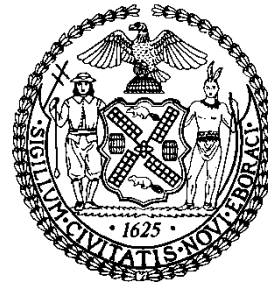


**The City Of New York
Office of the Comptroller**

**Scott M. Stringer
Comptroller**



QUARTERLY CASH REPORT

April - June 2015
Fourth Quarter of FY 2015

August 2015

Contents

Summary	2
Cash Balances.....	2
Cash Receipts	2
Cash Expenditures	3
Capital Expenditures (CapEx) and Reimbursements	4
Financings	4
 List of Tables	6
List of Charts	6
 I. Cash Balances	7
April 2015 – June 2015 (4Q15).....	7
July 2014 – June 2015 (FY15)	8
 II. Cash Receipts	10
April 2015 – June 2015 (4Q15).....	10
Receipts at a Glance.....	10
Taxes	11
Federal and State Aid.....	12
July 2014 – June 2015 (FY15)	13
Receipts at a Glance.....	13
Taxes	14
Federal and State Aid.....	15
 III. Cash Expenditures (Including Capital)	16
April 2015 – June 2015 (4Q15).....	16
Cash Expenditures at a Glance	16
“All Other” Spending.....	17
July 2014 – June 2015 (FY15)	18
Cash Expenditures at a Glance	18
“All Other” Spending.....	18
 IV. Capital Expenditures and Reimbursements	19
April – June 2015 (4Q15).....	19
July 2014 – June 2015 (FY15)	21
 V. Financings	24

Summary

Cash Balances

4Q15 Results

At the end of the fourth quarter of FY15 (4Q15), the City had an unrestricted cash balance of \$9.502 billion. This year's closing balance is \$356 million lower than last year, due to the higher end-of-year disbursements. The 4Q15 average cash balance of \$10.911 billion exceeded the 4Q14 average by \$1.325 billion. Total receipts in the quarter rose 4.5%, while expenditures rose 9.2%.

FY15 Prepayment

The City customarily dedicates any year-end budgetary surplus to a prepayment of the following year's expenses. This year's prepayment totaled \$3.554 billion, compared to \$1.983 billion at the end of FY 2014. The first installment of the prepayment, made on June 23, equaled \$1.578 billion and was dedicated to FY16 Transitional Finance Authority (TFA) debt service payments. The second installment of the prepayment, made on June 29, equaled \$1.976 billion. Out of \$1.976 billion, \$1.953 billion was dedicated to FY16 general obligation (GO) debt service payments and \$22.5 million was used to redeem \$8.9 million of GO FY96 Series J-3 and \$13.6 million of GO FY95 Series F-5 bonds. In addition to the prepayment, the City deposited \$955 million into the Retiree Health Benefits Trust (RHBT). Without these two payments, the City would have ended FY15 with \$14.011 billion of cash-on-hand.

FY15 Results

Due to the thriving local economy, the City experienced strong cash balances throughout FY15. The average cash balance for FY15 measured \$9.460 billion, exceeding the previous year's average balance by \$1.680 billion, or 21.6%. On January 9, 2015, the unrestricted cash balance reached \$13.028 billion, the highest cash balance on record. Total receipts for FY15 rose 3.5%, to a new record of \$90.653 billion. Expenditures also reached a new record, up 6.2% compared to a year-ago.

Cash Receipts

4Q15 Results

Total receipts in 4Q15 were the highest 4Q inflows on record, up 4.5% versus a year ago. Net of reimbursements for capital expenditures, 4Q15 cash receipts rose 2.7% versus a year-ago.

The City collected \$16.2 billion in tax revenues for 4Q15, compared to \$14.2 billion at the same time last year. Every major category of tax experienced growth during the quarter.

General corporation tax and mortgage and real property transfer taxes were particularly strong contributors, up 51.4% and 38.1%, respectively.

Aid from the State of New York increased 28.7% during 4Q15, while federal aid fell 9.3% compared to a year-ago.

FY15 Results

From FY10 through FY15, total cash receipts increased steadily, rising 18.1% over the six year period. During FY15, total cash receipts reached \$90.653 billion, an increase of \$3.1 billion from the previous year. Net of reimbursements for capital expenditures, FY15 cash receipts rose 4.3% versus a year-ago.

The five largest sources of cash in FY15 were: real property tax, personal income tax, NYS education aid, sales tax, and general corporation tax. These leading sources of cash accounted for 57.9% of total cash receipts in FY15.

“Debt Service Funding” includes retention of personal income and real property taxes for GO and TFA PIT debt service payments. It offsets the total cash receipts figure. FY15 retention was significantly higher than in FY14 because of the lower prepayment of FY15 debt service. Prepayment of FY14 GO debt service totaled \$2.7 billion, compared to the \$620.5 million prepayment of FY15 GO debt service. As a result, in FY14, real estate tax retention for GO debt service did not start until January 2, 2014, while FY15 real estate tax retention began at the beginning of the fiscal year, on July 1, 2014. In addition to the prepayment, the Office of the State Comptroller incorrectly retained over \$2.3 billion in real estate revenue in June for debt service payments through October 2015. Typically, July real estate collections fund August and September debt service, while August and September real estate collections fund October debt service. The State agreed to return \$1.5 billion of these funds to the City in the beginning of FY16, so that the debt service fund does not stay overfunded.

Tax receipts for FY15 totaled \$53.5 billion, an increase of 7.6% from the previous year. The fastest growing tax categories included: mortgage and real property transfer taxes (up 25.7%), banking corporation tax (up 19.3%), and personal income tax (up 10.8%).

During FY15, the City received \$20.2 billion in federal and state aid, compared to \$19.6 billion in FY14. The growth was mainly due to the increase in NYS education aid.

Cash Expenditures

4Q15 Results

Cash expenditures, including capital expenditures, rose 9.2% during 4Q15. Personal Service (PS) spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, reached \$13.3 billion in 4Q15. Embedded in

this number is the City's FY15 payment to the RHBT. This year's payment to the RHBT equaled \$1.988 billion, versus \$2.015 billion in FY14. For the second year in a row, the City also added funds into the RHBT above the customary payment. This year's additional contribution was \$955 million, compared to \$864 million last year. Other than Personal Service (OTPS) spending increased 28.5% compared to a year-ago, driven by increases in vendor and other payments (up 39.1%), medical assistance (up 14.5%) and public assistance (up 11.0%).

FY15 Results

Total expenditures, including capital expenditures rose 6.2% versus a year-ago, to a new record high of \$91.008 billion. Net cash expenditures (which exclude capital expenditures) rose 7.8% in FY15. Gross payroll and "other personnel services", at \$44.268 billion, increased 6.2% versus a year-ago. Higher spending on employee salaries was due to the 2014 and 2015 collective bargaining agreements with the City's workforce. OTPS expenditures increased 11.8%, driven by higher spending on vendor products and services, public assistance, medical assistance, and other social services. Outlays considered "All Other" dropped 3.6%, due to slower City-funded capital spending.

Capital Expenditures (CapEx) and Reimbursements

4Q15 Results

Total 4Q15 CapEx remained flat quarter-over-quarter, while non-City CapEx declined by 13.2%.

Reimbursements for CapEx in the 4Q15 exceeded reimbursable expenditures, increasing the cash balance by \$472 million.

FY15 Results

Total CapEx equaled \$7.165 billion in FY15 compared to the all-time-high of \$10.047 billion in FY10. The fifth annual decline in CapEx stems from a decrease in the City component.

FY15 reimbursements for CapEx totaled \$7.160 billion and accounted for 7.9% of total cash receipts. Reimbursements exceeded reimbursable expenditures, increasing the cash balance by \$616 million. Over time, reimbursements and CapEx should offset each other.

Financings ¹

4Q15 Results

¹ We gratefully acknowledge the assistance of the Public Finance Division (NYC Comptroller's Office) in the preparation of the Financings section of this report.

Three transactions closed in the 4Q15. The first was a TFA PIT sale of \$1.04 billion of new money bonds. The sale included \$650 million of tax-exempt fixed rate bonds, \$200 million of taxable fixed rate bonds, and \$190 million of tax-exempt variable rate bonds. The second transaction was a GO sale of \$950 million of new money bonds. The sale included \$300 million of tax-exempt fixed rate bonds, \$300 million of taxable fixed rate bonds, and \$350 million of tax-exempt variable rate bonds. The third transaction was a TFA BARBs sale of \$750 million tax-exempt fixed rate new money bonds.

FY15 Results

In FY15 New York City and TFA issued a combined total of \$8.01 billion in new-money and refunding bonds, compared to \$8.04 billion in FY14. In FY15 the City refinanced \$2.57 billion in GO and TFA bonds, compared to \$2.96 billion in FY14.

FY15 refundings produced \$381 million in budget relief over the life of the bonds, or \$338 million on a present value basis. In FY15 the City achieved 15% budget savings, as a percentage of the refunding par. In other words, the refunding activity in FY15 was highly efficient relative to the City's recent experience in the fixed income market.

List of Tables

Table 1. <i>Cash Position of the NYC Central Treasury, 4Q, FY06 - FY15</i>	8
Table 2. <i>Cash Position of the NYC Central Treasury, FY06 - FY15</i>	9
Table 3. <i>Cash Receipts by Category, 4Q, FY06 - FY15</i>	10
Table 4. <i>Tax Receipts, 4Q10, 4Q14, and 4Q15</i>	11
Table 5. <i>Selected Cash Receipts, 4Q, FY11 - FY15</i>	11
Table 6. <i>Cash Receipts by Category, FY06 - FY15</i>	13
Table 7. <i>Tax Receipts, FY10, FY14, and FY15</i>	14
Table 8. <i>Selected Cash Receipts, FY11 - FY15</i>	14
Table 9. <i>PS & OTPS, 4Q, FY06 - FY15</i>	16
Table 10. <i>Major Components of “All Other” Spending, 4Q14 and 4Q15</i>	17
Table 11. <i>Cash Payments of Future Years’ Expenditures, 4Q, FY11 - FY15</i>	17
Table 12. <i>PS and OTPS, FY06 - FY15</i>	18
Table 13. <i>Major Components of “All Other” Spending, FY14 and FY15</i>	18
Table 14. <i>Reimbursements to the NYC Central Treasury for CapEx, 4Q, FY06 - FY15</i>	20
Table 15. <i>Reimbursements to the NYC Central Treasury for CapEx, FY06 - FY15</i>	22
Table 16. <i>GO, TFA PIT, and TFA BARBs Bond Issuance, 4Q15</i>	24

List of Charts

Chart 1. <i>Daily Cash Balances of the NYC Central Treasury, 4Q10, 4Q14, and 4Q15</i>	7
Chart 2. <i>Daily Cash Balances of the NYC Central Treasury, FY10, FY14, and FY15</i>	8
Chart 3. <i>Federal & State Aid to NYC, 4Q, FY11 - FY15</i>	12
Chart 4. <i>Federal & State Aid as % of Total Cash Receipts, 4Q, FY11 - FY15</i>	12
Chart 5. <i>Components of State Aid, 4Q, FY11 - FY15</i>	12
Chart 6. <i>Components of Federal Aid, 4Q, FY11 - FY15</i>	12
Chart 7. <i>Federal & State Aid to NYC, FY11 - FY15</i>	15
Chart 8. <i>Federal & State Aid as % of Total Cash Receipts, FY11 - FY15</i>	15
Chart 9. <i>Components of State Aid, FY11 - FY15</i>	15
Chart 10. <i>Components of Federal Aid, FY11 - FY15</i>	15
Chart 11. <i>Total CapEx, 4Q, FY06 - FY15</i>	19
Chart 12. <i>Total CapEx as % of Total Expenditures, 4Q, FY06 - FY15</i>	19
Chart 13. <i>Bond-Funded Reimbursements for Eligible CapEx, 4Q, FY11 - FY15</i>	20
Chart 14. <i>Total CapEx, FY06 - FY15</i>	21
Chart 15. <i>Total CapEx as % of Total Expenditures, FY06 - FY15</i>	21
Chart 16. <i>Bond-Funded Reimbursements for Eligible CapEx, FY11 - FY15</i>	23
Chart 17. <i>GO, TFA PIT, and TFA BARBs Issues, FY14 and FY15</i>	24
Chart 18. <i>Budget Savings from GO and TFA PIT Refundings, FY06 - FY15</i>	25

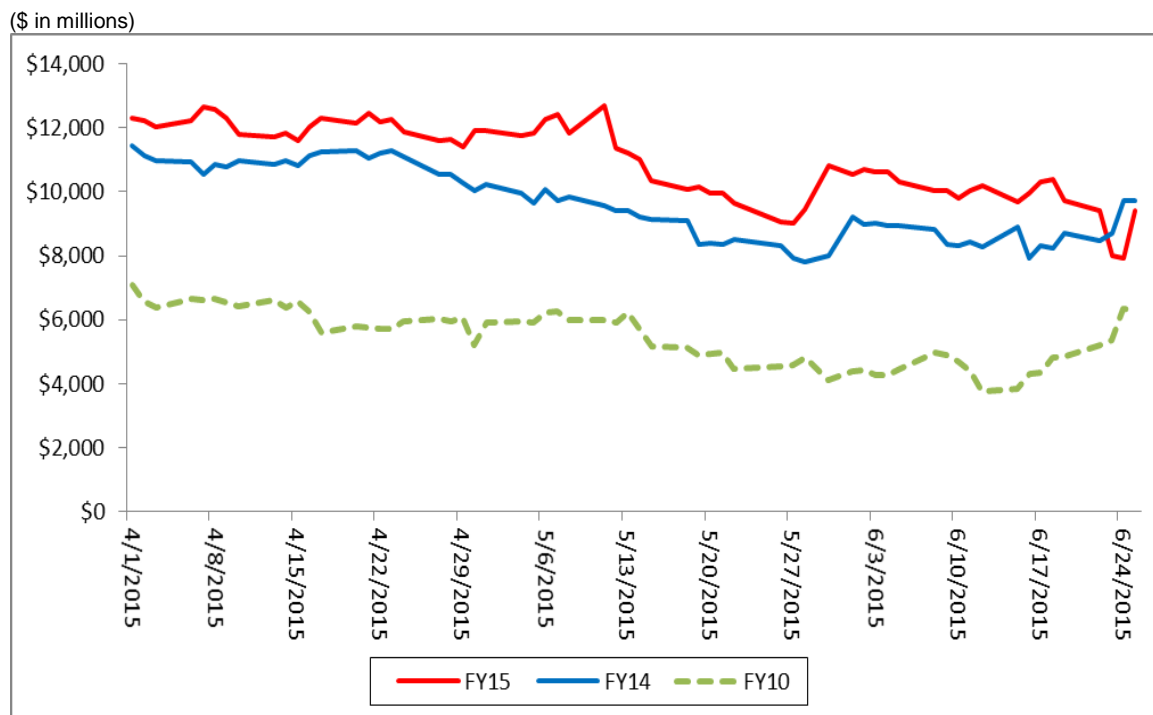
Rounding of Large Numbers in the Quarterly Cash Report

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 Balances²

April 2015 – June 2015 (4Q15)

Chart 1. Daily Cash Balances of the NYC Central Treasury, 4Q10, 4Q14, and 4Q15



At the close of 4Q15, the City recorded an unrestricted cash balance of \$9.502 billion. The closing balance was \$356 million lower than last year, due to the higher end-of-year disbursements. The 4Q15 average cash balance of \$10.911 billion exceeded the 4Q14 average by \$1.325 billion. Total receipts in the quarter rose 4.5%, while expenditures rose 9.2%.

The City's practice is to dedicate any year-end budgetary surplus to a prepayment of the following year's expenses. This year's prepayment totaled \$3.554 billion, compared to \$1.983 billion at the end of FY 2014. The first installment of the prepayment, made on June 23, equaled \$1.578 billion and was dedicated to FY16 Transitional Finance Authority (TFA) debt service payments. The second installment of the prepayment, made on June 29, equaled \$1.976 billion, and was applied to outstanding GO debt. Out of \$1.976 billion, \$1.953 billion was dedicated to FY16 general obligation (GO) debt service payments and \$22.5 million was used to redeem \$8.9 million of GO FY 1996 Series J-3 and \$13.6 million of GO FY 1995 Series F-5 bonds. In addition to the prepayment, the City deposited \$955 million

² 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 on warrants issued. Receipts and expenditures are net of debt service and funding for RANs and TANs.

into the Retiree Health Benefits Trust (RHBT). Without these two payments, the City would have ended FY15 with \$14.011 billion of cash-on-hand.

Table 1. Cash Position of the NYC Central Treasury, 4Q, FY06 - FY15

(\$ in millions)

	4Q06	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15
Opening Balance	\$8,622	\$10,934	\$10,057	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448	\$12,368
Total Receipts	18,190	19,037	20,504	20,119	21,738	20,671	22,081	22,752	23,539	24,587
Total Expenditures ^a	20,426	25,498	25,573	22,042	23,322	23,731	23,526	23,562	25,129	27,452
Closing Balance ^b	\$6,386	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502
Avg. Daily Balance	\$7,924	\$9,755	\$9,440	\$6,273	\$5,506	\$6,362	\$5,534	\$6,520	\$9,586	\$10,911

a. Total expenditures include capital expenditures.

b. Opening and closing balances are before City audits.

July 2014 – June 2015 (FY15)

Chart 2. Daily Cash Balances of the NYC Central Treasury, FY10, FY14, and FY15

(\$ in millions)

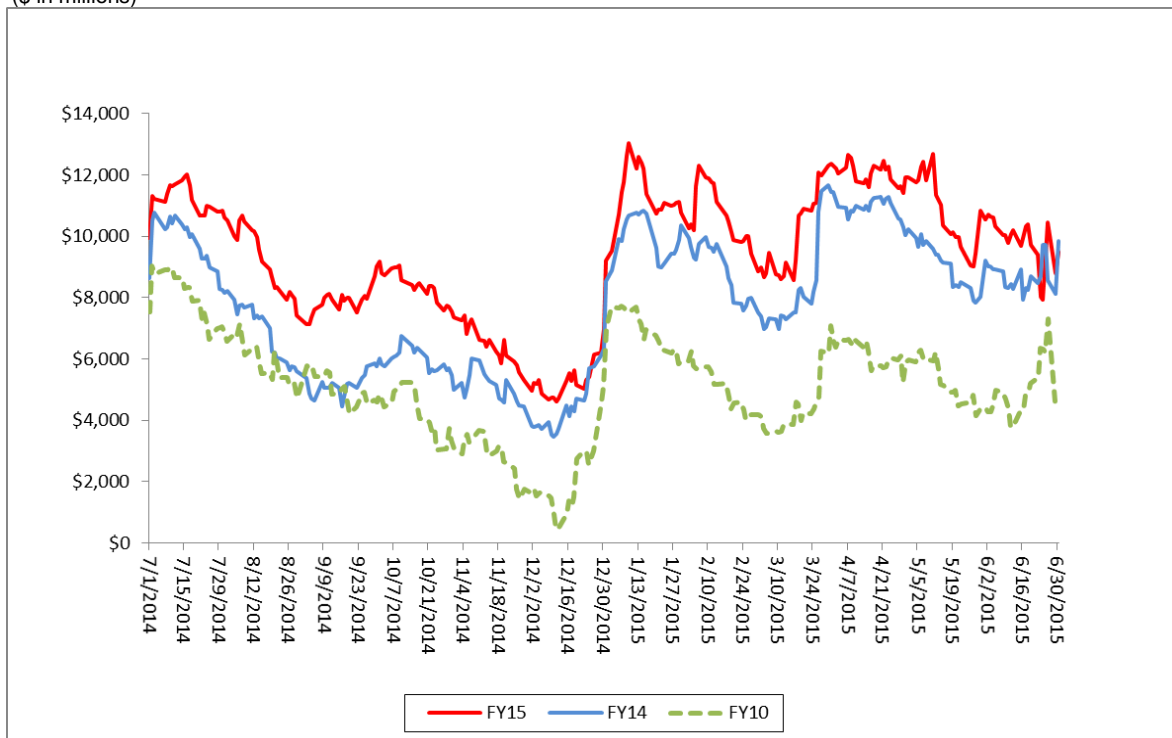


Table 2. Cash Position of the NYC Central Treasury, FY06 - FY15

(\$ in millions)

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
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	66,570	70,782	76,576	77,422	76,742	80,310	81,152	82,877	87,578	90,653
Total Expenditures ^b	67,014	72,696	76,061	76,571	77,977	79,874	79,895	81,231	85,664	91,008
Closing Balance ^a	\$6,386	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502
Avg. Daily Balance	\$7,149	\$7,293	\$6,849	\$5,663	\$5,102	\$5,053	\$5,146	\$5,959	\$7,779	\$9,460

a. Total expenditures include capital expenditures.

b. Opening and closing balances are before City audits.

Due to the thriving local economy, the City experienced strong cash balances throughout FY15. The average cash balance for FY15 measured \$9.460 billion, exceeding the previous year's average balance by \$1.680 billion, or 21.6%. On January 9, 2015, the unrestricted cash balance reached \$13.028 billion, the highest cash figure on record. Total receipts for FY15 rose 3.5%, to a new record of \$90.653 billion. Expenditures also reached a new record, up 6.2% compared to a year-ago.

II. Cash Receipts

April 2015 – June 2015 (4Q15)

Receipts at a Glance

Table 3. Cash Receipts by Category, 4Q, FY06 - FY15

(\$ in millions)

	4Q06	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15
Real Property Tax	\$3,714	\$2,805	\$3,152	\$4,807	\$4,747	\$4,850	\$5,443	\$5,708	\$6,228	\$7,058
Other Taxes	6,573	7,095	7,560	5,806	5,920	7,090	7,014	8,408	8,008	9,166
<i>Total Taxes</i>	<i>10,287</i>	<i>9,900</i>	<i>10,712</i>	<i>10,613</i>	<i>10,667</i>	<i>11,940</i>	<i>12,457</i>	<i>14,116</i>	<i>14,236</i>	<i>16,224</i>
Federal and State Aid	3,744	4,623	4,256	4,471	5,316	4,627	4,486	5,179	4,959	5,657
Debt Service Funding	(646)	(166)	(251)	(282)	(307)	(615)	(534)	(701)	(512)	(2,631)
Miscellaneous	2,070	1,807	1,888	1,610	2,180	1,874	2,385	804	1,714	1,621
Intergovernmental Aid	0	0	0	0	0	0	6	0	0	0
Other	2,735	2,873	3,899	3,707	3,882	2,845	3,281	3,354	3,142	3,716
4Q Total	\$18,190	\$19,037	\$20,504	\$20,119	\$21,738	\$20,671	\$22,081	\$22,752	\$23,539	\$24,587
Total, Net of Reimbursement for CapEx	\$16,315	\$17,161	\$17,670	\$17,168	\$18,814	\$18,939	\$20,086	\$21,258	\$22,096	\$22,698

Total receipts in 4Q15 were the highest 4Q inflows on record, up 4.5% versus a year-ago. Net of reimbursements for capital expenditures, 4Q15 cash receipts rose 2.7% versus a year-ago.

The City collected \$16.2 billion in tax revenues for 4Q15, compared to \$14.2 billion at the same time last year. Every major category of tax experienced growth during the quarter. General corporation tax and mortgage and real property transfer taxes were particularly strong contributors, up 51.4% and 38.1%, respectively.

Taxes ³

Table 4. Tax Receipts, 4Q10, 4Q14, and 4Q15

(\$ in millions)

	4Q10	4Q14	4Q15	% Change 4Q15/ 4Q10	% Change 4Q15/ 4Q14
Real Property Tax	\$4,747	\$6,228	\$7,058	48.7%	13.3%
Personal Income Tax	1,485	2,651	3,129	110.7	18.0
Sales Tax	1,426	1,780	1,822	27.8	2.4
Unincorporated Business Tax	648	875	910	40.4	4.0
General Corporation Tax	642	646	978	52.3	51.4
Mortgage and Real Property Transfer Taxes	241	565	780	223.7	38.1
STAR	497	424	431	(13.3)	1.7
Banking Corporation Tax	367	373	388	5.7	0.3
Commercial Rent Tax	154	182	199	29.2	9.3
Other Taxes	460	512	529	15.0	3.3
4Q Total	\$10,667	\$14,236	\$16,224	52.1%	14.0%

Table 5. Selected Cash Receipts, 4Q, FY11 - FY15

(\$ in millions)

	4Q11	4Q12	4Q13	4Q14	4Q15
Real Property Tax	\$4,850	\$5,443	\$5,708	\$6,228	\$7,058
Personal Income Tax	2,159	2,158	2,911	2,651	3,129
NYS Education Aid	2,096	2,355	2,087	2,404	2,808
Sales Tax	1,546	1,591	1,695	1,780	1,822
General Corporation Tax	780	728	1,058	646	978
Unincorporated Business Tax	763	727	836	875	910
Mortgage and Real Property Transfer Taxes	305	367	448	565	780
Federal Welfare	56	400	517	695	703
Federal Education Aid	1,107	568	879	668	461
STAR	392	400	422	424	431
Banking Corporation Tax	497	405	354	373	388
NYS Welfare	425	489	483	292	321
Senior College Fees	402	250	255	230	314
Fines and Forfeitures	253	285	222	310	259
Commercial Rent Tax	163	168	176	182	199

³ In this report, tax receipts, with the exception of PIT, are gross of refunds. Real property tax and PIT are gross of debt service funding.

Federal and State Aid

Chart 3. Federal & State Aid to NYC, 4Q, FY11 - FY15

(\$ in billions)

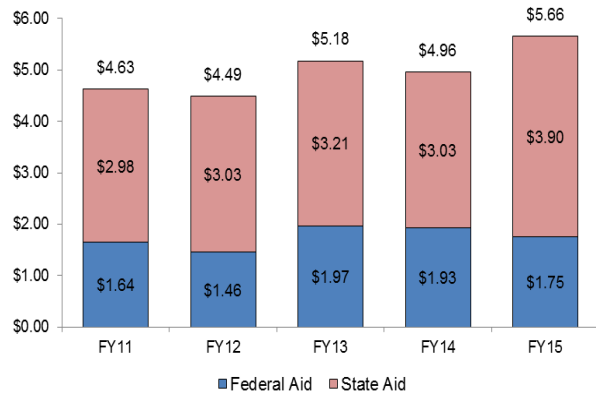


Chart 4. Federal & State Aid as % of Total Cash Receipts, 4Q, FY11 - FY15

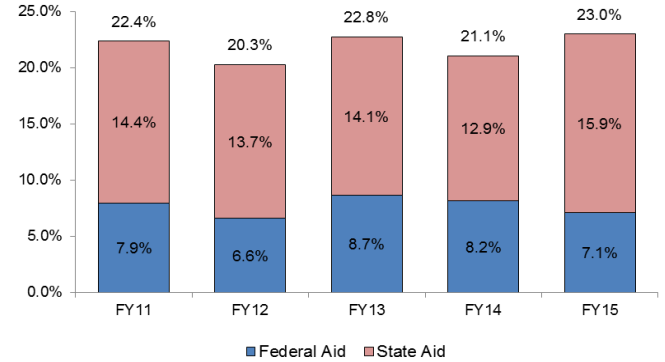


Chart 5. Components of State Aid, 4Q, FY11 - FY15

(\$ in billions)

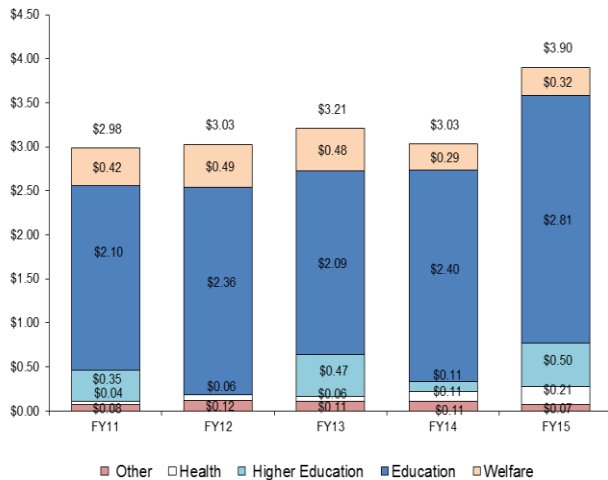
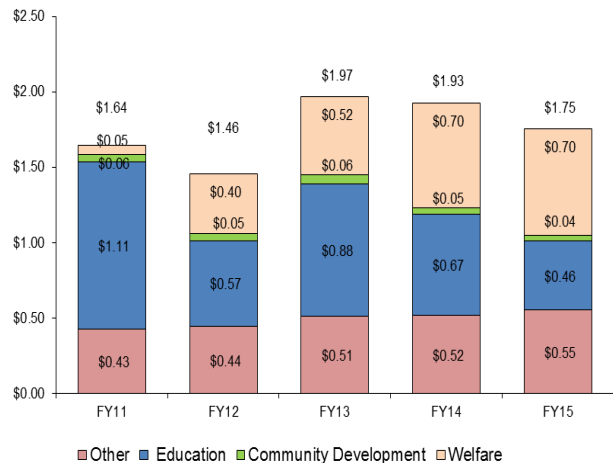


Chart 6. Components of Federal Aid, 4Q, FY11 - FY15

(\$ in billions)



Aid from the State of New York increased 28.7% during 4Q15, while federal aid fell 9.3% compared to a year-ago.

July 2014 – June 2015 (FY15)

Receipts at a Glance

Table 6. Cash Receipts by Category, FY06 - FY15

(\$ in millions)

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Real Property Tax	\$14,413	\$12,649	\$13,867	\$16,427	\$16,313	\$17,272	\$18,862	\$19,252	\$20,967	\$22,210
Other Taxes	22,413	25,797	26,674	22,666	21,607	23,969	24,710	27,466	28,761	31,299
<i>Total Taxes</i>	<i>36,826</i>	<i>38,446</i>	<i>40,541</i>	<i>39,093</i>	<i>37,920</i>	<i>41,241</i>	<i>43,572</i>	<i>46,718</i>	<i>49,728</i>	<i>53,509</i>
Federal and State Aid	15,471	16,657	17,153	18,105	18,753	20,520	19,305	20,059	19,618	20,225
Debt Service Funding	(1,324)	(740)	(255)	(313)	(307)	(1,531)	(1,587)	(3,485)	(2,503)	(6,025)
Miscellaneous	5,489	5,888	6,439	6,007	6,901	6,486	7,123	5,779	7,053	6,832
Intergovernmental Aid	609	328	10	228	280	14	7	1	1	0
Other	9,499	10,203	12,688	14,302	13,195	13,580	12,732	13,805	13,681	16,112
Total	\$66,570	\$70,782	\$76,576	\$77,422	\$76,742	\$80,310	\$81,152	\$82,877	\$87,578	\$90,653
Total, Net of Reimbursement for CapEx	\$61,071	\$65,256	\$68,375	\$66,940	\$67,416	\$70,850	\$73,098	\$75,179	\$80,053	\$83,492

From FY10 through FY15, total cash receipts increased steadily, rising 18.1% over the six year period. During FY15, total cash receipts reached \$90.653 billion, an increase of \$3.1 billion from the previous year. Net of reimbursements for capital expenditures, FY15 cash receipts rose 4.3% versus a year ago.

The five largest sources of cash in FY15 were: real property tax, personal income tax, NYS education aid, sales tax, and general corporation tax. These leading sources of cash accounted for 57.9% of total cash receipts in FY15.

“Debt Service Funding” includes retention of personal income and real property taxes for GO and TFA PIT debt service payments. It offsets the total cash receipts figure. FY15 retention was significantly higher than in FY14 because of the lower prepayment of FY15 debt service. Prepayment of FY14 GO debt service totaled \$2.7 billion, compared to the \$620.5 million prepayment of FY15 GO debt service. As a result, in FY14, real estate tax retention for GO debt service did not start until January 2, 2014, while FY15 real estate tax retention began at the beginning of the fiscal year, on July 1, 2014. In addition to the prepayment, the Office of the State Comptroller incorrectly retained over \$2.3 billion in real estate revenue in June for debt service payments through October 2015. Typically, July real estate collections fund August and September debt service, while August and September real estate collections fund October debt service. The State agreed to return \$1.5 billion of these funds to the City in the beginning of FY16, so that the debt service fund does not stay overfunded.

Taxes⁴

Table 7. Tax Receipts, FY10, FY14, and FY15

(\$ in millions)

	FY10	FY14	FY15	% Change FY15/ FY10	% Change FY15/ FY14
Real Property Tax	\$16,313	\$20,967	\$22,210	36.1%	5.9%
Personal Income Tax	6,851	9,566	10,601	54.7	10.8
Sales Tax	4,911	6,454	6,732	37.1	4.3
General Corporation Tax	2,953	3,701	3,811	29.1	3.0
Mortgage and Real Property Transfer Taxes	960	2,359	2,965	208.9	25.7
Unincorporated Business Tax	1,682	2,077	2,207	31.2	6.3
Banking Corporation Tax	1,458	1,533	1,829	25.4	19.3
STAR	904	837	835	(7.6)	(0.2)
Commercial Rent Tax	616	747	795	29.1	6.4
Other Taxes	1,272	1,487	1,524	19.8	2.5
Total	\$37,920	\$49,728	\$53,509	41.1%	7.6%

Tax receipts for FY15 totaled \$53.5 billion, an increase of 7.6% from the previous year. The fastest growing tax categories included: mortgage and real property transfer taxes (up 25.7%), banking corporation tax (up 19.3%), and personal income tax (up 10.8%).

Table 8. Selected Cash Receipts, FY11 - FY15

(\$ in millions)

	FY11	FY12	FY13	FY14	FY15
Real Property Tax	\$17,272	\$18,862	\$19,252	\$20,967	\$22,210
Personal Income Tax	7,619	8,000	9,200	9,566	10,601
NYS Education Aid	7,974	8,289	7,981	8,540	9,154
Sales Tax	5,575	5,830	6,109	6,454	6,732
General Corporation Tax	3,396	3,277	3,756	3,701	3,811
Federal Welfare	2,769	2,749	3,440	3,188	3,216
Mortgage and Real Property Transfer Taxes	712	1,457	1,843	2,359	2,965
Unincorporated Business Tax	1,814	1,780	1,974	2,077	2,207
Banking Corporation Tax	1,622	1,476	1,595	1,533	1,829
NYS Higher Education Aid	1,564	853	1,689	973	1,787
Water and Sewer	1,243	1,399	1,452	1,361	1,536
NYS Welfare	2,229	2,190	1,556	1,463	1,378
Federal Education Aid	2,965	1,923	1,705	1,826	1,240
Fines and Forfeitures	979	1,064	1,005	1,012	1,010
Senior College Fees	782	857	904	945	982

During FY15, the City received \$20.2 billion in federal and state aid, compared to \$19.6 billion in FY14. The growth was mainly due to the increase in NYS education aid.

⁴ In this report, tax receipts, with the exception of PIT, are gross of refunds. Real property tax and PIT are gross of debt service funding.

Federal and State Aid

Chart 7. Federal & State Aid to NYC, FY11 - FY15

(\$ in billions)

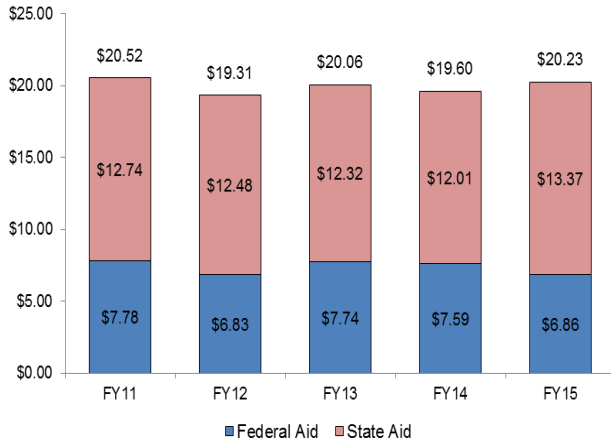


Chart 8. Federal & State Aid as % of Total Cash Receipts, FY11 - FY15

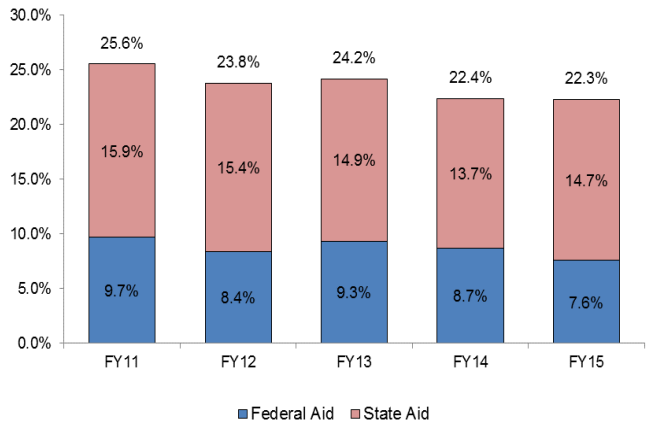


Chart 9. Components of State Aid, FY11 - FY15

(\$ in billions)

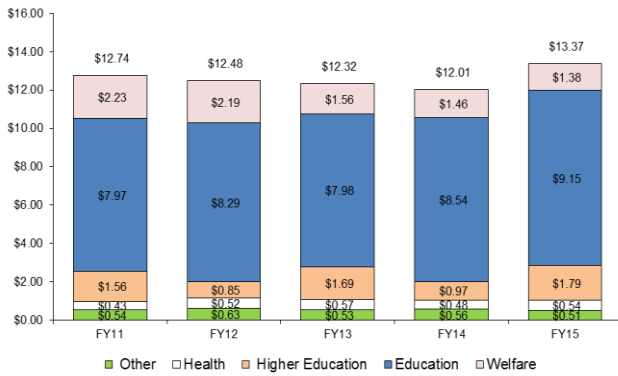
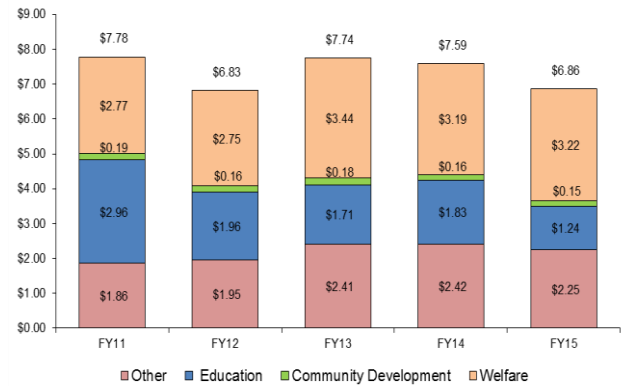


Chart 10. Components of Federal Aid, FY11 - FY15

(\$ in billions)



III. Cash Expenditures (Including Capital)

April 2015 – June 2015 (4Q15)

Cash Expenditures at a Glance

Table 9. PS & OTPS, 4Q, FY06 - FY15

(\$ in millions)

	4Q06	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15
Gross Payroll	\$5,198	\$5,402	\$5,484	\$5,704	\$6,077	\$5,952	\$5,783	\$5,835	\$5,986	\$6,281
Other PS	3,550	5,334	4,180	4,201	4,509	4,737	5,271	4,904	6,637	6,996
Total PS	\$8,748	\$10,736	\$9,664	\$9,905	\$10,586	\$10,689	\$11,054	\$10,739	\$12,623	\$13,277
% of 4Q Total Exp	43%	42%	38%	45%	45%	45%	47%	46%	50%	48%
Public Assistance	582	529	552	568	591	584	588	599	544	604
Medical Assistance	1,108	1,140	1,030	971	1,177	1,340	1,537	1,660	1,514	1,734
Other Social Services	426	629	501	538	575	564	584	563	567	546
Vendor and Other	3,281	3,753	3,603	3,446	3,378	3,901	4,481	4,450	4,627	6,436
Total OTPS	\$5,397	\$6,051	\$5,686	\$5,523	\$5,721	\$6,389	\$7,190	\$7,272	\$7,252	\$9,320
% of 4Q Total Exp	26%	24%	22%	25%	25%	27%	31%	31%	29%	34%
All Other	\$6,281	\$8,711	\$10,223	\$6,614	\$7,015	\$6,653	\$5,282	\$5,551	\$5,254	\$4,855
% of Total Exp	31%	34%	40%	30%	30%	28%	22%	23%	21%	18%
Total Expenditures	\$20,426	\$25,498	\$25,573	\$22,042	\$23,322	\$23,731	\$23,526	\$23,562	\$25,129	\$27,452
Total Expenditures, Net of CapEx	\$18,836	\$23,689	\$22,990	\$19,317	\$20,763	\$21,892	\$21,561	\$21,716	\$23,583	\$25,898

Cash expenditures, including capital expenditures, rose 9.2% during 4Q15. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, reached \$13.3 billion in 4Q15. Embedded in this number is the City's FY15 payment to the NYC Retiree Health Benefits Trust (RHBT). This year's payment to the RHBT equaled \$1.988 billion, versus \$2.015 billion in FY14. For the second year in a row, the City also added funds into the RHBT above the customary payment. This year's additional contribution was \$955 million, compared to \$864 million last year. OTPS spending increased 28.5% compared to a year-ago, driven by increases in vendor and other payments (up 39.1%), medical assistance (up 14.5%) and public assistance (up 11.0%).

“All Other” Spending

Table 10. Major Components of “All Other” Spending, 4Q14 and 4Q15

(\$ in millions)

	4Q14	4Q15	Difference
Transit Authority	\$30	\$75	\$45
Housing Authority	18	19	1
Lump Sum Payments	565	687	122
HHC	222	163	(59)
Refunds	241	193	(48)
City-Funded Capital	1,124	1,188	64
Non-City-Funded Capital	423	367	(56)
F-700 Adjustment	649	(1,329)	(1,978)
Prepayment of expenses for next FY	1,983	3,554	1,571

Table 11. Cash Payments of Future Years’ Expenditures, 4Q, FY11 - FY15

(\$ in millions)

	4Q11	4Q12	4Q13	4Q14	4Q15
General Obligation Debt Service	\$2,784	\$1,341	\$2,727	\$621	\$1,953
NYC TFA Debt Service	790	708	0	1,362	1,578
Lease Payments	0	155	0	0	0
Payments to the Libraries	164	65	64	0	0
Defeasance or Redemption of Debt	0	170	0	0	23
Total	\$3,738	\$2,439	\$2,791	\$1,983	\$3,554

This year’s prepayment totaled \$3.554 billion, compared to \$1.983 billion last year.

July 2014 – June 2015 (FY15)

Cash Expenditures at a Glance

Table 12. PS and OTPS, FY06 - FY15

(\$ in millions)

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Gross Payroll	\$21,329	\$20,913	\$21,767	\$23,813	\$23,510	\$23,820	\$23,693	\$23,894	\$24,227	\$25,879
Other PS	10,858	12,495	12,103	12,756	13,821	14,346	15,230	15,349	17,445	18,389
FY Total PS	\$32,187	\$33,408	\$33,870	\$36,569	\$37,331	\$38,166	\$38,923	\$39,243	\$41,672	\$44,268
% of Total FY Exp	48%	46%	44%	48%	48%	48%	49%	48%	49%	49%
Public Assistance	2,448	2,162	2,186	2,337	2,594	2,496	2,394	2,392	2,411	2,568
Medical Assistance	4,333	4,933	4,986	4,660	4,652	4,912	5,936	5,987	5,831	6,081
Other Social Services	1,985	2,474	2,990	2,415	2,456	2,426	2,359	2,404	2,368	2,404
Vendor and Other	12,454	13,464	13,962	13,977	13,668	15,157	15,973	16,577	17,559	20,430
FY Total OTPS	\$21,220	\$23,033	\$23,424	\$23,389	\$23,370	\$24,991	\$26,662	\$27,360	\$28,169	\$31,483
% of Total FY Exp	32%	32%	31%	30%	30%	31%	33%	34%	33%	34%
All Other	\$13,606	\$16,255	\$18,767	\$16,613	\$17,296	\$16,715	\$14,310	\$14,627	\$15,822	\$15,257
% of Total FY Exp	20%	22%	25%	22%	22%	21%	18%	18%	18%	17%
FY Total Expenditures	\$67,013	\$72,696	\$76,061	\$76,571	\$77,977	\$79,874	\$79,895	\$81,231	\$85,663	\$91,008
Total Expenditures, Net of CapEx	\$60,871	\$66,148	\$67,745	\$67,138	\$67,930	\$70,705	\$71,653	\$73,230	\$77,776	\$83,843

Total expenditures, including capital expenditures rose 6.2% versus a year-ago, to a new record high of \$91.008 billion. Net cash expenditures (which exclude capital expenditures) rose 7.8% in FY15. Gross payroll and “other personnel services” at \$44.268 billion, increased 6.2% versus a year-ago. Higher spending on employee salaries was due to the 2014 and 2015 collective bargaining agreements with the City’s workforce. OTPS expenditures increased 11.8%, driven by higher spending on vendor products and services, public assistance, medical assistance, and other social services. Outlays considered “All Other” dropped 3.6%, due to slower City-funded capital spending.

“All Other” Spending

Table 13. Major Components of “All Other” Spending, FY14 and FY15

(\$ in millions)

	FY14	FY15	Difference
Transit Authority	\$308	\$356	\$48
Housing Authority	49	46	(3)
Lump Sum Payments	2,466	2,500	34
HHC	874	705	(169)
Refunds	1,040	902	(138)
City-Funded Capital	6,938	5,353	(1,585)
Non-City-Funded Capital	950	1,812	862
F-700 Adjustment	1,216	(7)	(1,223)
Prepayment of expenses for next FY	1,983	3,554	1,571

IV. Capital Expenditures and Reimbursements

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 the 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 for from the New York City Central Treasury and then reimbursed from various capital accounts and State sources.

April – June 2015 (4Q15)

Chart 11. Total CapEx, 4Q, FY06 - FY15

(\$ in millions)

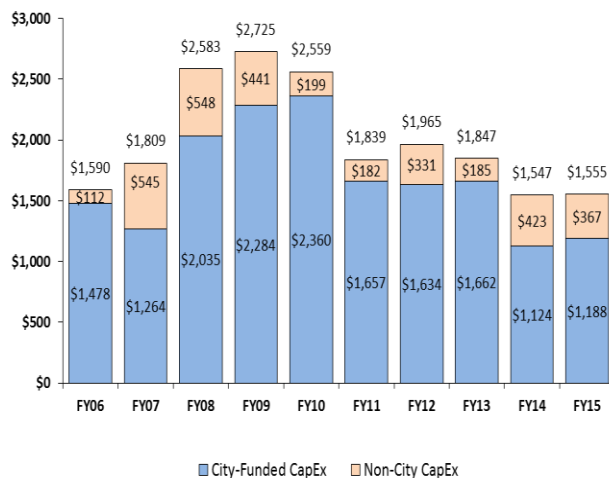
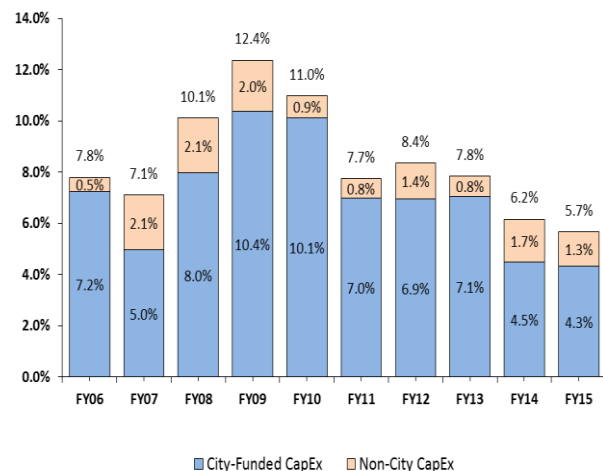


Chart 12. Total CapEx as % of Total Expenditures, 4Q, FY06 - FY15



Total 4Q15 CapEx remained flat quarter-over-quarter, while non-City CapEx declined by 13.2%.

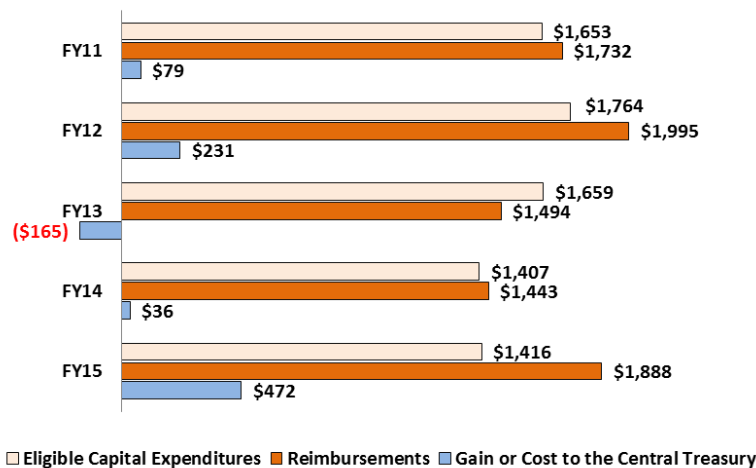
Table 14. Reimbursements to the NYC Central Treasury for CapEx, 4Q, FY06 - FY15

(\$ in millions)

	4Q06	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	Total
GO	\$1,219	\$389	\$1,160	\$1,745	\$1,049	\$228	\$914	\$689	\$595	\$507	\$8,495
NY Water	645	955	690	581	670	687	577	420	401	323	5,949
TFA	0	272	7	0	1205	817	478	385	447	1058	4,669
<i>Sub-total</i>	<i>1,864</i>	<i>1,616</i>	<i>1,857</i>	<i>2,326</i>	<i>2,924</i>	<i>1,732</i>	<i>1,969</i>	<i>1,494</i>	<i>1,443</i>	<i>1,888</i>	<i>19,113</i>
TFA Building Aid	0	87	490	622	0	0	26	0	0	0	1,225
DASNY	0	173	487	3	0	0	0	0	0	0	663
<i>Sub-total</i>	<i>0</i>	<i>260</i>	<i>977</i>	<i>625</i>	<i>0</i>	<i>0</i>	<i>26</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,888</i>
Other	11	0	0	0	0	0	0	0	0	0	11
Total	\$1,875	\$1,876	\$2,834	\$2,951	\$2,924	\$1,732	\$1,995	\$1,494	\$1,443	\$1,888	\$21,012
4Q Reimbursable Capital Expenditures	\$1,475	\$1,646	\$2,418	\$2,552	\$2,368	\$1,653	\$1,764	\$1,659	\$1,407	\$1,416	\$18,358
4Q Reimbursements Less 4Q Reimbursable Capital Expenditures	\$400	\$230	\$416	\$399	\$556	\$79	\$231	(\$165)	\$36	\$472	\$2,654
4Q Reimbursements as a % of 4Q Reimbursable Capital Expenditures	127.1%	114.0%	117.2%	115.6%	123.5%	104.8%	113.1%	90.1%	102.6%	133.3%	114.5%
4Q Reimbursements as a % of 4Q Total Receipts	10.3%	9.9%	13.8%	14.7%	13.5%	8.4%	9.0%	6.6%	6.1%	7.7%	9.9%

Chart 13. Bond-Funded Reimbursements for Eligible CapEx, 4Q, FY11 - FY15

(\$ in millions)



Reimbursements for CapEx in the 4Q15 exceeded reimbursable expenditures, increasing the cash balance by \$472 million.

July 2014 – June 2015 (FY15)

Chart 14. Total CapEx, FY06 - FY15

(\$ in millions)

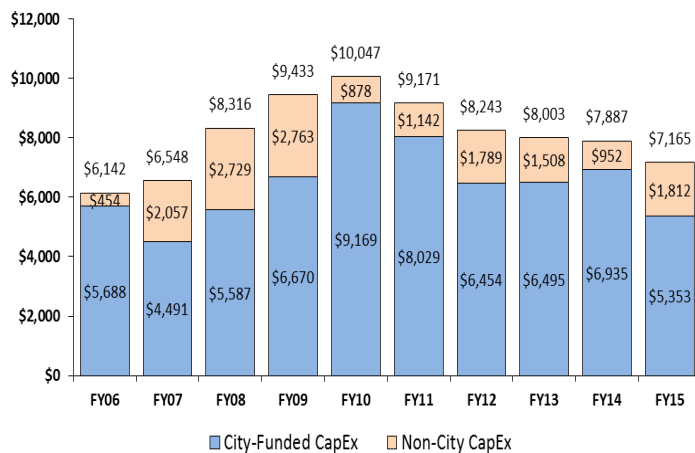
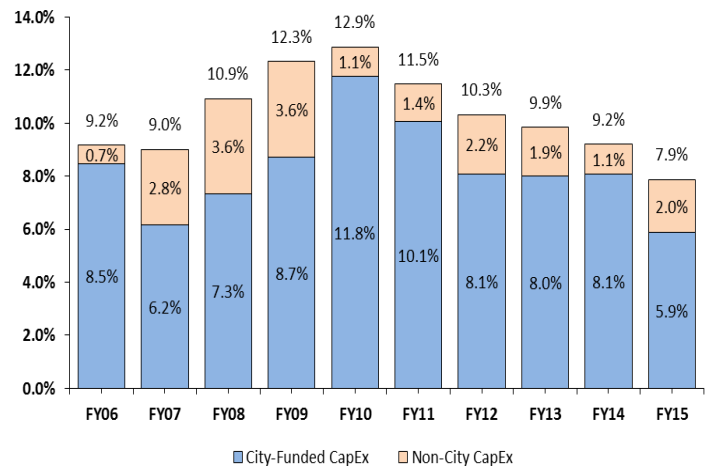


Chart 15. Total CapEx as % of Total Expenditures, FY06 - FY15



Total CapEx equaled \$7.165 billion in FY15 compared to the all-time-high of \$10.047 billion in FY10. The fifth annual decline in CapEx stems from a decrease in the City component.

Table 15. Reimbursements to the NYC Central Treasury for CapEx, FY06 - FY15

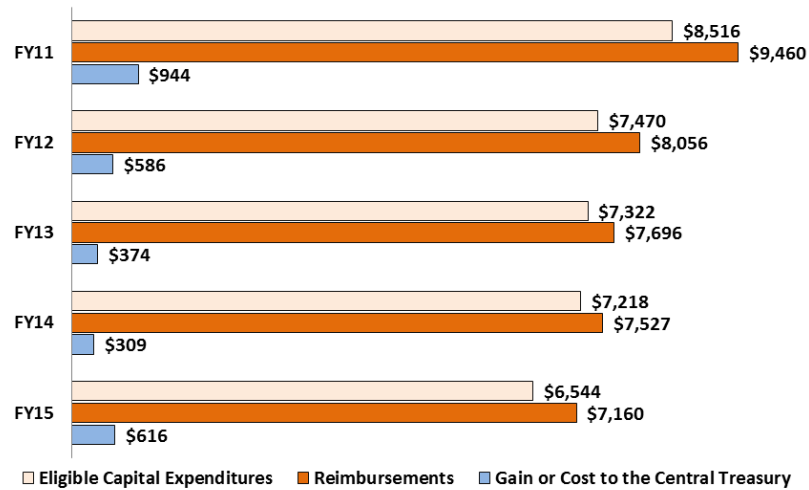
(\$ in millions)

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	Total
GO	\$3,833	\$1,060	\$3,339	\$5,255	\$3,304	\$2,799	\$2,560	\$1,587	\$2,307	\$889	\$26,933
NY Water	1,652	1,865	2,150	2,571	2,689	2,965	2,268	1,858	1,644	1,397	21,059
TFA	0	1,512	531	14	3,145	3,344	2,223	3,294	3,576	3,991	21,630
<i>Sub-total</i>	<i>5,485</i>	<i>4,437</i>	<i>6,020</i>	<i>7,840</i>	<i>9,138</i>	<i>9,108</i>	<i>7,051</i>	<i>6,739</i>	<i>7,527</i>	<i>6,277</i>	<i>69,622</i>
TFA Building Aid	0	620	1,229	2,271	182	352	1,005	957	0	883	7,499
DASNY	0	470	952	371	6	0	0	0	0	0	1,799
<i>Sub-total</i>	<i>0</i>	<i>1,090</i>	<i>2,181</i>	<i>2,642</i>	<i>188</i>	<i>352</i>	<i>1,005</i>	<i>957</i>	<i>0</i>	<i>883</i>	<i>9,298</i>
Other	13	0	0	0	0	0	0	0	0	0	13
Total	\$5,498	\$5,527	\$8,201	\$10,482	\$9,326	\$9,460	\$8,056	\$7,696	\$7,527	\$7,160	\$78,933
FY Reimbursable Capital Expenditures	\$5,679	\$5,969	\$7,867	\$8,828	\$9,317	\$8,516	\$7,470	\$7,322	\$7,218	\$6,544	\$74,730
FY Reimbursements Less FY Reimbursable Capital Expenditures	(\$181)	(\$442)	\$334	\$1,654	\$9	\$944	\$586	\$374	\$309	\$616	\$4,203
FY Reimbursements as a % of FY Reimbursable Capital Expenditures	96.8%	92.6%	104.2%	118.7%	100.1%	111.1%	107.8%	105.1%	104.3%	109.4%	105.6%
FY Reimbursements as a % of FY Total Receipts	8.3%	7.8%	10.7%	13.5%	12.2%	11.8%	9.9%	9.3%	8.6%	7.9%	10.0%

FY15 reimbursements for CapEx totaled \$7.160 billion and accounted for 7.9% of total cash receipts. Reimbursements exceeded reimbursable expenditures, increasing the cash balance by \$616 million. Over time, reimbursements and CapEx should offset each other.

Chart 16. *Bond-Funded Reimbursements for Eligible CapEx, FY11 - FY15*

(\$ in millions)



V. Financings ⁵

Table 16. GO, TFA PIT, and TFA BARBs Bond Issuance, 4Q15

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	Total Par
4/23/2015	TFA PIT 2015 E	New Money	\$650	\$200	\$190	\$1,040
6/18/2015	GO 2015 F	New Money	\$300	\$300	\$350	\$950
6/25/2015	TFA BARBs S-2	New Money	\$750	\$0	\$0	\$750

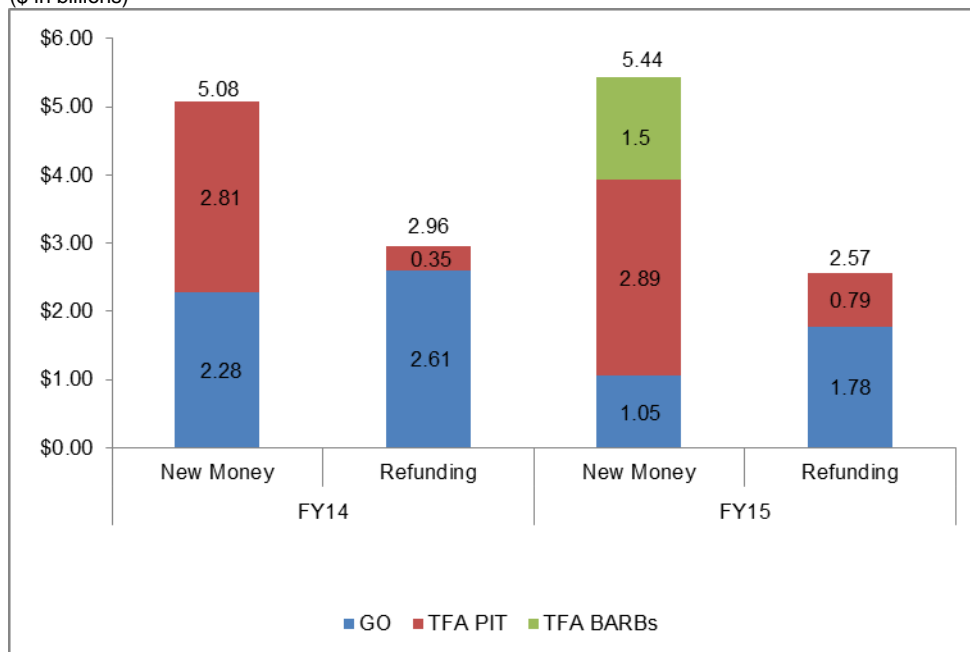
The table excludes conversions and re-offerings.

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

Three transactions closed in the 4Q15. The first was a TFA PIT sale of \$1.04 billion of new money bonds. The sale included \$650 million of tax-exempt fixed rate bonds, \$200 million of taxable fixed rate bonds, and \$190 million of tax-exempt variable rate bonds. The second transaction was a GO sale of \$950 million of new money bonds. The sale included \$300 million of tax-exempt fixed rate bonds, \$300 million of taxable fixed rate bonds, and \$350 million of tax-exempt variable rate bonds. The third transaction was a TFA BARBs sale of \$750 million tax-exempt fixed rate new money bonds.

Chart 17. GO, TFA PIT, and TFA BARBs Issues, FY14 and FY15

(\$ in billions)

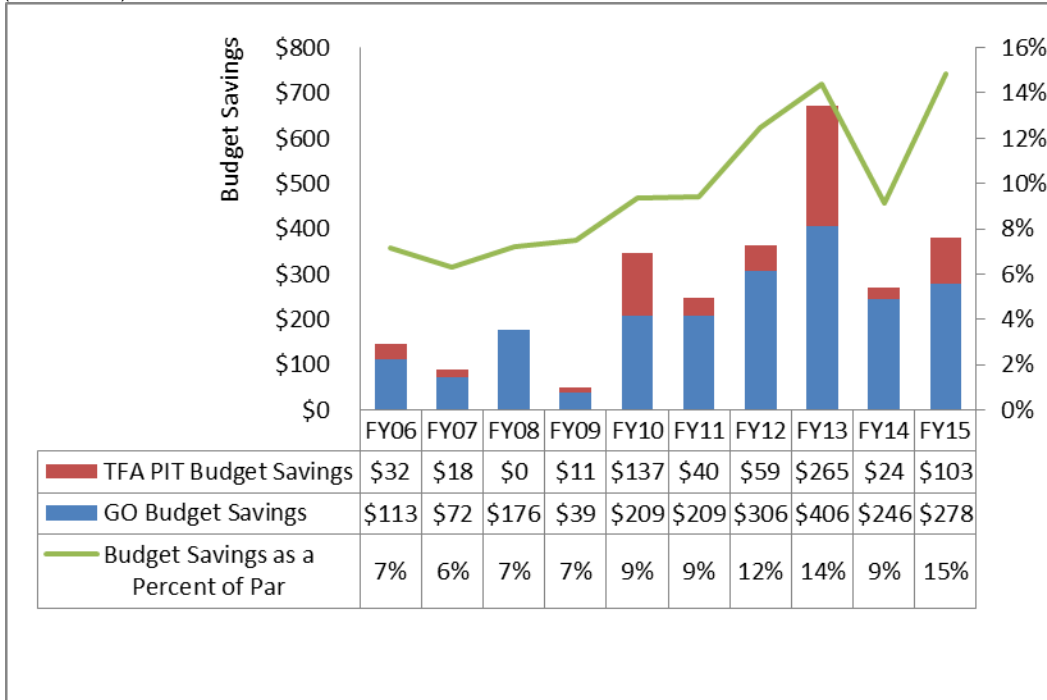


⁵ Prepared with the assistance of the Public Finance Division (NYC Comptroller's Office)

As shown in Chart 17, in FY15 New York City and TFA issued a combined total of \$8.01 billion in new money and refunding bonds, compared to \$8.04 billion in FY14. In FY15 the City refinanced \$2.57 billion in GO and TFA bonds, compared to \$2.96 billion in FY14.

Chart 18. Budget Savings from GO and TFA PIT Refundings, FY06 - FY15

(\$ in millions)



FY15 refundings produced \$381 million in budget relief over the life of the bonds, or \$338 million on a present value basis. As shown in the chart above, in FY15 the City achieved 15% budget savings, as a percentage of the refunding par. In other words, the refunding activity in FY15 was highly efficient relative to the City's recent experience in the fixed income market.

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