.2
Hotel Occupancy Tax	380	434	445	17.1	2.5
STAR	407	311	189	(53.6)	(39.2)
All Other Taxes	746	657	615	(17.6)	(6.4)
FYTD Total	\$32,602	\$39,550	\$42,977	31.8%	8.7%

FYTD18 tax receipts rose 8.7% versus a year ago. Real property and personal income taxes grew 6% and 23.8%, respectively. Sales tax increased 6.3%. The largest drag on tax receipts was STAR, which slipped 39.2% versus a year ago. The decline in STAR was due to the restructuring of the NYS School Tax Relief program. Previously, NYC PIT payers received a tax credit on their local income taxes and the City was

paid by the State for the cost of offering this tax credit. Retroactive to January 1, 2017, the NYC PIT payers have this credit applied to their NYS taxes and the reimbursement payment has been eliminated. Real-estate transaction tax, which includes the mortgage recording and the real property transfer taxes, declined 9.3%, indicating that the residential housing market in NYC has softened.

Selected Cash Receipts

Table 8. Selected Cash Receipts, FYTD, 2014 - 2018

(\$ in millions)	FY14	FY15	FY16	FY17	FY18
Real Property Tax	\$14,739	\$15,152	\$16,548	\$17,162	\$18,187
Personal Income Tax	6,915	7,472	7,838	8,152	10,090
NYS Education Aid	6,136	6,346	6,694	7,033	7,067
Sales Tax	4,674	4,910	5,322	4,972	5,285
General Corporation Tax	3,055	2,833	3,185	3,258	3,315
Federal Welfare	2,493	2,513	2,418	2,164	2,172
Mortgage and Real Property Transfer Taxes	1,794	2,185	2,280	2,019	1,831
Unincorporated Business Tax	1,202	1,297	1,328	1,535	1,786
Water and Sewer Fees	1,361	1,536	1,397	1,226	1,375
NYS Welfare	1,171	1,057	1,250	1,131	889
Federal Education Aid	1,158	779	1,308	1,400	814
Fines and Forfeitures	704	751	875	796	800
Commercial Rent Tax	565	596	636	639	703
Senior College Fees	715	668	715	633	672
NYS Higher Education Aid	860	1,291	931	916	658
Banking Corporation Tax	1,160	1,441	747	411	531
Hotel Occupancy Tax	395	426	429	434	445

Federal and State Aid

Chart 7. Federal & State Aid to NYC, FYTD, FY14 - FY18

(\$ in billions)

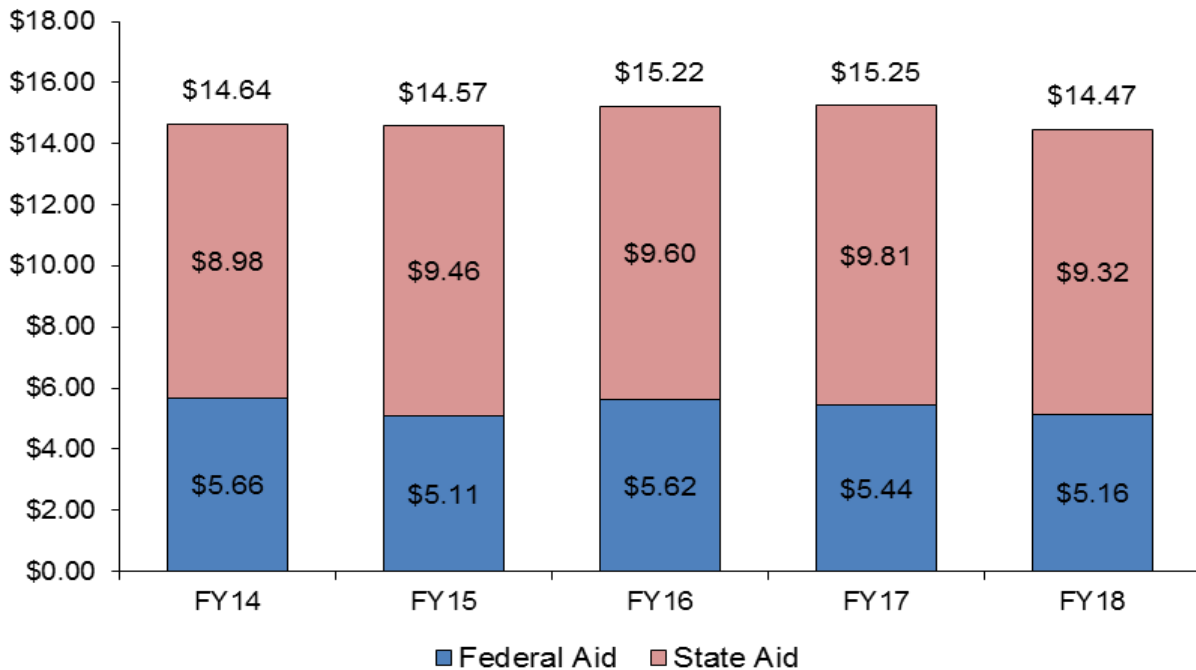


Chart 8. Federal & State Aid as % of Total Cash Receipts, FYTD, FY14 - FY18

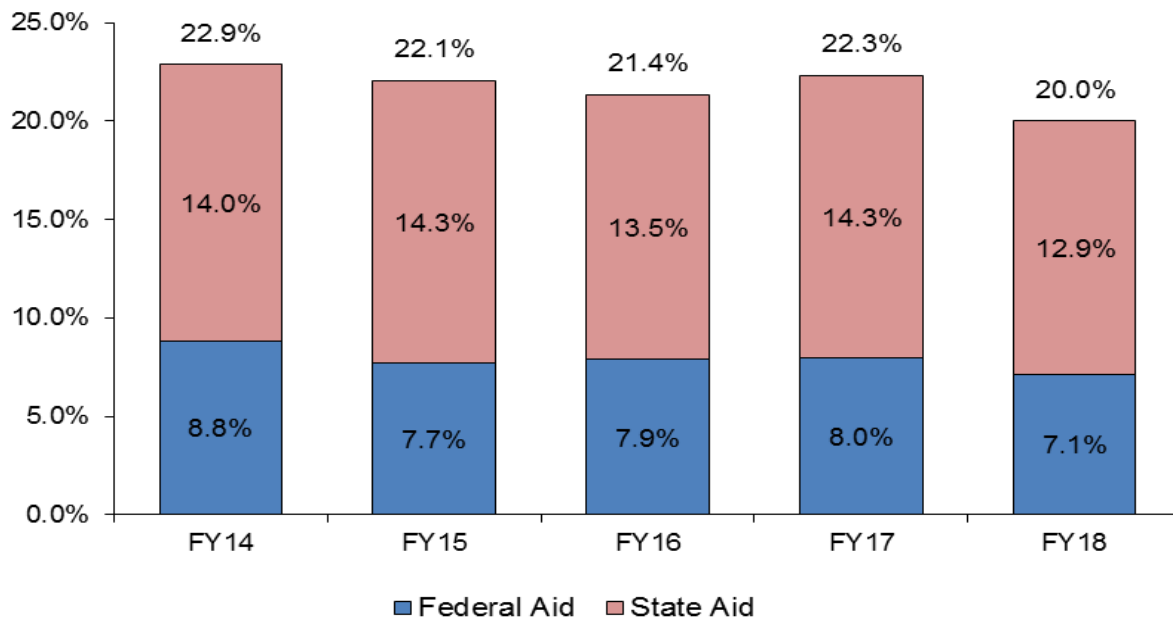


Chart 9. Components of State Aid, FYTD, FY14 - FY18

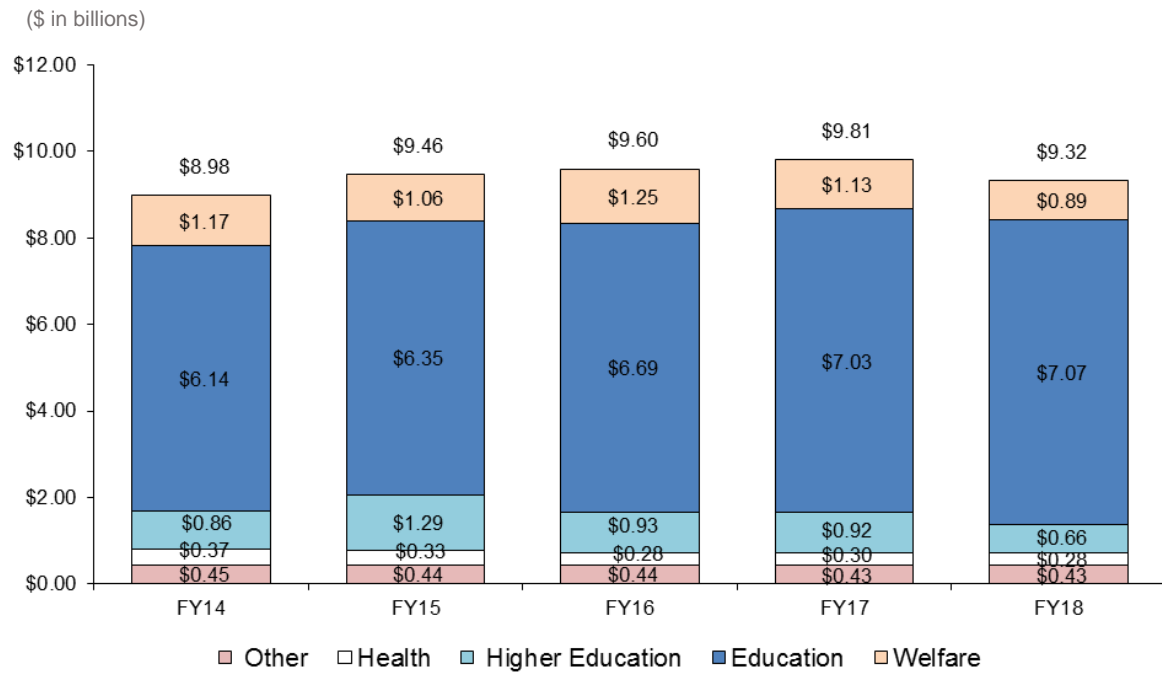
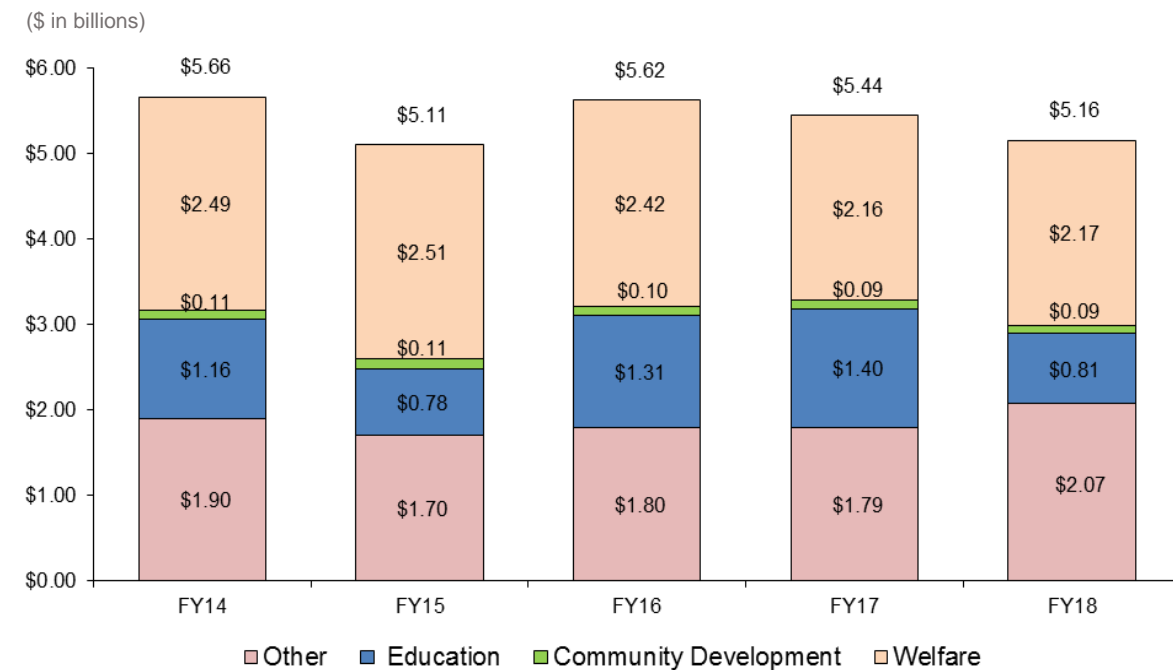


Chart 10. Components of Federal Aid, FYTD, FY14 - FY18



FYTD18 the City received \$14.5 billion in Federal and State Aid, 5% less than at the same time last year. Federal education aid was down 42.1% compared to FYTD17. NYS higher education and welfare receipts were down 28.3% and 21.2%, respectively, compared to FYTD17. Overall, Federal and State Aid accounted for 20% of total receipts in FYTD18.

Cash Expenditures (Including Capital)

January 2018 – March 2018 (3Q18)

Cash Expenditures at a Glance

Table 9. PS & OTPS, 3Q, FY09 - FY18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Gross Payroll	\$5,824	\$5,603	\$5,747	\$5,959	\$6,047	\$6,146	\$6,840	\$6,792	\$6,798	\$7,101
Other PS	2,877	2,983	3,580	3,265	3,479	3,575	3,782	3,999	4,188	4,271
Total PS	\$8,701	\$8,586	\$9,327	\$9,224	\$9,526	\$9,721	\$10,622	\$10,791	\$10,986	\$11,372
% of 3Q Total Exp	50%	50%	49%	50%	49%	50%	47%	50%	49%	47%
# of Bi-weekly Payrolls	6	6	6	7	7	7	7	6	6	6
Public Assistance	560	590	630	583	603	598	681	727	836	910
Medical Assistance	1,309	1,037	1,061	1,486	1,239	1,554	1,470	1,639	1,418	1,490
Other Social Services	567	458	612	593	646	565	584	660	667	604
Vendor and Other	3,409	3,306	4,037	3,757	4,401	4,163	4,428	4,798	5,291	5,239
Total OTPS	\$5,845	\$5,391	\$6,340	\$6,419	\$6,889	\$6,880	\$7,163	\$7,824	\$8,212	\$8,243
% of 3Q Total Exp	33%	31%	33%	34%	35%	35%	32%	36%	36%	34%
All Other	\$3,004	\$3,366	\$3,344	\$2,972	\$3,205	\$2,865	\$4,786	\$2,830	\$3,447	\$4,462
% of 3Q Total Exp	17%	19%	18%	16%	16%	15%	21%	13%	15%	19%
Total Expenditures	\$17,550	\$17,343	\$19,011	\$18,615	\$19,621	\$19,466	\$22,570	\$21,445	\$22,645	\$24,077
Total Expenditures, Net of CapEx	\$15,608	\$15,083	\$16,676	\$16,485	\$17,396	\$17,403	\$20,532	\$19,221	\$20,217	\$21,249

Cash expenditures, including capital, totaled \$24.077 billion in 3Q18, averaging \$388 million daily. During the same period last year, cash expenditures totaled \$22.645 billion and averaged \$365 million daily. Personal service expenditures grew 3.5% versus a year ago. The gross payroll increased 4.5% mostly due to holiday payments made to police, fire, and correction officers. Other-than-personal-service expenditures (OTPS) remained unchanged compared to the same period last year. Public assistance and medical assistance were up 8.9% and 5.1%, respectively, while other social services and vendor and other spending fell 9.4% and 1%. The expenditure category titled “All Other” increased by over \$1 billion. The main factor driving the growth in “All Other” outlays was spending on City-funded capital projects, which increased 28.4% compared to the same period last year.

“All Other” Spending

Table 10. Major Components of “All Other” Spending, 3Q17 & 3Q18

(\$ in millions)	FY17	FY18	Difference
Transit Authority	\$0	\$3	\$3
Housing Authority	59	112	53
Lump Sum Payments	470	622	152
H+H	411	190	(221)
Refunds	234	298	64
City-Funded Capital	2,067	2,654	587
Non-City-Funded Capital	361	173	(188)
Fund-700 Adjustment	(201)	65	266

July 2017 – March 2018 (FYTD18)

Cash Expenditures at a Glance

Table 11. PS and OTPS Cash Expenditures, FYTD09 - FYTD18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Gross Payroll	\$18,109	\$17,433	\$17,868	\$17,910	\$18,059	\$18,241	\$19,598	\$21,112	\$20,859	\$22,035
Other PS	8,555	9,312	9,609	9,959	10,445	10,808	11,393	11,852	12,657	12,966
Total PS	\$26,664	\$26,745	\$27,477	\$27,869	\$28,504	\$29,049	\$30,991	\$32,964	\$33,516	\$35,001
% of 3Q Total Exp	49%	49%	49%	49%	49%	48%	49%	49%	49%	49%
Public Assistance	1,769	2,003	1,912	1,806	1,793	1,867	1,964	2,106	2,357	2,661
Medical Assistance	3,689	3,475	3,572	4,398	4,327	4,317	4,347	4,522	4,052	4,213
Other Social Services	1,877	1,881	1,862	1,775	1,841	1,801	1,858	1,967	2,067	1,941
Vendor and Other	10,531	10,290	11,256	11,492	12,127	12,932	13,994	14,708	16,020	16,441
Total OTPS	\$17,866	\$17,649	\$18,602	\$19,471	\$20,088	\$20,917	\$22,163	\$23,303	\$24,496	\$25,256
% of 3Q Total Exp	33%	32%	33%	35%	35%	35%	35%	35%	36%	35%
All Other	\$9,999	\$10,261	\$10,064	\$9,030	\$9,076	\$10,568	\$10,402	\$10,748	\$10,288	\$11,434
% of 3Q Total Exp	18%	19%	18%	16%	16%	17%	16%	16%	15%	16%
Total Expenditures	\$54,529	\$54,655	\$56,142	\$56,370	\$57,669	\$60,534	\$63,555	\$67,015	\$68,300	\$71,691
Total Expenditures, Net of CapEx	\$47,821	\$47,167	\$48,813	\$50,092	\$51,514	\$54,193	\$57,946	\$60,815	\$61,860	\$64,717

FYTD18 total expenditures rose 5% versus a year ago. Gross payroll increased 5.6%, while other personal service expenditures jumped 2.4%. OTPS outflows rose 3.1%, boosted by increases in spending on public assistance (up 12.9%), medical assistance (up 4%), and vendor and other payments (up 2.6%). “All Other” spending rose 11.1%, mostly due to higher City-funded capital spending and a positive Fund 700 adjustment. When the impact of CapEx is removed, FYTD18 net expenditures reflect a gain of 4.6% versus a year ago.

“All Other” Spending

Table 12. Major Components of “All Other” Spending, FYTD17 & FYTD18

(\$ in millions)	FYTD17	FYTD18	Difference
Transit Authority	\$251	\$257	\$6
Housing Authority	94	125	31
Lump Sum Payments	2,241	2,072	(169)
H+H	1,061	664	(397)
Refunds	720	772	52
City-Funded Capital	5,272	6,375	1,103
Non-City-Funded Capital	1,168	597	(571)
Fund 700 Adjustment	(534)	219	753

Capital Expenditures

January 2018 – March 2018 (3Q18)

CapEx totaled \$2.827 billion in 3Q18, up 16.4% from \$2.428 billion in 3Q17. City-funded CapEx increased 28.4% while non-City-funded CapEx declined 52.1%.

Chart 11. Total CapEx, 3Q, FY09 - FY18

(\$ in millions)

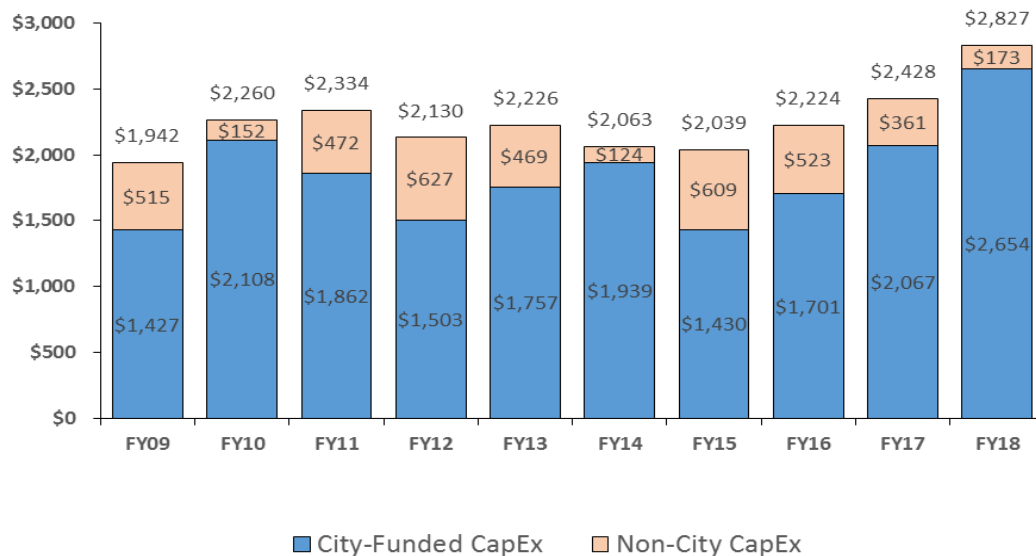


Chart 12. Total CapEx as % of Total Expenditures, 3Q, FY09 - FY18

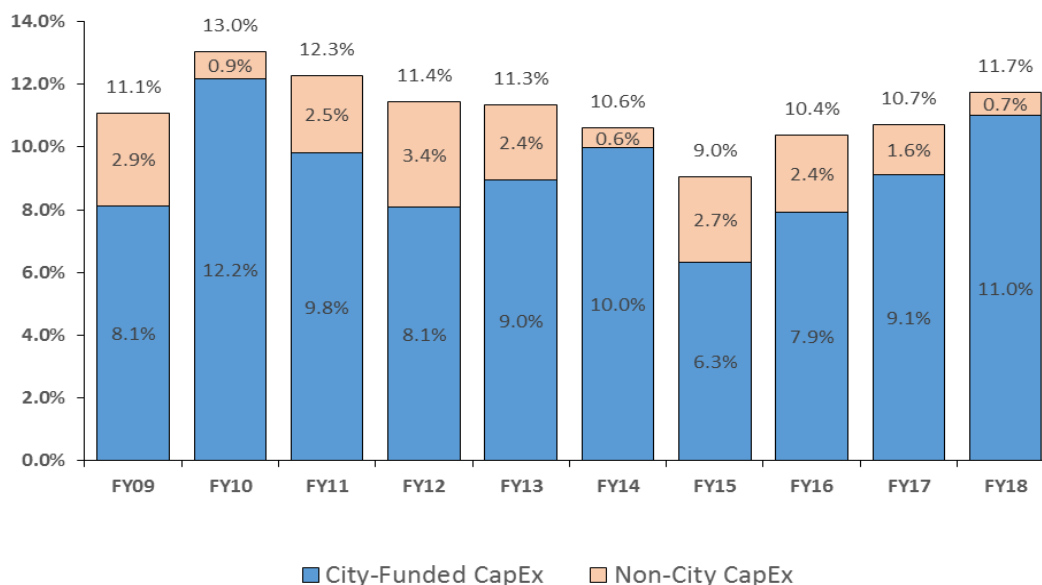


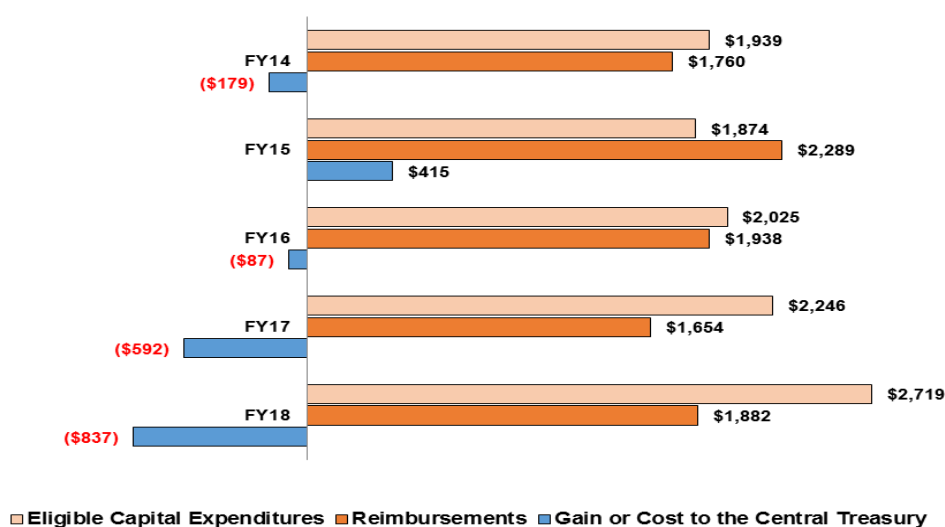
Table 13. Reimbursements to the NYC Central Treasury for CapEx, 3Q, FY09 - FY18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Total
GO	\$969	\$324	\$927	\$288	\$476	\$340	\$25	\$0	\$936	\$996	\$5,281
NY Water	647	623	630	534	452	426	401	343	363	407	4,826
TFA	7	394	744	301	927	994	980	1,595	355	479	6,776
Sub-total	1,623	1,341	2,301	1,123	1,855	1,760	1,406	1,938	1,654	1,882	16,883
TFA Building Aid	828	0	83	402	227	0	883	0	0	0	2,423
DASNY	0	0	0	0	0	0	0	0	0	0	0
Sub-total	828	0	83	402	227	0	883	0	0	0	2,423
3Q Total	\$2,451	\$1,341	\$2,384	\$1,525	\$2,082	\$1,760	\$2,289	\$1,938	\$1,654	\$1,882	\$19,306
3Q Reimbursable Capital Expenditures	\$1,810	\$2,125	\$2,180	\$1,949	\$2,092	\$1,939	\$1,874	\$2,025	\$2,246	\$2,719	\$20,959
3Q Reimbursements Less 3Q Reimbursable Capital Expenditures	\$641	(\$784)	\$204	(\$424)	(\$10)	(\$179)	\$415	(\$87)	(\$592)	(\$837)	(\$1,653)
3Q Reimbursements as a % of 3Q Reimbursable Capital Expenditures	135.4%	63.1%	109.4%	78.2%	99.5%	90.8%	122.1%	95.7%	73.6%	69.2%	92.1%
3Q Reimbursements as a % of Total 3Q Receipts	10.9%	7.3%	11.4%	7.6%	9.4%	7.9%	8.9%	8.2%	6.9%	6.9%	8.5%

During 3Q18, eligible CapEx exceeded reimbursements, decreasing the City's cash balance by \$837 million. Table 13 shows that eligible CapEx exceeded reimbursements in seven out of the last ten 3Q periods (FY09-FY18), resulting in a total drain of \$1.653 billion to the Central Treasury.

Chart 13. Bond-Funded Reimbursements for Eligible CapEx, 3Q, FY14 - FY18

(\$ in millions)



July 2017 – March 2018 (FYTD18)

FYTD18, total CapEx increased 8.3% versus a year ago. The City-funded CapEx jumped 20.9%, while non-City CapEx declined 48.9%.

Chart 14. Total CapEx, FYTD, FY09 - FY18

(\$ in millions)

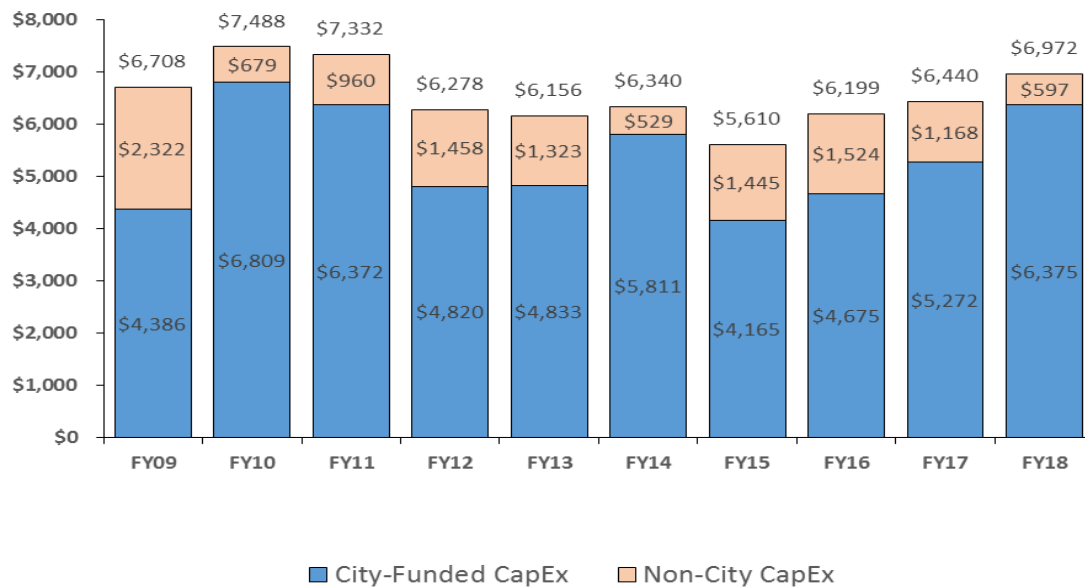


Chart 15. Total CapEx as % of Total Expenditures, FYTD, FY09 - FY18

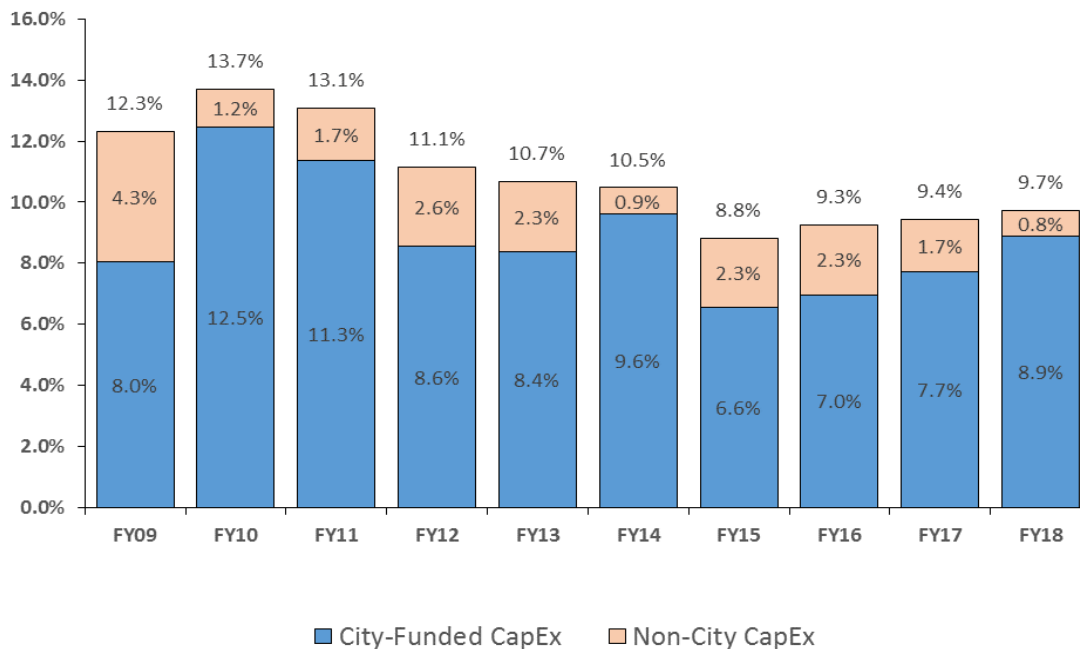


Table 14. Reimbursements to the NYC Central Treasury, FYTD, 2009 - 2018

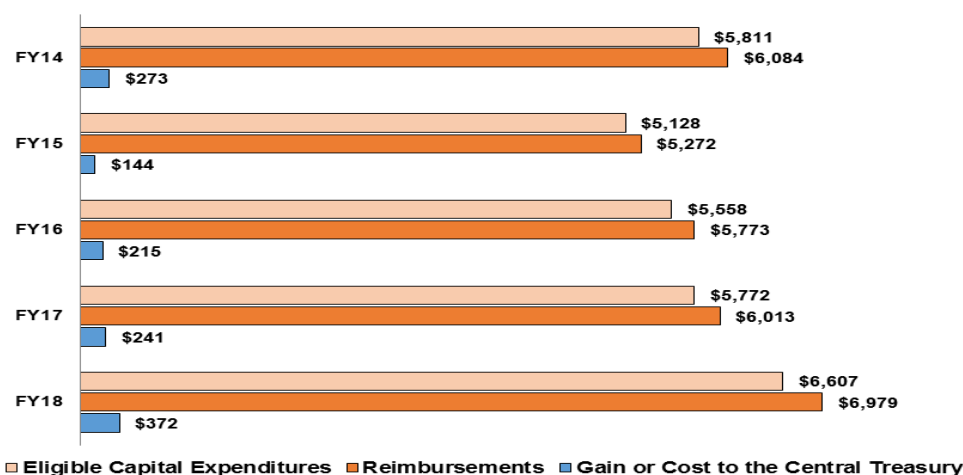
(\$ in millions)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Total
GO	\$3,510	\$2,255	\$2,571	\$1,721	\$898	\$1,712	\$382	\$609	\$2,468	\$1,994	\$18,120
NY Water	1,990	2,019	2,278	1,691	1,438	1,243	1,074	1,030	1,095	1,223	15,081
TFA	14	1,940	2,527	1,670	2,909	3,129	2,933	3,302	2,450	3,762	24,636
<i>City-Funded Sub-total</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>4,941</i>	<i>6,013</i>	<i>6,979</i>	<i>57,837</i>
TFA Building Aid	1,649	182	352	979	957	0	883	832	0	0	5,834
DASNY	368	6	0	0	0	0	0	0	0	0	374
<i>Non-City Sub-total</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>0</i>	<i>6,208</i>
FYTD Total	\$7,531	\$6,402	\$7,728	\$6,061	\$6,202	\$6,084	\$5,272	\$5,773	\$6,013	\$6,979	\$64,045
YTD Reimbursable Capital Expenditures	\$6,275	\$6,948	\$6,863	\$5,705	\$5,662	\$5,811	\$5,128	\$5,558	\$5,772	\$6,607	\$60,329
YTD Reimbursements Less YTD Reimbursable Capital Expenditures	\$1,256	(\$546)	\$865	\$356	\$540	\$273	\$144	\$215	\$241	\$372	\$3,716
YTD Reimbursements as a % of YTD Reimbursable Capital Expenditures	120.0%	92.1%	112.6%	106.2%	109.5%	104.7%	102.8%	103.9%	104.2%	105.6%	106.2%
YTD Reimbursements as a % of YTD Total Receipts	13.1%	11.6%	13.0%	10.3%	10.3%	9.5%	8.0%	8.1%	8.8%	9.7%	10.1%

FYTD18 reimbursements exceeded eligible CapEx by \$372 million, or 5.6%. 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 6.2%.

Chart 16. Bond-Funded Reimbursements for Eligible CapEx, FYTD, 2014 - 2018

(\$ in millions)



Financings

In FY18, the City plans to issue \$7.3 billion in GO, TFA FTS, and TFA BARB bonds for new money capital purposes. The City issued \$5 billion of new money debt FYTD18.

Table 15. FY18 New Money Projected vs. FYTD18 Actual New Money GO, TFA FTS, and TFA BARBs Issuance

(\$ in billions)

	Projected New Money Issuance	Actual New Money Issuance	Remaining New Money Issuance
GO	\$3.3	\$2.2	\$1.1
TFA FTS	\$3.5	\$2.3	\$1.2
TFA BARBs	\$0.5	\$0.5	\$0.0
Total	\$7.3	\$5.0	\$2.3

Projected bond issuance is based on OMB's April 2018 Executive Budget.

Two transactions closed in 3Q18. The first transaction was a new money sale of \$1.2 billion GO bonds. The GO sale was comprised of \$700 million of tax-exempt fixed rate bonds, \$250 million of taxable fixed rate bonds, \$50 million of tax-exempt variable rate bonds, and \$200 million of tax-exempt index floating rate bonds. The second transaction was a TFA BARBs sale of approximately \$1.1 billion of new money and refunding bonds. The TFA BARBs sale was comprised of \$1 billion of tax-exempt fixed rate bonds, and \$73 million of taxable fixed rate bonds. The refunding achieved \$86.8 million in budget savings, or about \$83.1 million on a present-value basis.

Table 16. GO, TFA PIT, and TFA BARBs Bond Issuance, FYTD18

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	Total Par
7/20/2017	TFA BARBs 2018 S-1 and S-2	Refunding	\$1,008	\$0	\$0	\$1,008
8/10/2017	GO 2018 A	Refunding	\$899	\$0	\$0	\$899
8/17/2017	TFA FTS 2018 A	New Money	\$1,000	\$350	\$0	\$1,350
10/3/2017	GO 2018 B	New Money	\$550	\$250	\$200	\$1,000
10/26/2017	TFA FTS 2018 B	New Money	\$850	\$140	\$0	\$990
12/20/2017	GO 2018 C and D	Refunding	\$944	\$0	\$0	\$944
3/13/2018	GO 2018 E	New Money	\$700	\$250	\$50	\$1,200
3/22/2018	TFA BARBs 2018 S-3 and S-4	New Money/Refunding	\$1,002	\$73	\$0	\$1,076

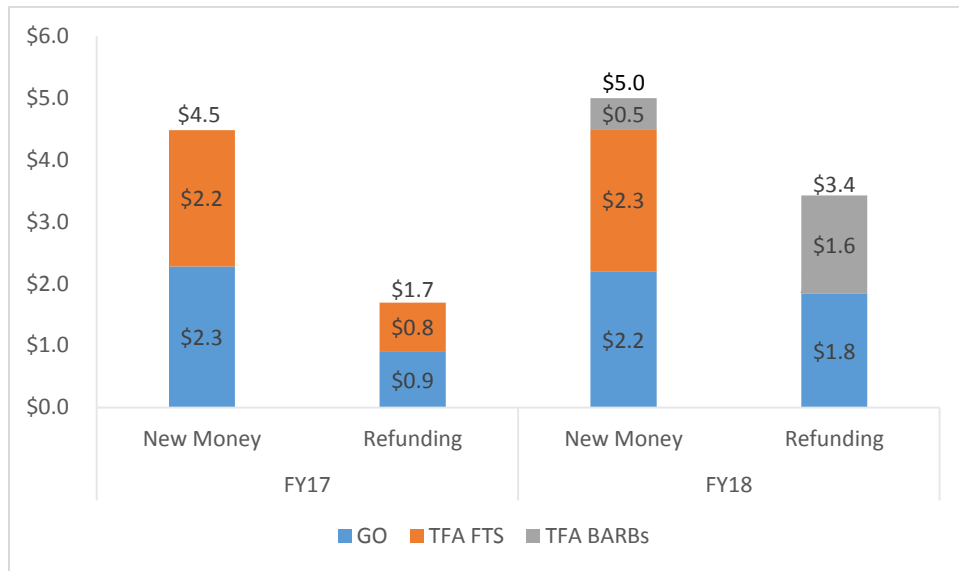
*Designates series of bonds that were sold via competitive sale

The table excludes conversions and re-offerings.

The pace of bond issuance in FYTD18 exceeded last year's pace. As shown in the following chart, in FYTD18 the City issued \$8.4 billion in new money and refunding bonds versus \$6.2 billion in FYTD17.

Chart 17. GO, TFA FTS, and TFA BARBs Issues, FYTD17 & FYTD18

(\$ in billions)



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Published by the NYC Comptroller's Office, Bureau of Budget
Preston Niblack, Deputy Comptroller for Budget



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