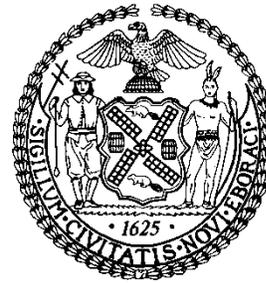


**The City Of New York
Office of the Comptroller**

**Scott M. Stringer
Comptroller**



QUARTERLY CASH REPORT

April - June 2014
Fourth Quarter of FY 2014

September 2014

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Summary

Cash Balances

4Q14 Results

At the end of the fourth quarter of FY14 (hereafter, 4Q14), the City recorded an unrestricted cash balance of \$9.858 billion, the highest year-end closing balance on record. This year's balance eclipsed the previous year by \$1.914 billion. The FY14 average cash balance of \$7.766 billion exceeded the FY13 average by \$1.807 billion. Total receipts in the quarter rose 3.5%, while expenditures rose 6.7%.

FY14 Prepayment

The City usually dedicates any year-end budgetary surplus to a prepayment of the following year's expenses. This transaction is typically conducted as a single cash transfer on or near the last day of the fiscal year. This year's prepayment, made on June 27, totaled \$1.983 billion, smaller than last year's prepayment of \$2.791 billion. The bigger portion of the prepayment, \$1.362 billion, was dedicated to FY15 Transitional Finance Authority (TFA) debt service payments. The remainder, \$621 million, was dedicated to FY15 general obligation (GO) debt service payments. In addition to the prepayment, the City also deposited \$864 million into the Retiree Health Benefits Trust (RHBT). Without these two payments, the City would have ended FY14 with \$12.704 billion of cash-on-hand.

FY14 Results

Throughout FY14, the City experienced strong cash balances. The average cash balance for FY14 measured \$7.779 billion, exceeding the previous year's average balance by \$1.820 billion, or 30.5%. The unrestricted cash balance reached levels not seen since FY07, with \$11.676 billion on March 28, 2014, compared to the \$8.929 billion on that date a year prior. Total receipts for FY14 rose 5.7%, to a new record of \$87.6 billion. Expenditures also reached a new record, up 5.5% compared to a year ago.

Cash Receipts

4Q14 Results

Total receipts in 4Q14 were the highest 4Q inflows on record, up 3.4% versus a year ago.

The City collected \$14.2 billion in tax revenues for 4Q14, up slightly compared to the same period last year. Tax receipts were strong across almost all categories, with the exception of the general corporation tax and the personal income tax, which declined 38.9% and 8.9% respectively.

The combined 4Q14 total of Federal and State Aid decreased 4.2%, due to the reduction in federal education aid and NYS welfare payments.

Net of reimbursements for capital expenditures (hereafter, CapEx), 4Q14 cash receipts rose 3.9% versus a year-ago.

FY14 Results

From FY10 through FY14, total cash receipts increased steadily, rising 14.4% over the five year period. During FY14, total cash receipts reached \$87.578 billion, an increase of \$4.7 billion from the previous year.

The five largest sources of cash in FY14 were: real property tax, personal income tax, NYS education aid, sales tax, and general corporation tax. These leading sources of cash accounted for 56.2% of total cash receipts in FY14.

“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. FY14 retention was significantly lower than in FY13 because of the larger prepayment of FY14 debt service. Prepayments of FY13 GO debt service totaled \$1.3 billion, \$1.4 billion less than prepayments of FY14 GO debt service. As a result, in FY13, real estate tax retention for GO debt service began close to the start of the fiscal year, on July 3, 2012, while FY14 real estate tax retention did not begin until January 2, 2014.

Tax receipts for FY14 totaled \$49.728 billion, an increase of 6.4% from the previous year. The fastest growing tax categories included mortgage and real property transfer taxes (up 28.0%), real property tax (up 8.9%), and sales tax (up 5.6%).

During FY14, the City received \$19.6 billion in federal and state aid, slightly less than in FY13. In FY14, the City received only \$973 million in State higher education payments, versus \$1.7 billion in FY13. \$320.4 million of NYS higher education aid originally scheduled to be remitted in June arrived on July 15, 2014, and the payment was not counted in the 4Q14 total.

Net of reimbursements for capital expenditures, FY14 cash receipts rose 6.5% versus a year ago.

Cash Expenditures

4Q14 Results

Cash expenditures, including capital expenditures, rose 6.7% during 4Q14, driven by 17.5% growth in PS spending and 4% growth in vendor-related spending. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, reached \$12.6 billion in 4Q14. Embedded in this number is the City’s FY14 payment to the NYC Retiree Health Benefits Trust Fund (RHBT). This year’s payment to the RHBT was made on June 27, 2014 and totaled \$2.015 billion, compared to

\$1.021 billion at the end of 4Q13. In addition to the \$2.015 billion, the City also deposited an additional \$864 million into the Retiree Health Benefits Trust (RHBT) on June 30, 2014.

FY14 Results

Total expenditures, including capital expenditures rose 5.5% versus a year ago, to a new record high of \$85.663 billion. Net cash expenditures (which exclude capital expenditures) rose 6.2% in FY14. Expenditure gains were driven by consistent increases in “other personnel services”, vendor-related spending, and “all other spending.”

Capital Expenditures (CapEx) and Reimbursements

4Q14 Results

Total 4Q14 CapEx declined 16.2% versus a year ago, driven by a 32.4% drop in the City - funded component. Non-city CapEx increased by 128.6%.

Reimbursements for CapEx in 4Q14 exceeded reimbursable expenditures, increasing cash balances by \$36 million.

FY14 Results

Total CapEx equaled \$7.887 billion in FY14 compared to the all-time-high of \$10.047 billion in FY10. The fourth annual decline in CapEx stems from a decrease in non-City component.

FY14 reimbursements for CapEx totaled \$7.527 billion and accounted for 11.8% of total cash receipts. Reimbursements exceeded reimbursable expenditures, increasing the cash balance by \$309 million. Over time, reimbursements and CapEx should offset each other.

Financings ¹

4Q14 Results

Two transactions closed in 4Q14. The first was a TFA sale of \$960 million of new money bonds. The sale included \$650 million of tax-exempt fixed-rate bonds, \$110 million of taxable fixed rate bonds, and \$200 million of tax-exempt variable rate bonds. The second was a refunding sale of \$1.018 billion of GO bonds. The refunding achieved \$117.6 million in budget savings over the life of the bonds, or more than \$110.6 million on a present-value basis.

FY14 Results

In FY14, New York City and TFA issued a combined total of \$8.04 billion in new money and refunding bonds, versus \$10.08 billion in FY13. Higher bond issuance volume in FY13

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.

was due to record-low interest rates. In FY14, the City refinanced \$2.96 billion in GO and TFA bonds, compared to \$4.67 billion in FY13.

FY14 refundings produced \$270 million in budget relief over the life of the bonds, or \$239 million on a present value basis. In FY14, the City achieved 9% budget savings, as a percentage of the refunding par.

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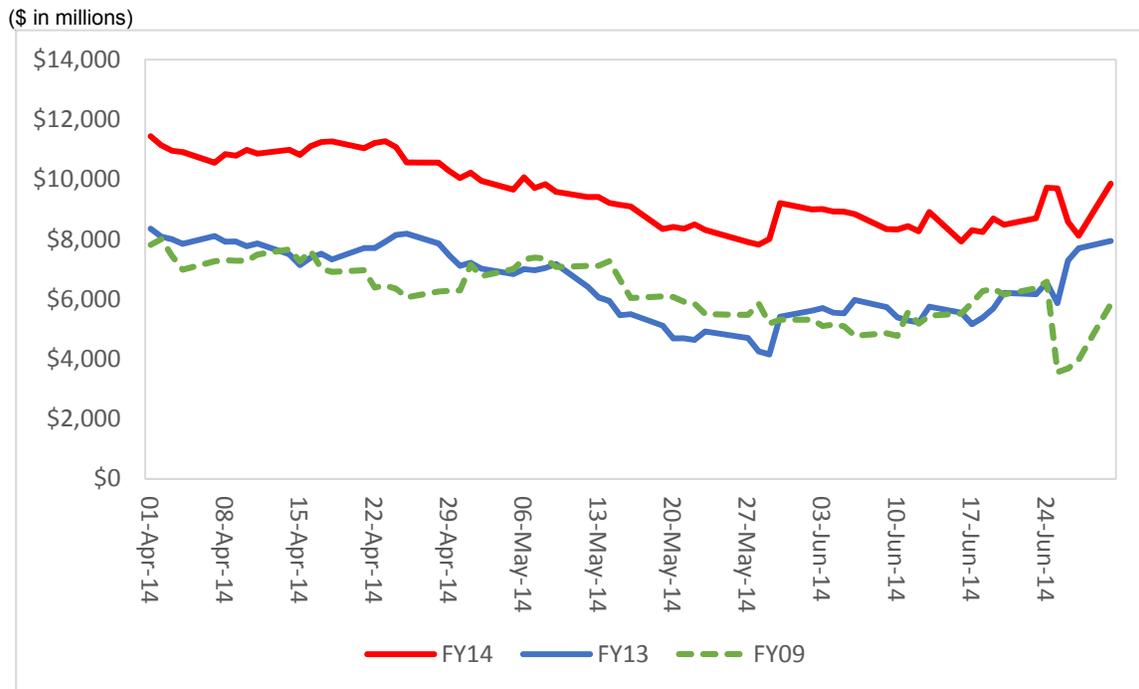
Rounding of Large Numbers in the Quarterly Cash Report

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

I. Cash Balances ²

April 2014 – June 2014 (4Q14)

Chart 1. Daily Cash Balances of the NYC Central Treasury, 4Q09, 4Q13, and 4Q14



At the end of 4Q14, the City recorded an unrestricted cash balance of \$9.858 billion, the highest year-end closing balance on record. This year's balance eclipsed the previous year by \$1.914 billion. The FY14 average cash balance of \$7.766 billion exceeded the FY13 average by \$1.807 billion. Total receipts in the quarter rose 3.5%, while expenditures rose 6.7%.

The City usually dedicates any year-end budgetary surplus to a prepayment of the following year's expenses. This transaction is typically conducted as a single cash transfer on or near the last day of the fiscal year. This year's prepayment, made on June 27, totaled \$1.983 billion, smaller than last year's prepayment of \$2.791 billion. The bigger portion of the prepayment, \$1.362 billion, was dedicated to FY15 Transitional Finance Authority (TFA) debt service payments. The remainder, \$621 million, was dedicated to FY15 general obligation (GO) debt service payments. In addition to the prepayment, the City also deposited \$864 million into the Retiree Health Benefits Trust (RHBT). Without these two payments, the City would have ended FY14 with \$12.704 billion of cash-on-hand.

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.

Table 1. Cash Position of the NYC Central Treasury, 4Q, FY05 -FY14

(\$ in millions)

	4Q05	4Q06	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14
Opening Balance	\$8,350	\$8,622	\$10,934	\$10,057	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448
Total Receipts	15,616	18,190	19,037	20,504	20,119	21,738	20,671	22,081	22,752	23,539
Total Expenditures ^a	17,136	20,426	25,498	25,573	22,042	23,322	23,731	23,526	23,562	25,129
Closing Balance ^b	\$6,830	\$6,386	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858
Avg. Daily Balance	\$8,206	\$7,924	\$9,755	\$9,440	\$6,273	\$5,506	\$6,362	\$5,534	\$6,520	\$9,586

a. Total expenditures include capital expenditures.

b. Before City audits

July 2013 - June 2014 (FY14)

Chart 2. Daily Cash Balances of the NYC Central Treasury, FY09, FY13, and FY14

(\$ in millions)

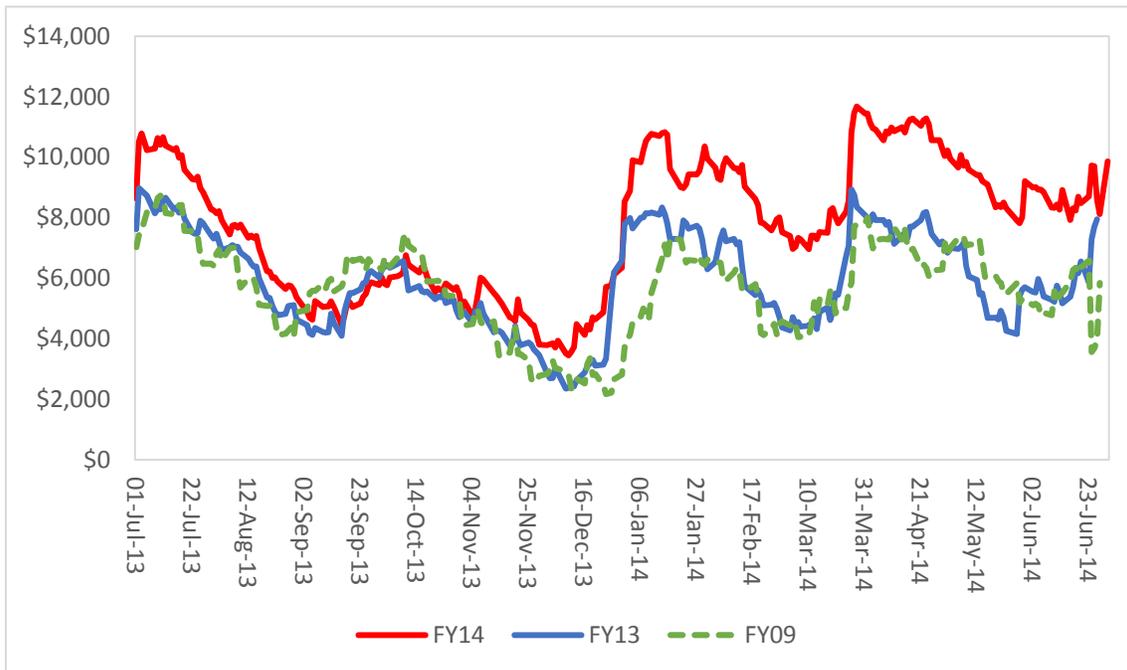


Table 2. Cash Position of the NYC Central Treasury, FY05 - FY14

(\$ in millions)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Opening Balance ^a	\$4,208	\$6,830	\$6,386	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944
Total Receipts	62,887	66,570	70,782	76,576	77,422	76,742	80,310	81,152	82,877	87,578
Total Expenditures ^b	60,265	67,014	72,696	76,061	76,571	77,977	79,874	79,895	81,231	85,664
Closing Balance ^a	\$6,830	\$6,386	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858
Avg. Daily Balance	\$5,439	\$7,149	\$7,293	\$6,849	\$5,663	\$5,102	\$5,053	\$5,146	\$5,959	\$7,779

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

Throughout FY14, the City experienced strong cash balances. The average cash balance for FY14 measured \$7.779 billion, exceeding the previous year's average balance by \$1.820 billion, or 30.5%. The unrestricted cash balance reached levels not seen since FY07, with \$11.676 billion on March 28, 2014, compared to the \$8.929 billion on that date a year prior. Total receipts for FY14 rose 5.7%, to a new record of \$87.6 billion. Expenditures also reached a new record, up 5.5% compared to a year ago.

II. Cash Receipts

April 2014 – June 2014 (4Q14)

Receipts at a Glance

Table 3. Cash Receipts by Category, 4Q, FY05 - FY14

(\$ in millions)

	4Q05	4Q06	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14
Real Property Tax	\$ 2,649	\$ 3,714	\$ 2,805	\$ 3,152	\$ 4,807	\$ 4,747	\$ 4,850	\$ 5,443	\$ 5,708	\$ 6,228
Other Taxes	5,998	6,573	7,095	7,560	5,806	5,920	7,090	7,014	8,408	8,008
<i>Total Taxes</i>	<i>8,647</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>
Federal and State Aid	3,669	3,744	4,623	4,256	4,471	5,316	4,627	4,486	5,179	4,959
Debt Service Funding	(363)	(646)	(166)	(251)	(282)	(307)	(615)	(534)	(701)	(512)
Miscellaneous	1,447	2,070	1,807	1,888	1,610	2,180	1,874	2,385	804	1,714
Intergovernmental Aid	10	0	0	0	0	0	0	6	0	0
Other	2,206	2,735	2,873	3,899	3,707	3,882	2,845	3,281	3,354	3,142
4Q Total	\$15,616	\$18,190	\$19,037	\$20,504	\$20,119	\$21,738	\$20,671	\$22,081	\$22,752	\$23,539
Total, Net of Reimbursement for CapEx	\$14,291	\$16,315	\$17,161	\$17,670	\$17,168	\$18,814	\$18,939	\$20,086	\$21,258	\$22,096

Total receipts in 4Q14 were the highest 4Q inflows on record, up 3.4% versus a year ago. Net of reimbursements for capital expenditures, 4Q14 cash receipts rose 3.9% versus a year-ago.

The City collected \$14.2 billion in tax revenues for 4Q14, up slightly compared to the same period last year. Tax receipts were strong across almost all categories, with the exception of the general corporation tax and the personal income tax, which declined 38.9% and 8.9% respectively.

Taxes ³

Table 4. Tax Receipts, 4Q09, 4Q13, and 4Q14

(\$ in millions)

	4Q09	4Q13	4Q14	% Change 4Q14/ 4Q09	% Change 4Q14/ 4Q13
Real Property Tax	\$ 4,807	\$ 5,708	\$ 6,228	29.6%	9.1%
Personal Income Tax	1,141	2,911	2,651	32.3	(8.9)
Sales Tax	1,209	1,695	1,780	47.2	5.0
Unincorporated Business Tax	733	836	875	19.4	4.7
General Corporation Tax	650	1,058	646	(0.6)	(38.9)
Mortgage and Real Property Transfer Taxes	200	448	565	182.5	26.1
STAR	696	422	424	(39.1)	0.5
Banking Corporation Tax	561	354	373	(33.5)	5.4
Commercial Rent Tax	149	176	182	22.1	3.4
Other Taxes	467	508	512	9.6	0.8
4Q Total	\$10,613	\$14,116	\$14,236	(34.1)%	0.9%

Table 5. Selected Cash Receipts, 4Q, FY10 - FY14

(\$ in millions)

	4Q10	4Q11	4Q12	4Q13	4Q14
Real Property Tax	\$4,747	\$4,850	\$5,443	\$5,708	\$6,228
Personal Income Tax	1,485	2,159	2,158	2,911	2,651
NYS Education Aid	3,261	2,096	2,355	2,087	2,404
Sales Tax	1,426	1,546	1,591	1,695	1,780
Unincorporated Business Tax	648	763	727	836	875
Federal Welfare	84	56	400	517	695
Federal Education Aid	782	1,107	568	879	668
General Corporation Tax	642	780	728	1,058	646
Mortgage and Real Property Transfer Taxes	241	305	367	448	565
STAR	497	392	400	422	424
Banking Corporation Tax	367	497	405	354	373
Fines and Forfeitures	242	253	285	222	310
NYS Welfare	81	425	489	483	292
Senior College Fees	395	402	250	255	230
Commercial Rent Tax	154	163	168	176	182

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, FY10 - FY14

(\$ in billions)

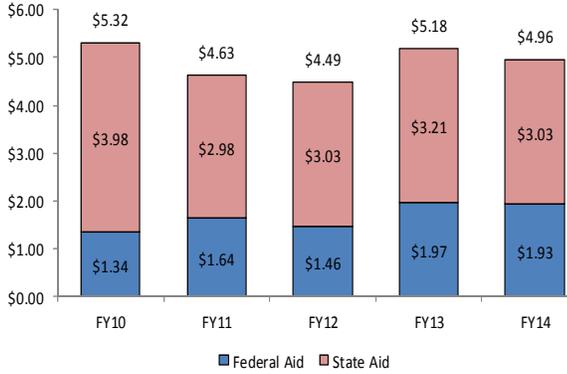


Chart 4. Federal & State Aid as % of Total Cash Receipts, 4Q, FY10 - FY14

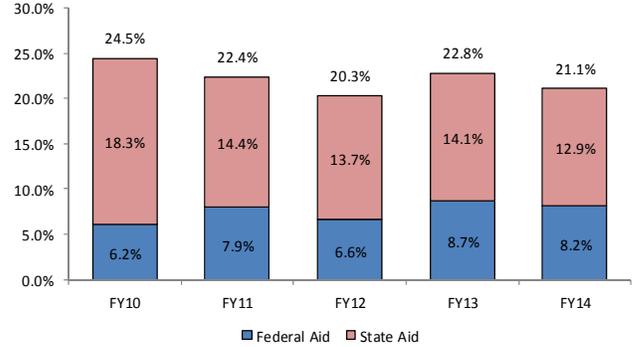


Chart 5. Components of State Aid, 4Q, FY10 - FY14

(\$ in billions)

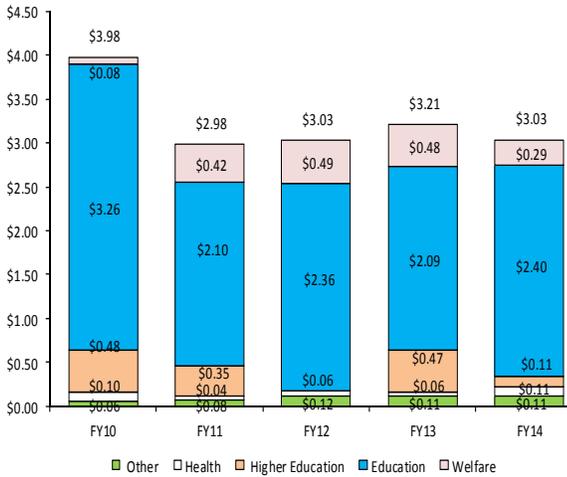
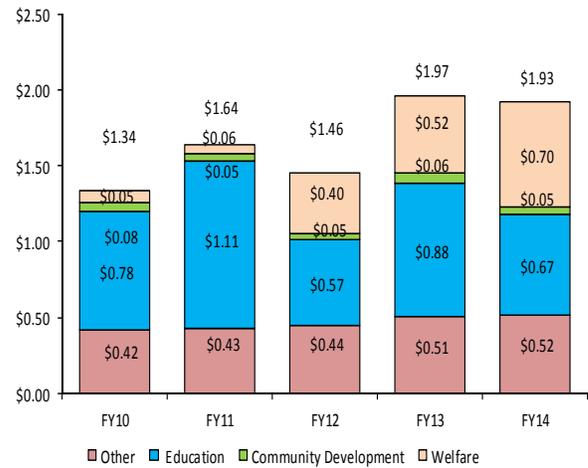


Chart 6. Components of Federal Aid, 4Q, FY10 - FY14

(\$ in billions)



The combined 4Q14 total of Federal and State Aid decreased 4.2%, due to a reduction in federal education aid and NYS welfare payments.

July 2013 - June 2014 (FY14)

Receipts at a Glance

Table 6. Cash Receipts by Category, FY05 - FY14

(\$ in millions)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Real Property Tax	\$12,523	\$14,413	\$12,649	\$13,867	\$16,427	\$16,313	\$17,272	\$18,862	\$19,252	\$20,967
Other Taxes	20,151	22,413	25,797	26,674	22,666	21,607	23,969	24,710	27,466	28,761
<i>Total Taxes</i>	<i>32,674</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>
Federal and State Aid	15,427	15,471	16,657	17,153	18,105	18,753	20,520	19,305	20,059	19,618
Debt Service Funding	(2,402)	(1,324)	(740)	(255)	(313)	(307)	(1,531)	(1,587)	(3,485)	(2,503)
Miscellaneous	6,414	5,489	5,888	6,439	6,007	6,901	6,486	7,123	5,779	7,053
Intergovernmental Aid	2,259	609	328	10	228	280	14	7	1	1
Other	8,515	9,499	10,203	12,688	14,302	13,195	13,580	12,732	13,805	13,681
Total	\$62,887	\$66,570	\$70,782	\$76,576	\$77,422	\$76,742	\$80,310	\$81,152	\$82,877	\$87,578
Total, Net of Reimbursement for CapEx	\$57,740	\$61,071	\$65,256	\$68,375	\$66,940	\$67,416	\$70,850	\$73,098	\$75,179	\$80,053

From FY10 through FY14, total cash receipts increased steadily, rising 14.4% over the five year period. During FY14, total cash receipts reached \$87.578 billion, an increase of \$4.7 billion from the previous year. Net of reimbursements for capital expenditures, FY14 cash receipts rose 6.5% versus a year ago.

The five largest sources of cash in FY14 were: real property tax, personal income tax, NYS education aid, sales tax, and general corporation tax. These leading sources of cash accounted for 56.2% of total cash receipts in FY14.

“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. FY14 retention was significantly lower than in FY13 because of the larger prepayment of FY14 debt service. Prepayments of FY13 GO debt service totaled \$1.3 billion, \$1.4 billion less than prepayments of FY14 GO debt service. As a result, in FY13, real estate tax retention for GO debt service began close to the start of the fiscal year, on July 3, 2012, while FY14 real estate tax retention did not begin until January 2, 2014.

Taxes⁴

Table 7. Tax Receipts, FY09, FY13, and FY14

(\$ in millions)

	FY09	FY13	FY14	% Change FY14/ FY09	% Change FY14/ FY13
Real Property Tax	\$16,427	\$19,252	\$20,967	27.6%	8.9%
Personal Income Tax	6,614	9,200	9,566	44.6	4.0
Sales Tax	4,585	6,109	6,454	40.8	5.6
General Corporation Tax	3,393	3,756	3,701	9.1	(1.5)
Mortgage and Real Property Transfer Taxes	1,391	1,843	2,359	69.6	28.0
Unincorporated Business Tax	1,944	1,974	2,077	6.8	5.2
Banking Corporation Tax	1,616	1,595	1,533	(5.1)	(3.9)
STAR	1,188	829	837	(29.5)	1.0
Commercial Rent Tax	608	715	747	22.9	4.5
Other Taxes	1,327	1,445	1,487	12.1	2.9
Total	\$39,093	\$46,718	\$49,728	27.2%	6.4%

Tax receipts for of FY14 totaled \$49.728 billion, an increase of 6.4% from the previous year. The fastest growing tax categories included: mortgage and real property transfer taxes (up 28.0%), real property tax (up 8.9%), and sales tax (up 5.6%).

Table 8. Selected Cash Receipts, FY10 - FY14

(\$ in millions)

	FY10	FY11	FY12	FY13	FY14
Real Property Tax	\$16,313	\$17,272	\$18,862	\$19,252	\$20,967
Personal Income Tax	6,851	7,619	8,000	9,200	9,566
NYS Education Aid	7,861	7,974	8,289	7,981	8,540
Sales Tax	4,911	5,575	5,830	6,109	6,454
General Corporation Tax	2,953	3,396	3,277	3,756	3,701
Federal Welfare	2,091	2,769	2,749	3,440	3,188
Mortgage and Real Property Transfer Taxes	904	712	1,457	1,843	2,359
Unincorporated Business Tax	1,682	1,814	1,780	1,974	2,077
Federal Education Aid	2,381	2,965	1,923	1,705	1,826
Banking Corporation Tax	1,457	1,622	1,476	1,595	1,533
NYS Welfare	1,930	2,229	2,190	1,556	1,463
Water and Sewer	1,607	1,243	1,399	1,452	1,361
Fines and Forfeitures	963	979	1,064	1,005	1,012
NYS Higher Education Aid	1,538	1,564	853	1,689	973
Senior College Fees	958	782	857	904	945

During FY14, the City received \$19.6 billion in federal and state aid, slightly less than in FY13. In FY14, the City received only \$973 million in State higher education payments, versus \$1.7 billion in FY13. \$320.4 million of NYS higher education aid originally scheduled to be remitted in June arrived on July 15, 2014, and the payment was not counted in the 4Q14 total.

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, FY10 - FY14

(\$ in billions)

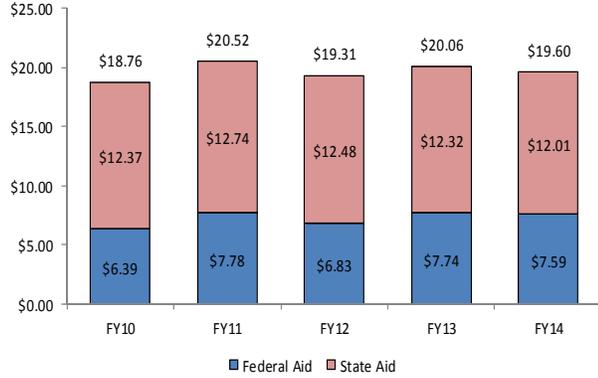


Chart 8. Federal & State Aid as % of Total Cash Receipts, FY10 - FY14

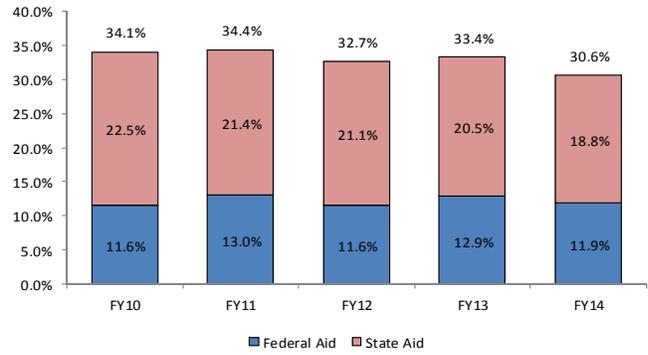


Chart 9. Components of State Aid, FY10 - FY14

(\$ in billions)

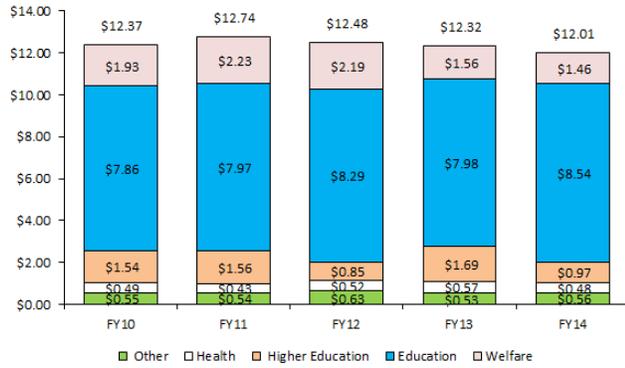
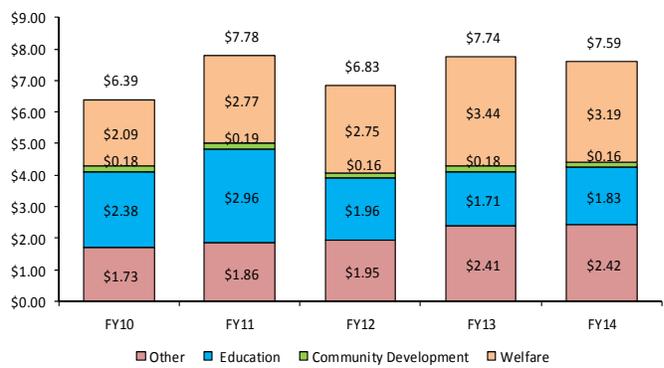


Chart 10. Components of Federal Aid, FY10 - FY14

(\$ in billions)



III. Cash Expenditures (Including Capital)

April 2014 – June 2014 (4Q14)

Cash Expenditures at a Glance

Table 9. PS & OTPS, 4Q, FY05 - FY14

(\$ in millions)

	4Q05	4Q06	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14
Gross Payroll	\$ 4,354	\$ 5,198	\$ 5,402	\$ 5,484	\$ 5,704	\$ 6,077	\$ 5,952	\$ 5,783	\$ 5,835	\$ 5,986
Other PS	2,246	3,550	5,334	4,180	4,201	4,509	4,737	5,271	4,904	6,637
Total PS	\$ 6,600	\$ 8,748	\$10,736	\$ 9,664	\$ 9,905	\$10,586	\$10,689	\$11,054	\$10,739	\$12,623
% of 4Q Total Exp	39%	43%	42%	38%	45%	45%	45%	47%	46%	50%
Public Assistance	\$533	\$582	\$529	\$552	\$568	\$591	\$584	\$588	\$599	\$544
Medical Assistance	1,142	1,108	1,140	1,030	971	1,177	1,340	1,537	1,660	1,514
Other Social Services	376	426	629	501	538	575	564	584	563	567
Vendor and Other	2,957	3,281	3,753	3,603	3,446	3,378	3,901	4,481	4,450	4,627
Total OTPS	\$ 5,008	\$ 5,397	\$ 6,051	\$ 5,686	\$ 5,523	\$ 5,721	\$ 6,389	\$ 7,190	\$ 7,272	\$ 7,252
% of 4Q Total Exp	29%	26%	24%	22%	25%	25%	27%	31%	31%	29%
All Other	\$ 5,528	\$ 6,281	\$ 8,711	\$10,223	\$ 6,614	\$ 7,015	\$ 6,653	\$ 5,282	\$ 5,551	\$ 5,254
% of Total Exp	32%	31%	34%	40%	30%	30%	28%	22%	23%	21%
Total Expenditures	\$17,136	\$20,426	\$25,498	\$25,573	\$22,042	\$23,322	\$23,731	\$23,526	\$23,562	\$25,129
Total Expenditures Net of CapEx	\$16,019	\$18,836	\$23,689	\$22,990	\$19,317	\$20,763	\$21,892	\$21,561	\$21,716	\$23,583

Cash expenditures, including capital expenditures, rose 6.7% during 4Q14, driven by 17.5% growth in PS spending and 4% growth in vendor-related spending. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, reached \$12.6 billion in 4Q14. Embedded in this number is the City's FY14 payment to the NYC Retiree Health Benefits Trust Fund (RHBT). This year's payment to the RHBT was made on June 27, 2014 and totaled \$2.015 billion, compared to \$1.021 billion at the end of 4Q13. In addition to the \$2.015 billion, the City also deposited an additional \$864 million into the Retiree Health Benefits Trust (RHBT) on June 30, 2014.

“All Other” Spending

Table 10. Major Components of “All Other” Spending, 4Q13 & 4Q14

(\$ in millions)

	4Q13	4Q14	Difference
Transit Authority	\$ 32	\$ 30	\$ (2)
Housing Authority	0	18	18
Lump Sum Payments	615	565	(50)
HHC	172	222	50
Refunds	167	241	74
City-Funded Capital	1,662	1,124	(538)
Non-City Funded Capital	185	423	238
F-700 Adjustment	(72)	649	721
Prepayment of expenses for next FY	2,791	1,983	(808)

Table 11. Cash Payments of Future Years’ Expenditures, 4Q, FY10 - FY14

(\$ in millions)

	4Q10	4Q11	4Q12	4Q13	4Q14
General Obligation Debt Service	\$2,888	\$2,784	\$1,341	\$2,727	\$621
NYC TFA Debt Service	371	790	708	0	1,362
Lease Payments	0	0	155	0	0
Payments to the Transit Authority	137	0	0	0	0
Payments to the Metropolitan Transportation Authority	82	0	0	0	0
Payments to the Libraries	164	164	65	64	0
Payments to the Health and Hospitals Corporation	0	0	0	0	0
Prepayments of Outstanding Debt	0	0	0	0	0
Defeasance of Debt	0	0	170	0	0
Total	\$3,642	\$3,738	\$2,439	\$2,791	\$1,983

This year’s prepayment totaled \$1.983 billion. It was smaller than last year’s prepayment of \$2.791 billion.

July 2013 - June 2014 (FY14)

Cash Expenditures at a Glance

Table 12. PS and OTPS, FY10 - FY14

(\$ in millions)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Gross Payroll	\$18,348	\$21,329	\$20,913	\$21,767	\$23,813	\$23,510	\$23,820	\$23,693	\$23,894	\$24,227
Other PS	8,393	10,858	12,495	12,103	12,756	13,821	14,346	15,230	15,349	17,445
FY Total PS	\$26,741	\$32,187	\$33,408	\$33,870	\$36,569	\$37,331	\$38,166	\$38,923	\$39,243	\$41,672
% of Total FY Exp	44.4%	48.0%	45.9%	44.5%	47.8%	47.9%	47.8%	48.7%	48.3%	48.6%
Public Assistance	2,508	2,448	2,162	2,186	\$ 2,337	\$ 2,594	\$ 2,496	\$ 2,394	\$ 2,392	\$ 2,411
Medical Assistance	4,352	4,333	4,933	4,986	4,660	4,652	4,912	5,936	5,987	5,831
Other Social Services	1,926	1,985	2,474	2,990	2,415	2,456	2,426	2,359	2,404	2,368
Vendor and Other	11,240	12,454	13,464	13,962	13,977	13,668	15,157	15,973	16,577	17,559
FY Total OTPS	\$20,026	\$21,220	\$23,033	\$23,424	\$23,389	\$23,370	\$24,991	\$26,662	\$27,360	\$28,169
% of Total FY Exp	33.2%	31.7%	31.7%	30.8%	30.5%	30.0%	31.3%	33.4%	33.7%	32.9%
All Other	\$13,497	\$13,606	\$16,255	\$18,767	\$16,613	\$17,296	\$16,715	\$14,310	\$14,627	\$15,822
% of Total FY Exp	22.4%	20.3%	22.4%	24.7%	21.7%	22.2%	20.9%	17.9%	18.0%	18.5%
FY Total Expenditures	\$60,264	\$67,013	\$72,696	\$76,061	\$76,571	\$77,977	\$79,874	\$79,895	\$81,231	\$85,663
Total Expenditures Net of CapEx	\$54,904	\$60,871	\$66,148	\$67,745	\$67,138	\$67,930	\$70,705	\$71,653	\$73,230	\$77,776

Total expenditures, including capital expenditures rose 5.5% versus a year ago, to a new record high of \$85.663 billion. Net cash expenditures (which exclude capital expenditures) rose 6.2% in FY14. Expenditure gains were driven by consistent increases in “other personnel services”, vendor-related spending, and “all other spending.”

“All Other” Spending

Table 13. Major Components of “All Other” Spending, FY13 & FY14

(\$ in millions)

	FY13	FY14	Difference
Transit Authority	\$327	\$308	\$(19)
Housing Authority	1	49	48
Lump Sum Payments	2,115	2,466	351
HHC	739	874	135
Refunds	836	1,040	204
City-Funded Capital	6,494	6,938	444
Non-City Funded Capital	1,508	950	(558)
F-700 Adjustment	(182)	1,216	1,398
Prepayment of expenses for next FY	2,791	1,983	(808)

IV. Capital Expenditures and Reimbursements

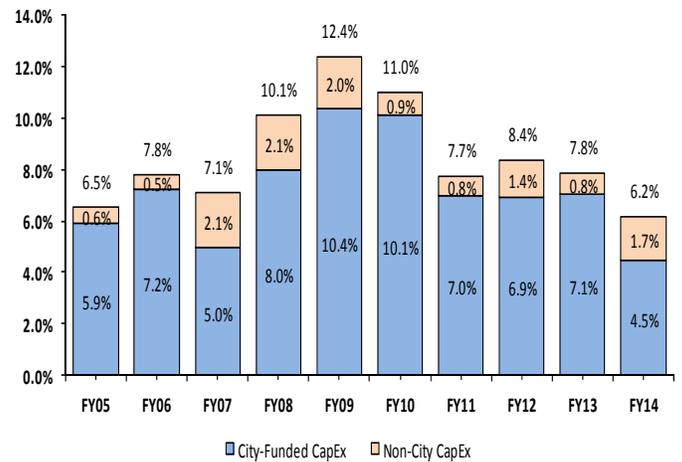
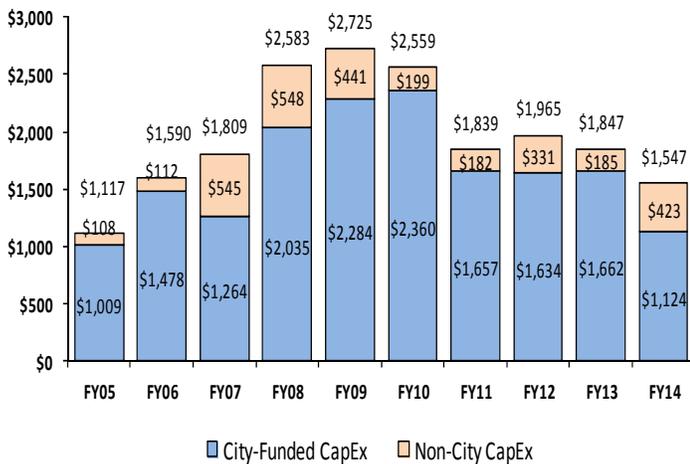
City-funded capital expenditures are primarily financed from the proceeds of general obligation (GO), New York City Transitional Finance Authority (TFA), and New York City Municipal Water Finance Authority (NY Water) debt. Beginning in the 2Q07, non-City-funded capital expenditures for education were 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 NYC central treasury and then reimbursed from various capital accounts and State sources.

April - June 2014 (4Q14)

Chart 11. Total CapEx, 4Q, FY05 -FY14

Chart 12. Total CapEx as % of Total Expenditures, 4Q, FY05 - FY14

(\$ in millions)



Total 4Q14 CapEx declined 16.2% versus a year ago, driven by a 32.4% drop in the City - funded component. Non-city CapEx increased by 128.6%.

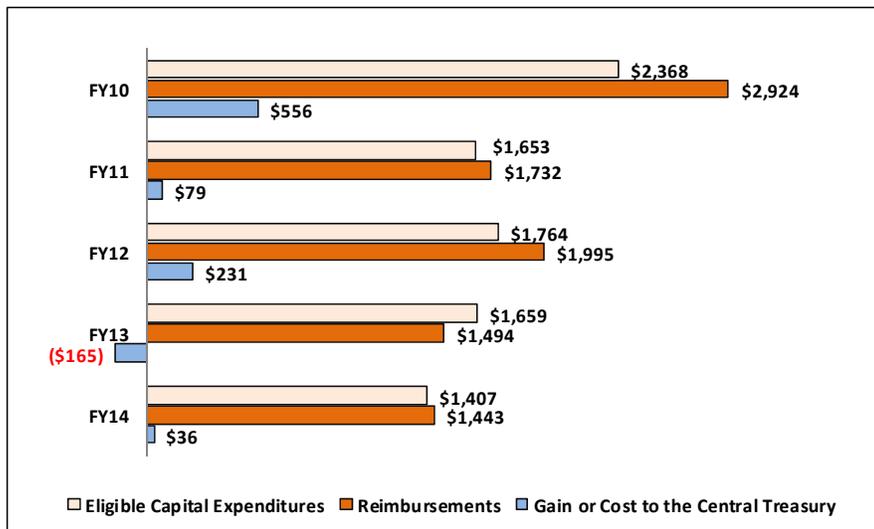
Table 14. Reimbursements to the NYC Central Treasury for CapEx, 4Q, FY05 - FY14

(\$ in millions)

	4Q05	4Q06	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	Total
GO	\$718	\$1,219	\$389	\$1,160	\$1,745	\$1,049	\$228	\$914	\$689	\$595	\$8,706
NY Water	598	645	955	690	581	670	687	577	420	401	6,224
TFA	0	0	272	7	0	1,205	817	478	385	447	3,611
<i>Sub-total</i>	<i>1,316</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>18,541</i>
TFA Building Aid	0	0	87	490	622	0	0	26	0	0	1,225
DASNY	0	0	173	487	3	0	0	0	0	0	663
<i>Sub-total</i>	<i>0</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>1,888</i>
Other	9	11	0	0	0	0	0	0	0	0	20
Total	\$1,325	\$1,875	\$1,876	\$2,834	\$2,951	\$2,924	\$1,732	\$1,995	\$1,494	\$1,443	\$20,449
4Q Reimbursable Capital Expenditures	\$1,005	\$1,475	\$1,646	\$2,418	\$2,552	\$2,368	\$1,653	\$1,764	\$1,659	\$1,407	\$17,947
4Q Reimbursements Less 4Q Reimbursable Capital Expenditures	\$320	\$400	\$230	\$416	\$399	\$556	\$79	\$231	(\$165)	\$36	\$2,502
4Q Reimbursements as a % of 4Q Reimbursable Capital Expenditures	131.8%	127.1%	113.9%	117.2%	115.6%	123.5%	104.8%	113.1%	90.1%	102.6%	113.9%
4Q Reimbursements as a % of 4Q Total Receipts	8.5%	10.3%	9.9%	13.8%	14.7%	13.5%	8.4%	9.0%	6.6%	6.1%	10.0%

Chart 13. Bond-Funded Reimbursements for Eligible CapEx, 4Q, FY10 - FY14

(\$ in millions)



Reimbursements for CapEx in the 4Q14 exceeded reimbursable expenditures, increasing cash balances by \$36 million.

July 2013 - June 2014 (FY14)

Chart 14. Total CapEx, FY05 -FY14

(\$ in millions)

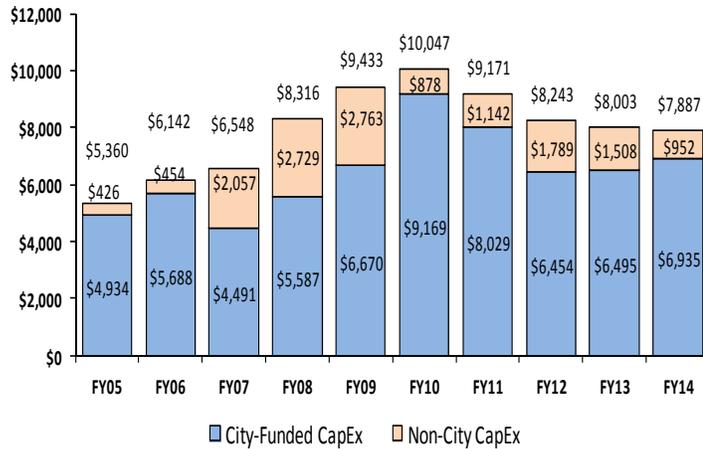
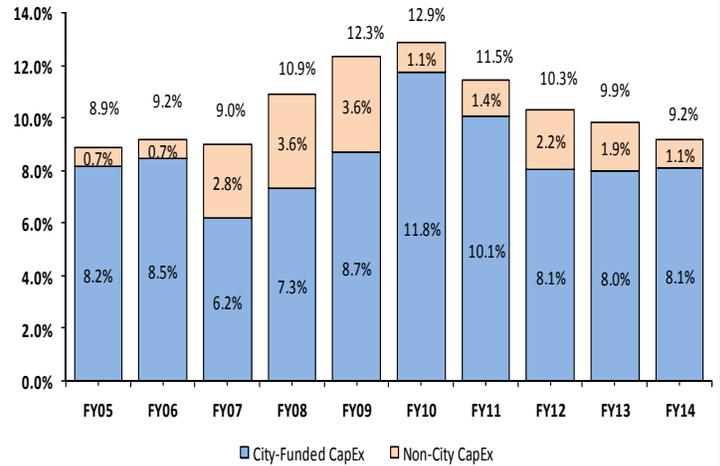


Chart 15. Total CapEx as % of Total Expenditures, FY05 - FY14



Total CapEx equaled \$7.887 billion in FY14 compared to the all-time-high of \$10.047 billion in FY10. The fourth annual decline in CapEx stems from a decrease in non-City component.

Table 15. Reimbursements to the NYC Central Treasury for CapEx, FY05 - FY14

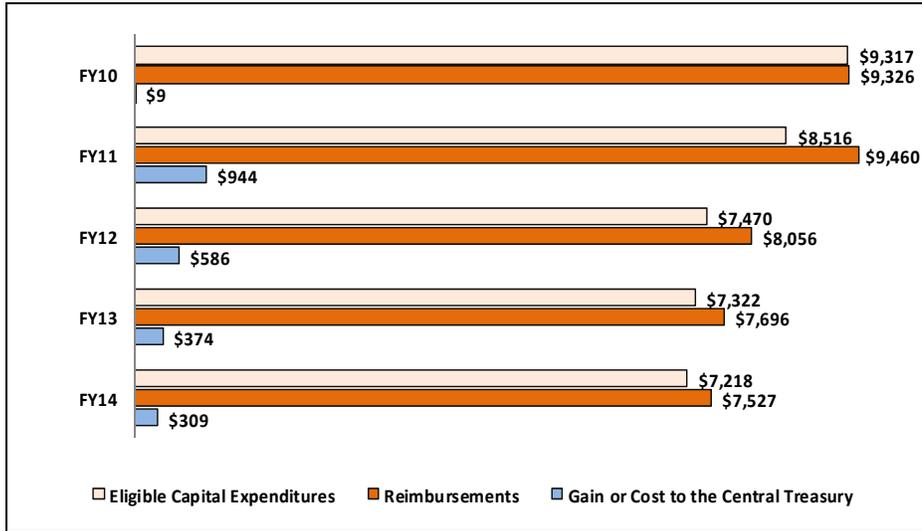
(\$ in millions)

	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	Total
GO	\$3,385	\$3,833	\$1,060	\$3,339	\$5,255	\$3,304	\$2,799	\$2,560	\$1,587	\$2,307	\$29,429
NY Water	1,698	1,652	1,865	2,150	2,571	2,689	2,965	2,268	1,858	1,644	21,360
TFA	0	0	1,512	531	14	3,145	3,344	2,223	3,294	3,576	17,639
<i>Sub-total</i>	<i>5,083</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>68,428</i>
TFA Building Aid	0	0	620	1229	2271	182	352	1005	957	0	6,616
DASNY	0	0	470	952	371	6	0	0	0	0	1,799
<i>Sub-total</i>	<i>0</i>	<i>0</i>	<i>1090</i>	<i>2181</i>	<i>2642</i>	<i>188</i>	<i>352</i>	<i>1005</i>	<i>957</i>	<i>0</i>	<i>8,415</i>
Other	63	13	0	0	0	0	0	0	0	0	76
Total	\$5,146	\$5,498	\$5,527	\$8,201	\$10,482	\$9,326	\$9,460	\$8,056	\$7,696	\$7,527	\$76,919
FY Reimbursable Capital Expenditures	\$4,921	\$5,679	\$5,969	\$7,867	\$8,828	\$9,317	\$8,516	\$7,470	\$7,322	\$7,218	\$73,107
FY Reimbursements Less FY Reimbursable Capital Expenditures	\$225	(\$181)	(\$442)	\$334	\$1,654	\$9	\$944	\$586	\$374	\$309	\$3,812
FY Reimbursements as a % of FY Reimbursable Capital Expenditures	104.6%	96.8%	92.6%	104.2%	118.7%	100.1%	111.1%	107.8%	105.1%	104.3%	105.2%
FY Reimbursements as a % of FY Total Receipts	10.9%	11.4%	10.7%	14.6%	18.3%	17.0%	15.9%	13.6%	12.8%	11.8%	10.1%

FY14 reimbursements for CapEx totaled \$7.527 billion and accounted for 11.8% of total cash receipts. Reimbursements exceeded reimbursable expenditures, increasing the cash balance by \$309 million. Over time, reimbursements and CapEx should offset each other.

Chart 16. Bond-Funded Reimbursements for Eligible CapEx, FY10 - FY14

(\$ in millions)



V. Financings ⁵

Table 16. GO, TFA PIT, and TFA BARBs Bond Issuance, 4Q14

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	Total Par
4/29/2014	TFA PIT 2014 D	New Money	\$650.00	\$110.00	\$200.00	\$960.00
6/23/2014	GO 2014 JK	Refunding	1018.04	0.00	0.00	1018.04

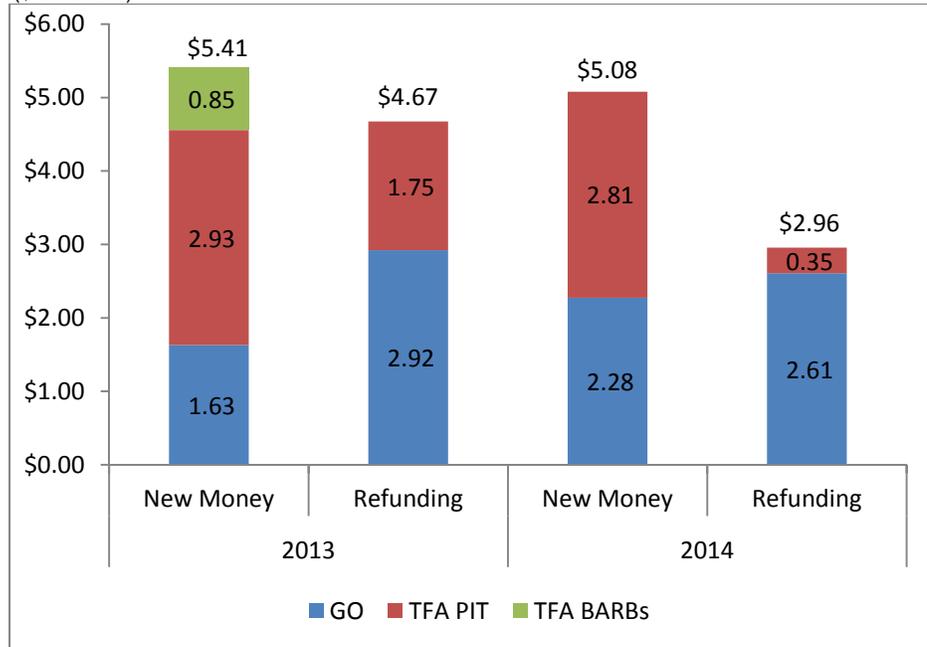
The table excludes conversions or re-offerings.

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

Two transactions closed in 4Q14. The first was a TFA PIT sale of \$960 million of new-money bonds. The sale included \$650 million of tax-exempt fixed-rate bonds, \$110 million of taxable fixed rate bonds, and \$200 million of tax-exempt variable rate bonds. The second was a refunding sale of \$1.018 billion of GO bonds. The refunding achieved \$117.6 million in budget savings over the life of the bonds, or more than \$110.6 million on a present-value basis.

Chart 17. GO, TFA PIT, and TFA BARBs Issues, FY13 and FY14

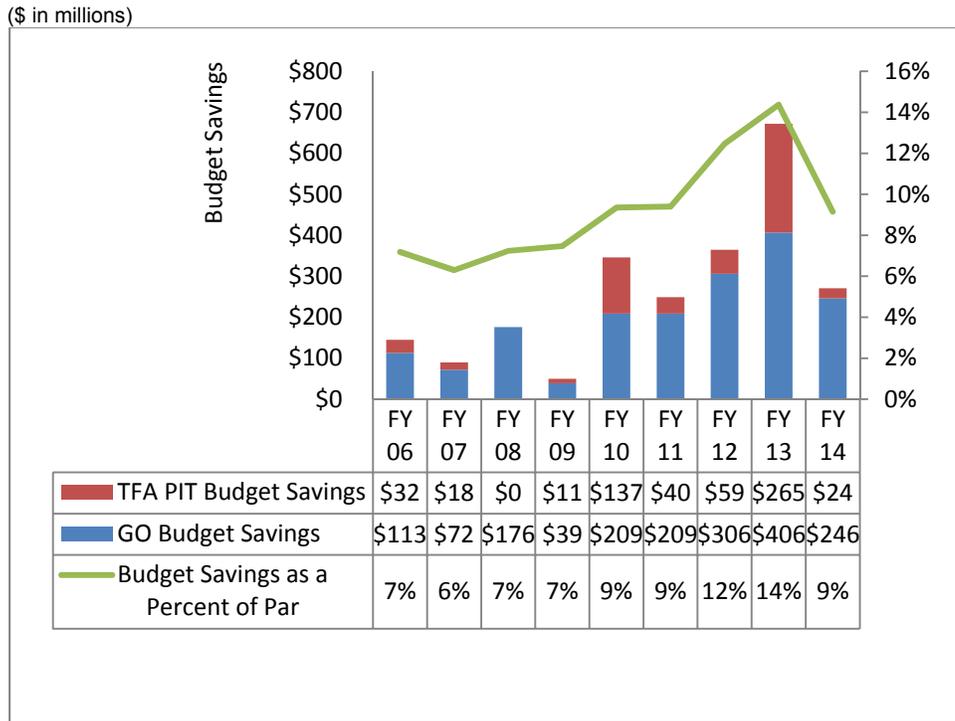
(\$ in billions)



⁵ We gratefully acknowledge the assistance of the Public Finance Division (NYC Comptroller's Office) in the preparation of the Financings section of this report.

As shown in Chart 17, in FY14 New York City and TFA issued a combined total of \$8.04 billion in new-money and refunding bonds, versus \$10.08 billion in FY13. Higher bond issuance volume in FY13 was due to the record-low interest rates. In FY14, the City refinanced \$2.96 billion in GO and TFA bonds, compared to \$4.67 billion in FY13.

Chart 18. Budget Savings from GO and TFA PIT Refundings, FY06 - FY14



FY14 refundings produced \$270 million in budget relief over the life of the bonds, or \$239 million on a present value basis. As shown in Chart 18, in FY14 the City achieved 9% budget savings, as a percentage of the refunding par.

Published by The New York City Office of the Comptroller, Bureau of Financial Analysis

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