



Office of the
New York City Comptroller

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Bureau of Budget

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QUARTERLY CASH REPORT

April - June 2017

Fourth Quarter of Fiscal Year 2017

September 2017

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Summary

Cash Balances

4Q17 Results

At the close of 4Q17, the City recorded an unrestricted cash balance of \$9.341 billion, compared to \$11.719 billion last year, \$9.502 billion in FY15, \$9.858 billion in FY14, and \$7.944 billion in FY13. The 4Q17 average cash balance of \$9.398 billion fell below the 4Q16 average by \$2.663 billion. Total receipts in the quarter rose 2.5%, while expenditures rose 3.9%.

FY17 Prepayment

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 \$4.169 billion, compared to \$3.994 billion at the end of FY16. The prepayment consisted of \$1.560 billion of general obligation (GO) debt service, \$1.909 billion of Transitional Finance Authority (TFA) debt service, \$400 million of advance subsidy to Retiree Health Benefits Trust Fund (RHBT), and \$300 million of advance subsidy to Health + Hospitals (H + H). In addition to the prepayment, the City deposited \$100 million into RHBT above the amount required for FY17 pay-as-you-go retiree health benefits. Without prepayments, the City would have ended FY17 with \$13.610 billion of cash-on-hand.

FY17 Results

FY17 cash balances declined from record-breaking balances last year, but they were still very strong compared to historical levels. The average cash balance for FY17 measured \$9.512 billion, compared to \$10.684 billion last year, \$9.460 billion in FY15, \$7.779 billion in FY14, and \$5.959 billion in FY13.

Total receipts in FY17 declined 2.2%. Meanwhile, expenditures reached a new record, up 2.5% compared to a year ago. Once again, as in FY05-FY16, there was no need for the City to borrow short-term for operations.

Cash Receipts

4Q17 Results

Total receipts in 4Q17 were the highest 4Q inflows on record, up 2.5% versus a year ago. Net of reimbursements for capital expenditures, 4Q17 cash receipts rose 4.3% versus a year ago.

The City collected \$16.7 billion in tax revenues for 4Q17, compared to \$15.9 billion at the same time last year. During the quarter, real property and sales tax collections increased

17.2% and 2.8%, respectively. Commercial rent tax was up 22.3% and general corporation tax rose 17.5%. Meanwhile, unincorporated business tax declined 18% and mortgage and real property transfer taxes fell 12.4%. Personal income tax was down 2.2%.

During 4Q17 the City received \$6.2 billion in Federal and State aid, up 11.5% compared to 4Q16. The growth in Federal and State aid was mostly due to increases in State education aid, State higher education aid, and Federal education aid.

FY17 Results

During FY17, total cash receipts measured \$96.066 billion, a decrease of \$2.2 billion from the previous year. Net of reimbursements for capital expenditures, FY17 cash receipts decreased 2.2% versus a year ago.

The five largest sources of cash in FY17 were: real property tax, personal income tax, NYS education aid, sales tax, and general corporation tax. These leading sources of cash accounted for 60.7% of total cash receipts in FY17.

“Debt Service Funding” includes retention of personal income and real property taxes for GO and TFA PIT debt service payments. Debt service funding is counted as a negative inflow (rather than a positive expense), offsetting the total cash receipts figure. FY17 debt service funding equaled \$2.4 billion compared to only \$120 million in FY16. In FY16, the debt service funding was very low because the Office of the New York State Comptroller released \$1.186 billion back to the City after it had over-retained \$2.3 billion in real estate revenue in June 2015 for debt service payments through October 2015.

Tax receipts for FY17 totaled \$56.3 billion, an increase of 1.9% from the previous year. Real property tax collections rose 7.8%, and PIT receipts increased 2.3%. Sales tax fell 4%, in part due to the State intercept of sales tax revenue to recoup savings from refinancing the State-backed Sales Tax Asset Receivable Corporation (STARC) bonds. The State’s FY 2016-17 Adopted Budget included a provision that authorizes a three-year sales tax revenue intercept to recapture benefits accrued to the City from refinancing STARC bonds. Beginning in May 2016, the State is authorized to retain \$16.7 million from the City’s sales tax each month, for a total of \$50 million per quarter. The largest drag on tax receipts was NYS School Tax Relief program (STAR), which slipped 54.7% versus a year ago. 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. Beginning in tax year 2016, the NYC PIT payers have this credit applied to their NYS taxes and the reimbursement payment has been eliminated. The banking corporation tax fell 45.9%. Beginning in tax year 2015, the general corporation tax and the banking corporation tax merged. All New York City C-corporations now pay under the general corporation tax.

During FY17, the City received \$21.4 billion in Federal and State aid, compared to \$20.8 billion in FY16. In FY17, the NYS education aid rose 5.4% and NYS higher education aid increased 19.8% compared to a year ago.

Cash Expenditures

4Q17 Results

Cash expenditures, including capital expenditures, rose 3.9% during 4Q17. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, reached \$14.1 billion in 4Q17. Embedded in this number is the City's FY17 payment to the NYC Retiree Health Benefits Trust (RHBT). This year's payment to the RHBT equaled \$2.258 billion, versus \$2.160 billion in FY16 and \$1.988 billion in FY15. For the fourth year in a row, the City also added funds into the RHBT above the amount required for FY17 pay-as-you-go retiree health benefits. This year's additional contribution was \$100 million, compared to \$500 million in FY16 and \$955 million in FY15. OTPS spending increased 11.9% compared to a year ago. Other social services increased 16.4%, followed by vendor and other payments (up 13.4%), and public assistance (up 11.4%).

FY17 Results

Total expenditures, including capital expenditures, rose 2.5% versus a year ago, to a new record high of \$98.444 billion. Net cash expenditures (which exclude capital expenditures) rose 2.4% in FY17. Personal service expenditures increased 2.3% versus a year ago. Gross payroll increased 2.7% and spending on fringe benefits rose 1.8%. Meanwhile, other-than-personal-service expenditures (OTPS) increased 6.8% versus a year ago, mostly due to a \$2 billion increase in vendor and other payments. Outlays considered "All Other" decreased 4.2%, due to slower Non-City-funded capital spending and the outflow of cash from the restricted Fund 700 account.

Capital Expenditures (CapEx) and Reimbursements

4Q17 Results

CapEx totaled \$1.761 billion in 4Q17, up 1.3% from \$1.738 billion in 4Q16. City-funded CapEx increased 9.2% while Non-City-funded CapEx declined 31.8%.

Reimbursements for CapEx in 4Q17 were lower than reimbursable expenditures, decreasing the cash balance by \$4 million.

FY17 Results

Total CapEx equaled \$8.201 billion in FY17, up 3.3% from \$7.937 billion in FY16. The City-funded component increased 11.9% while the Non-City-funded component declined 24.9%.

FY17 reimbursements for CapEx totaled \$7.625 billion and accounted for 7.9% of total cash receipts. Reimbursements during the fiscal year exceeded reimbursable expenditures,

increasing the cash balance by \$237 million. Over time, reimbursements and CapEx should offset each other.

Financings

4Q17 Results

Two new money transactions closed in 4Q17. The first was a TFA sale of \$800 million of tax-exempt fixed rate bonds and \$300 million of taxable fixed rate bonds. The second transaction was a TFA sale of \$850 million of tax-exempt fixed rate bonds and \$250 million of taxable fixed rate bonds.

FY17 Results

In FY17 New York City and TFA issued a combined total of \$8.4 billion in new money and refunding bonds, compared to \$7.2 billion in FY16. In FY17 the City refinanced \$1.7 billion in GO and TFA bonds, compared to \$2.8 billion in FY16.

FY17 refundings produced \$233 million in budget relief over the life of the bonds, or \$204 million on a present value basis. In FY17 the City achieved 14% budget savings, as a percentage of the refunding par. In comparison, the refunding activity in FY16 was the most efficient during the last decade when the City achieved 18% budget savings, as a percentage of the refunding par.

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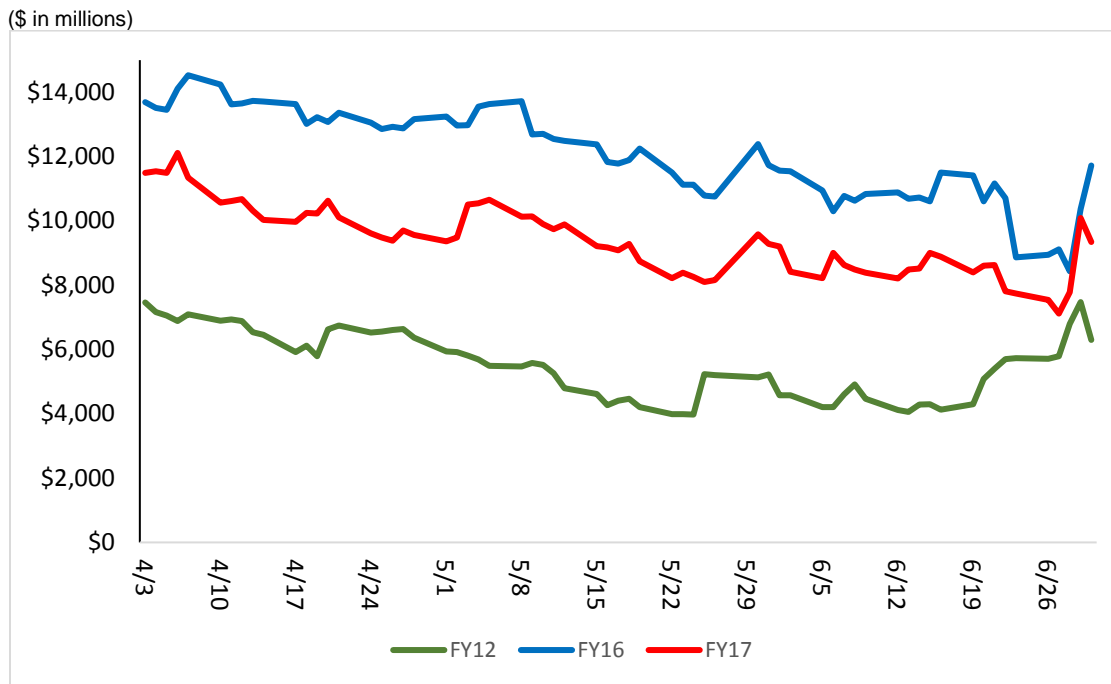
Rounding of Large Numbers in the Quarterly Cash Report

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 Balances¹

April 2017 – June 2017 (4Q17)

Chart 1. Daily Cash Balances of the NYC Central Treasury, 4Q12, 4Q16, and 4Q17



At the close of 4Q17, the City recorded an unrestricted cash balance of \$9.341 billion, compared to \$11.719 billion last year, \$9.502 billion in FY15, \$9.858 billion in FY14, and \$7.944 billion in FY13. The 4Q17 average cash balance of \$9.398 billion fell below the 4Q16 average by \$2.663 billion. Total receipts in the quarter rose 2.5%, while expenditures rose 3.9%.

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 \$4.169 billion, compared to \$3.994 billion at the end of FY16. The prepayment consisted of \$1.560 billion of general obligation (GO) debt service, \$1.909 billion of Transitional Finance Authority (TFA) debt service, \$400 million of advance subsidy to Retiree Health Benefits Trust Fund (RHBT), and \$300 million of advance subsidy to Health + Hospitals (H + H). In addition to the prepayment, the City deposited \$100 million into RHBT above the amount required for FY17 pay-as-you-go retiree health benefits. Without prepayments, the City would have ended FY17 with \$13.610 billion of cash-on-hand.

¹ The data in this report are based on the book balances in the New York City Central Treasury as calculated by the Bureau of Financial Analysis, Office of the New York City Comptroller. Receipts are reported based on cash receipts and the analysis of bank deposits. Expenditures are reported 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, FY08 - FY17

(\$ in millions)

	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17
Opening Balance ^a	\$10,057	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448	\$12,368	\$13,716	\$11,803
Total Receipts	20,504	20,119	21,738	20,671	22,081	22,752	23,539	24,587	27,016	27,682
Total Expenditures ^b	25,573	22,042	23,322	23,731	23,526	23,562	25,129	27,452	29,013	30,144
Closing Balance ^a	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	\$9,341
Avg. Daily Balance	\$9,440	\$6,273	\$5,506	\$6,362	\$5,534	\$6,520	\$9,586	\$10,911	\$12,061	\$9,398

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

July 2016 – June 2017 (FY17)

Chart 2. Daily Cash Balances of the NYC Central Treasury, FY12, FY16, and FY17

(\$ in millions)

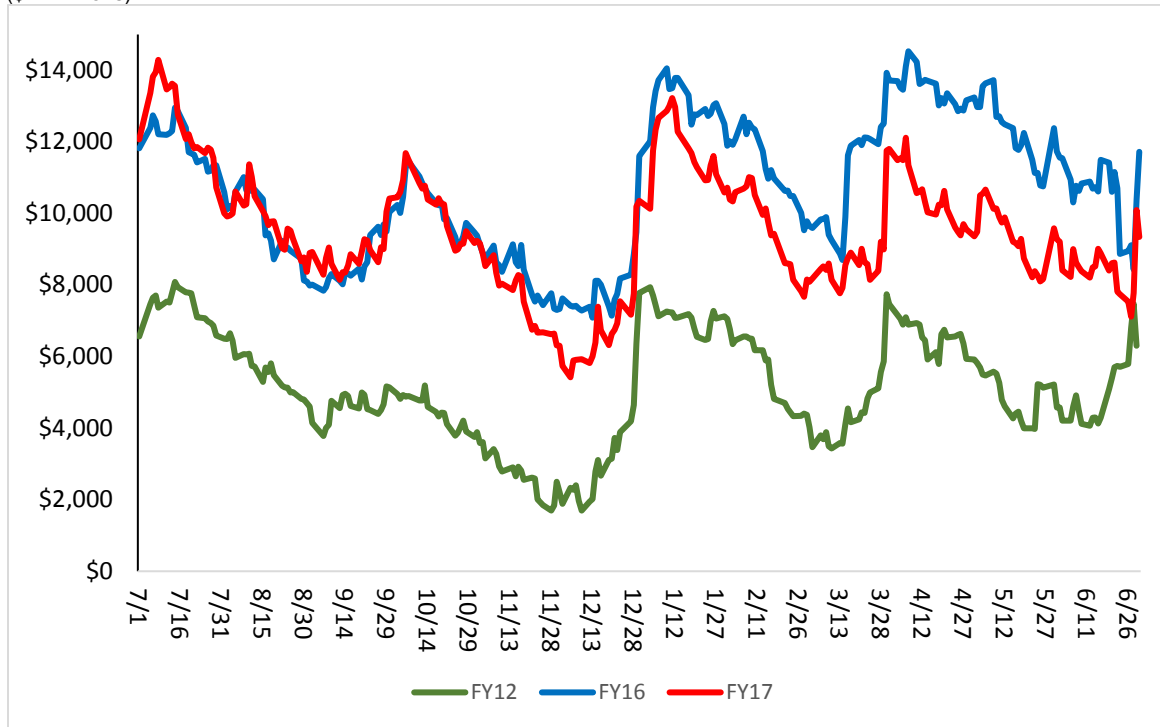


Table 2. Cash Position of the NYC Central Treasury, FY08 - FY17

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Opening Balance ^a	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719
Total Receipts	76,576	77,422	76,742	80,310	81,152	82,877	87,578	90,653	98,245	96,066
Total Expenditures ^b	76,061	76,571	77,977	79,874	79,895	81,231	85,664	91,008	96,028	98,444
Closing Balance ^a	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	9,341
Avg. Daily Balance	\$6,849	\$5,663	\$5,102	\$5,053	\$5,146	\$5,959	\$7,779	\$9,460	\$10,684	\$9,512

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

FY17 cash balances declined from record-breaking balances last year, but they were still very strong compared to historical levels. The average cash balance for FY17 measured \$9.512 billion, compared to \$10.684 billion last year, \$9.460 billion in FY15, \$7.779 billion in FY14, and \$5.959 billion in FY13.

Total receipts in FY17 declined 2.2%. Meanwhile, expenditures reached a new record, up 2.5% compared to a year ago. Once again, as in FY05-FY16, there was no need for the City to borrow short-term for operations.

II. Cash Receipts

April 2017 – June 2017 (4Q17)

Receipts at a Glance

Table 3. Cash Receipts by Category, 4Q, FY08 - FY17

(\$ in millions)

	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17
Real Property Tax	\$3,152	\$4,807	\$4,747	\$4,850	\$5,443	\$5,708	\$6,228	\$7,058	\$7,261	\$8,507
Other Taxes	7,560	5,806	5,920	7,090	7,014	8,408	8,008	9,166	8,642	8,216
Total Taxes	10,712	10,613	10,667	11,940	12,457	14,116	14,236	16,224	15,903	16,723
Federal and State Aid	4,256	4,471	5,316	4,627	4,486	5,179	4,959	5,657	5,543	6,179
Debt Service Funding	(251)	(282)	(307)	(615)	(534)	(701)	(512)	(2,631)	(349)	(378)
Miscellaneous	1,888	1,610	2,180	1,874	2,385	804	1,714	1,621	1,788	1,889
Intergovernmental Aid	0	0	0	0	6	0	0	0	0	0
Other	3,899	3,707	3,882	2,845	3,281	3,354	3,142	3,716	4,131	3,269
4Q Total	\$20,504	\$20,119	\$21,738	\$20,671	\$22,081	\$22,752	\$23,539	\$24,587	\$27,016	\$27,682
Total, Net of Reimbursement for CapEx	\$17,670	\$17,168	\$18,814	\$18,939	\$20,086	\$21,258	\$22,096	\$22,698	\$24,988	\$26,070

Total receipts in 4Q17 were the highest 4Q inflows on record, up 2.5% versus a year ago. Net of reimbursements for capital expenditures, 4Q17 cash receipts rose 4.3% versus a year ago.

The City collected \$16.7 billion in tax revenues for 4Q17, compared to \$15.9 billion at the same time last year. During the quarter, real property and sales tax collections increased 17.2% and 2.8%, respectively. Commercial rent tax was up 22.3% and general corporation tax rose 17.5%. Meanwhile, unincorporated business tax declined 18% and mortgage and real property transfer taxes fell 12.4%. Personal income tax was down 2.2%.

During 4Q17 the City received \$6.2 billion in Federal and State aid, up 11.5% compared to 4Q16. The growth in Federal and State aid was mostly due to increases in State education aid, State higher education aid, and Federal education aid.

Taxes²

Table 4. Tax Receipts, 4Q12, 4Q16, and 4Q17

(\$ in millions)

	4Q12	4Q16	4Q17	% Change 4Q17/ 4Q12	% Change 4Q17/ 4Q16
Real Property Tax	\$5,443	\$7,261	\$8,507	56.3%	17.2%
Personal Income Tax	2,158	2,992	2,926	35.6	(2.2)
Sales Tax	1,591	1,966	2,021	27.0	2.8
General Corporation Tax	728	845	993	36.4	17.5
Unincorporated Business Tax	727	895	734	1.0	(18.0)
Mortgage and Real Property Transfer Taxes	367	699	612	66.8	(12.4)
Commercial Rent Tax	168	197	241	43.5	22.3
PILOT	185	195	237	28.1	21.5
Other Taxes	1,090	853	452	(58.5)	(47.0)
4Q Total	\$12,457	\$15,903	\$16,723	34.2%	5.2%

Table 5. Selected Cash Receipts, 4Q, FY13 - FY17

(\$ in millions)

	4Q13	4Q14	4Q15	4Q16	4Q17
Real Property Tax	\$5,708	\$6,228	\$7,058	\$7,261	\$8,507
NYS Education Aid	2,087	2,404	2,808	3,052	3,244
Personal Income Tax	2,911	2,651	3,129	2,992	2,926
Sales Tax	1,695	1,780	1,822	1,966	2,021
General Corporation Tax	1,058	646	978	845	993
NYS Higher Education Aid	470	113	496	506	805
Unincorporated Business Tax	836	875	910	895	734
Mortgage and Real Property Transfer Taxes	448	565	780	699	612
Federal Education Aid	879	668	461	378	555
Senior College Fees	255	230	314	330	425
Federal Welfare	517	695	703	536	383
Fines and Forfeitures	222	310	259	262	261
NYS Welfare	483	292	321	265	256
Commercial Rent Tax	176	182	199	197	241
PILOT	193	170	205	195	237

² 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, FY13 - FY17

(\$ in billions)

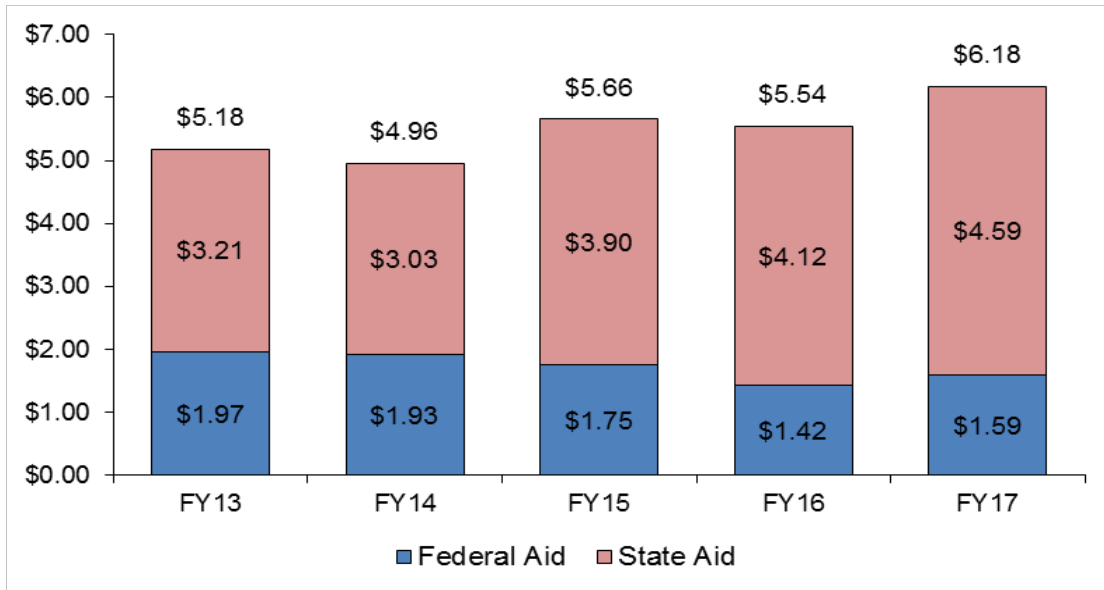


Chart 4. Federal & State Aid as % of Total Cash Receipts, 4Q, FY13 - FY17

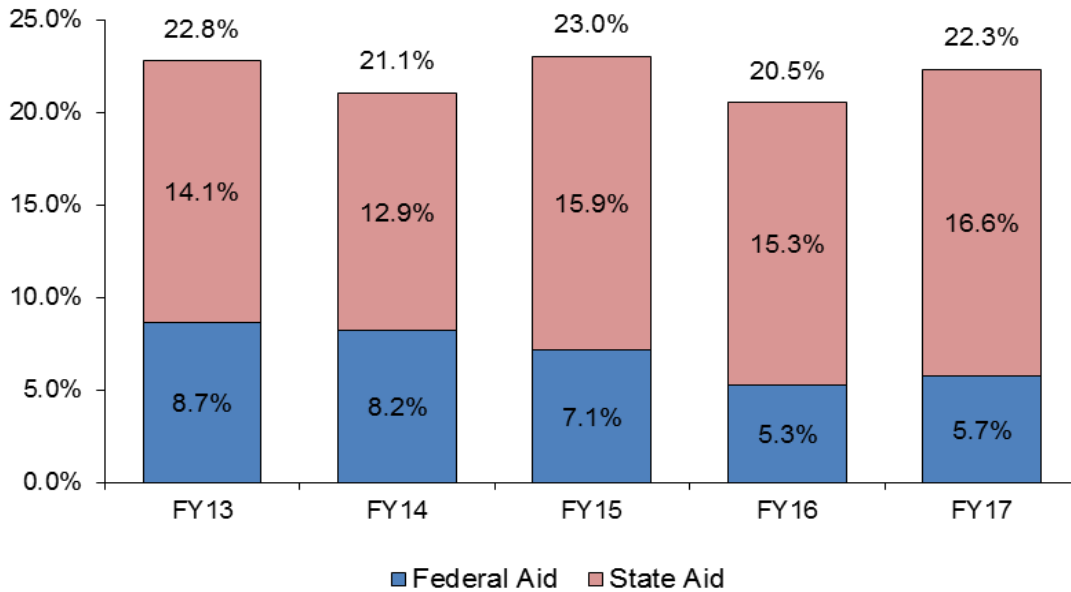


Chart 5. Components of State Aid, 4Q, FY13 - FY17

(\$ in billions)

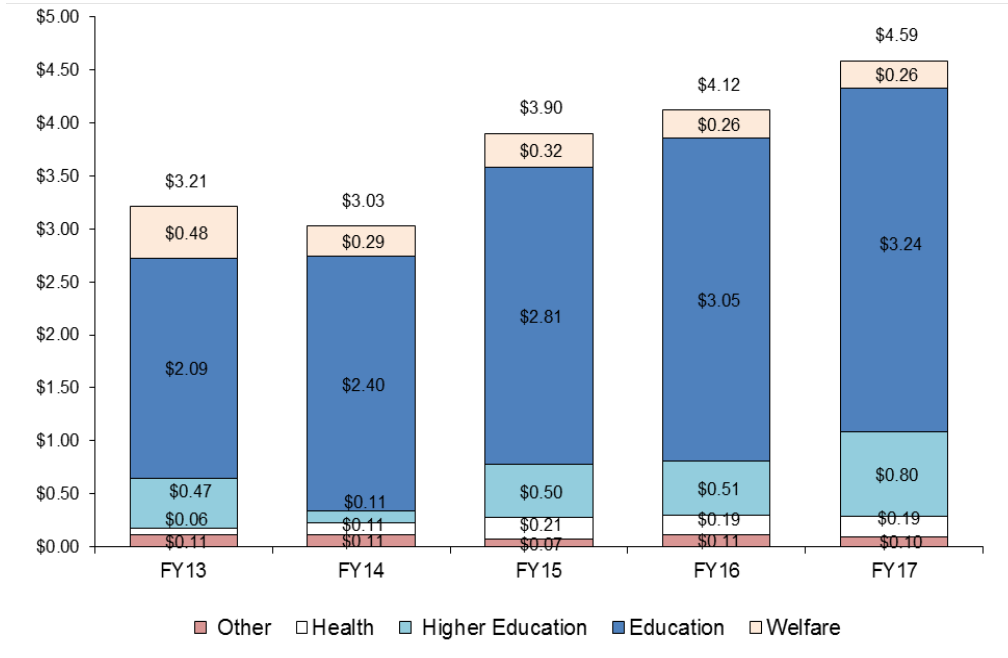
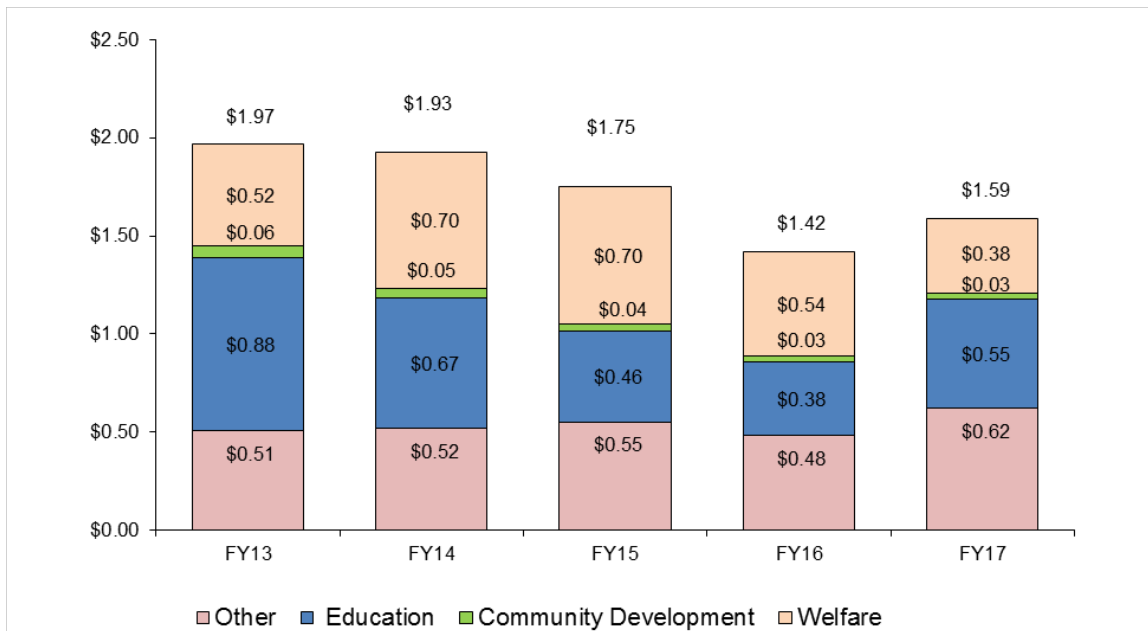


Chart 6. Components of Federal Aid, 4Q, FY13 - FY17

(\$ in billions)



July 2016 – June 2017 (FY17)

Receipts at a Glance

Table 6. Cash Receipts by Category, FY08 - FY17

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Real Property Tax	\$13,867	\$16,427	\$16,313	\$17,272	\$18,862	\$19,252	\$20,967	\$22,210	\$23,809	\$25,669
Other Taxes	26,674	22,666	21,607	23,969	24,710	27,466	28,761	31,299	31,428	30,604
Total Taxes	40,541	39,093	37,920	41,241	43,572	46,718	49,728	53,509	55,237	56,273
Federal and State Aid	17,153	18,105	18,753	20,520	19,305	20,059	19,618	20,225	20,782	21,433
Debt Service Funding	(255)	(313)	(307)	(1,531)	(1,587)	(3,485)	(2,503)	(6,025)	(120)	(2,371)
Miscellaneous	6,439	6,007	6,901	6,486	7,123	5,779	7,053	6,832	7,149	6,719
Intergovernmental Aid	10	228	280	14	7	1	1	0	6	59
Other	12,688	14,302	13,195	13,580	12,732	13,805	13,681	16,112	15,191	13,953
Total	\$76,576	\$77,422	\$76,742	\$80,310	\$81,152	\$82,877	\$87,578	\$90,653	\$98,245	\$96,066
Total, Net of CapEx Reimbursements	\$68,375	\$66,940	\$67,416	\$70,850	\$73,098	\$75,179	\$80,053	\$83,492	\$90,444	\$88,440

During FY17, total cash receipts measured \$96.066 billion, a decrease of \$2.2 billion from the previous year. Net of reimbursements for capital expenditures, FY17 cash receipts decreased 2.2% versus a year ago.

The five largest sources of cash in FY17 were: real property tax, personal income tax, NYS education aid, sales tax, and general corporation tax. These leading sources of cash accounted for 60.7% of total cash receipts in FY17.

“Debt Service Funding” includes retention of personal income and real property taxes for GO and TFA PIT debt service payments. Debt service funding is counted as a negative inflow (rather than a positive expense), offsetting the total cash receipts figure. FY17 debt service funding equaled \$2.4 billion compared to only \$120 million in FY16. In FY16, the debt service funding was very low because the Office of the New York State Comptroller released \$1.186 billion back to the City after it had over-retained \$2.3 billion in real estate revenue in June 2015 for debt service payments through October 2015.

Taxes³

Table 7. Tax Receipts, FY12, FY16, and FY17

(\$ in millions)

	FY12	FY16	FY17	% Change FY17/ FY12	% Change FY17/ FY16
Real Property Tax	\$18,862	\$23,809	\$25,669	36.1%	7.8%
Personal Income Tax	8,000	10,830	11,078	38.5	2.3
Sales Tax	5,830	7,288	6,993	19.9	(4.0)
General Corporation Tax	3,267	4,030	4,251	30.1	5.5
Mortgage and Real Property Transfer Taxes	1,457	2,979	2,631	80.6	(11.7)
Unincorporated Business Tax	1,780	2,223	2,269	27.5	2.1
Commercial Rent Tax	673	833	880	30.8	5.6
Hotel Occupancy Tax	489	573	583	19.2	1.7
Banking Corporation Tax	1,476	838	453	(69.3)	(45.9)
PILOT	280	321	376	34.3	17.1
STAR	790	814	369	(53.3)	(54.7)
Other Taxes	668	699	721	7.9	3.1
Total	\$43,572	\$55,237	\$56,273	29.1%	1.9%

Tax receipts for FY17 totaled \$56.3 billion, an increase of 1.9% from the previous year. Real property tax collections rose 7.8%, and PIT receipts increased 2.3%. Sales tax fell 4%, in part due to the State intercept of sales tax revenue to recoup savings from refinancing the State-backed Sales Tax Asset Receivable Corporation (STAR) bonds. The State's FY 2016-17 Adopted Budget included a provision that authorizes a three-year sales tax revenue intercept to recapture benefits accrued to the City from refinancing STAR bonds. Beginning in May 2016, the State is authorized to retain \$16.7 million from the City's sales tax each month, for a total of \$50 million per quarter.

The largest drag on tax receipts was NYS School Tax Relief program (STAR), which slipped 54.7% versus a year ago. 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. Beginning in tax year 2016, the NYC PIT payers have this credit applied to their NYS taxes and the reimbursement payment has been eliminated.

The banking corporation tax fell 45.9%. Beginning in tax year 2015, the general corporation tax and the banking corporation tax merged. All New York City C-corporations now pay under the general corporation tax.

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.

Table 8. Selected Cash Receipts, FY13 - FY17

(\$ in millions)

	FY13	FY14	FY15	FY16	FY17
Real Property Tax	\$19,252	\$20,967	\$22,210	\$23,809	\$25,669
Personal Income Tax	9,200	9,566	10,601	10,830	11,078
NYS Education Aid	7,981	8,540	9,154	9,746	10,277
Sales Tax	6,109	6,454	6,732	7,288	6,993
General Corporation Tax	3,756	3,701	3,811	4,030	4,251
Mortgage and Real Property Transfer Taxes	1,843	2,359	2,965	2,979	2,631
Federal Welfare	3,440	3,188	3,216	2,954	2,547
Unincorporated Business Tax	1,974	2,077	2,207	2,223	2,269
Federal Education Aid	1,705	1,826	1,240	1,686	1,955
NYS Higher Education Aid	1,689	973	1,787	1,437	1,721
NYS Welfare	1,556	1,463	1,378	1,515	1,387
Water and Sewer	1,452	1,361	1,536	1,397	1,226
Senior College Fees	904	945	982	1,045	1,058
Fines and Forfeitures	1,005	1,012	1,010	1,137	1,057
Commercial Rent Tax	715	747	795	833	880

During FY17, the City received \$21.4 billion in Federal and State aid, compared to \$20.8 billion in FY16. In FY17, the NYS education aid rose 5.4% and NYS higher education aid increased 19.8% compared to a year ago.

Federal and State Aid

Chart 7. Federal & State Aid to NYC, FY13 - FY17

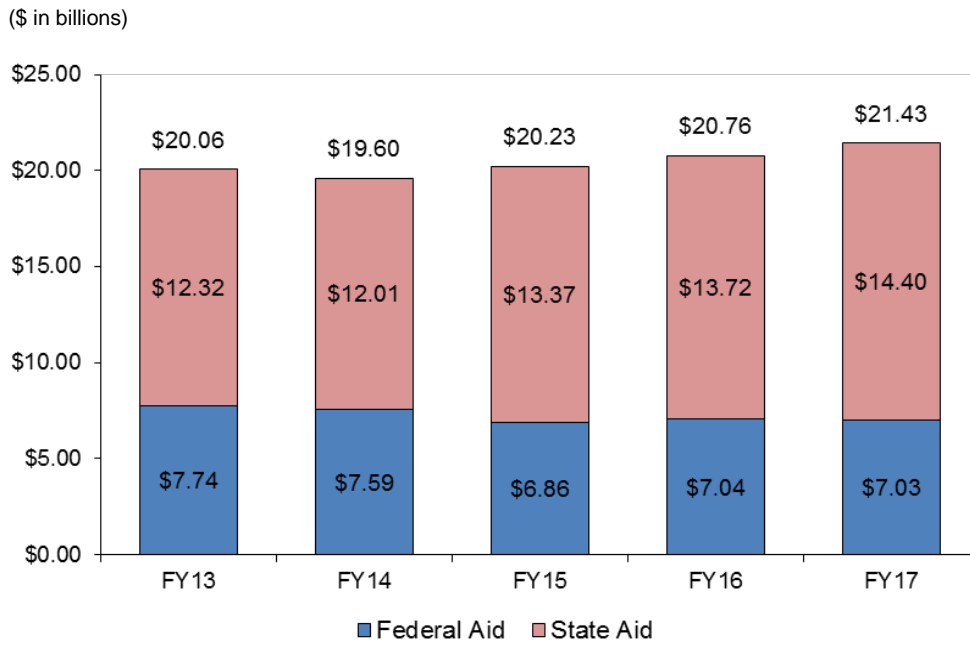


Chart 8. Federal & State Aid as % of Total Cash Receipts, FY13 - FY17

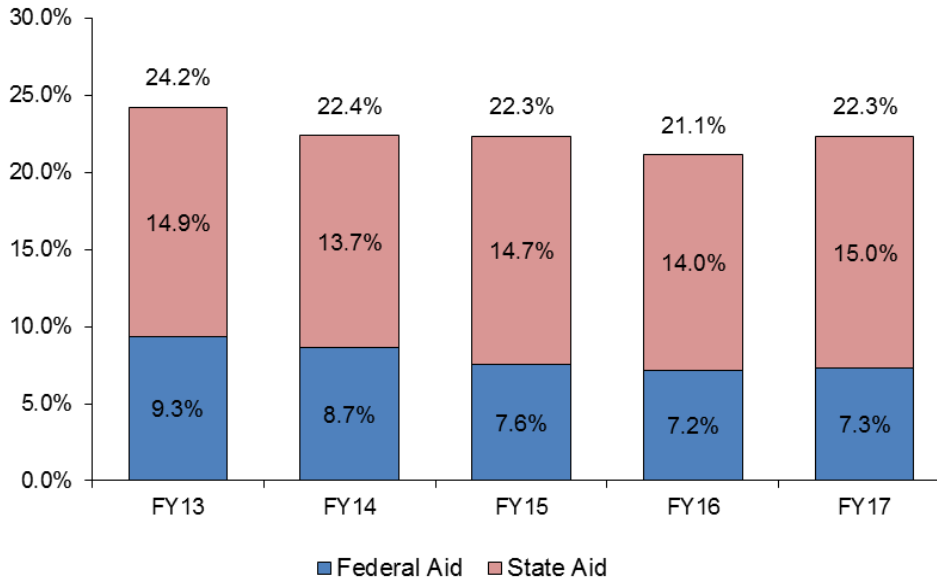


Chart 9. Components of State Aid, FY13 - FY17

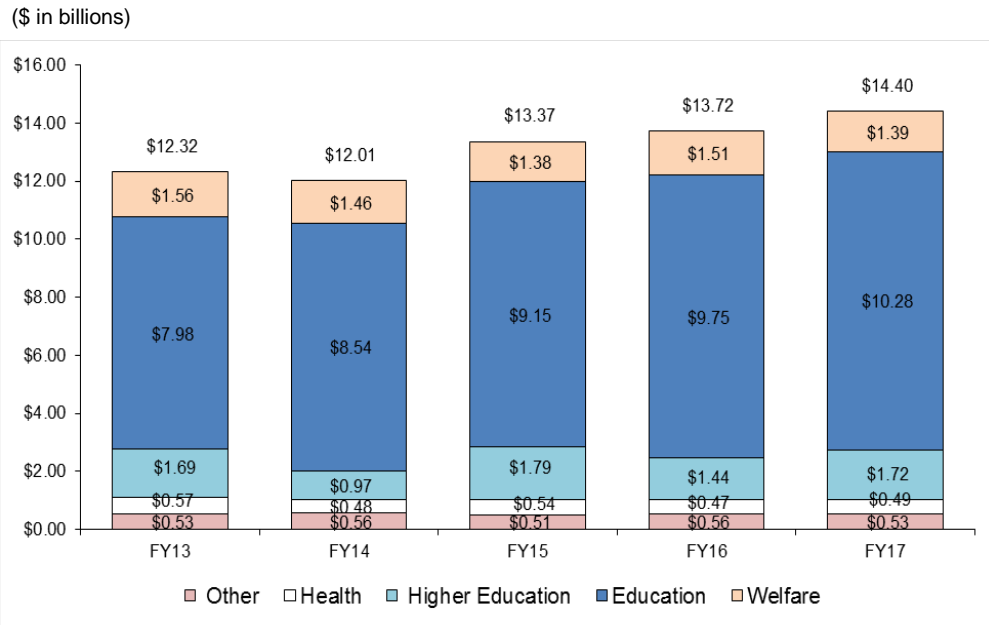
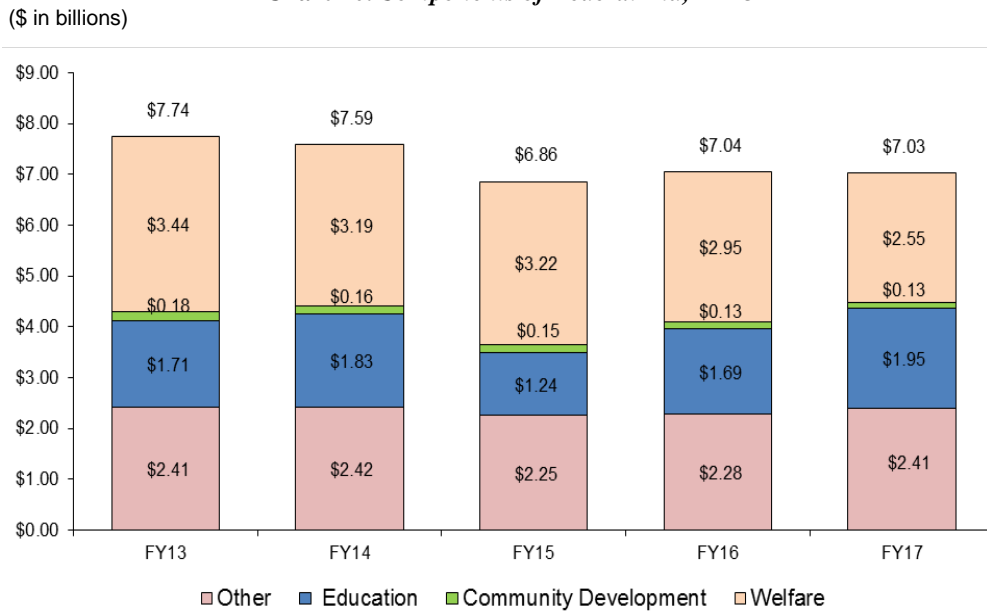


Chart 10. Components of Federal Aid, FY13 - FY17



III. Cash Expenditures (Including Capital)

April 2017 – June 2017 (4Q17)

Cash Expenditures at a Glance

Table 9. PS & OTPS, 4Q, FY08 - FY17

(\$ in millions)

	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17
Gross Payroll	\$5,484	\$5,704	\$6,077	\$5,952	\$5,783	\$5,835	\$5,986	\$6,281	\$6,436	\$7,429
Other PS	4,180	4,201	4,509	4,737	5,271	4,904	6,637	6,996	7,173	6,701
Total PS	\$9,664	\$9,905	\$10,586	\$10,689	\$11,054	\$10,739	\$12,623	\$13,277	\$13,609	\$14,130
% of 4Q Total Exp	38%	45%	45%	45%	47%	46%	50%	48%	47%	47%
Public Assistance	552	568	591	584	588	599	544	604	639	712
Medical Assistance	1,030	971	1,177	1,340	1,537	1,660	1,514	1,734	1,194	1,233
Other Social Services	501	538	575	564	584	563	567	546	697	811
Vendor and Other	3,603	3,446	3,378	3,901	4,481	4,450	4,627	6,436	5,209	5,907
Total OTPS	\$5,686	\$5,523	\$5,721	\$6,389	\$7,190	\$7,272	\$7,252	\$9,320	\$7,739	\$8,663
% of 4Q Total Exp	22%	25%	25%	27%	31%	31%	29%	34%	27%	29%
All Other	\$10,223	\$6,614	\$7,015	\$6,653	\$5,282	\$5,551	\$5,254	\$4,855	\$7,665	\$7,351
% of Total Exp	40%	30%	30%	28%	22%	23%	21%	18%	26%	24%
Total Expenditures	\$25,573	\$22,042	\$23,322	\$23,731	\$23,526	\$23,562	\$25,129	\$27,452	\$29,013	\$30,144
Total Expenditures, Net of CapEx	\$22,990	\$19,317	\$20,763	\$21,892	\$21,561	\$21,716	\$23,583	\$25,898	\$27,276	\$28,383

Cash expenditures, including capital expenditures, rose 3.9% during 4Q17. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, reached \$14.1 billion in 4Q17. Embedded in this number is the City's FY17 payment to the NYC Retiree Health Benefits Trust (RHBT). This year's payment to the RHBT equaled \$2.258 billion, versus \$2.160 billion in FY16 and \$1.988 billion in FY15. For the fourth year in a row, the City also added funds into the RHBT above the amount required for FY17 pay-as-you-go retiree health benefits. This year's additional contribution was \$100 million, compared to \$500 million in FY16 and \$955 million in FY15. OTPS spending increased 11.9% compared to a year ago. Other social services increased 16.4%, followed by vendor and other payments (up 13.4%), and public assistance (up 11.4%).

“All Other” Spending

Table 10. Major Components of “All Other” Spending, 4Q16 and 4Q17

(\$ in millions)

	4Q16	4Q17	Difference
Transit Authority	\$61	\$74	\$13
Housing Authority	10	19	9
Lump Sum Payments	664	600	(64)
HHC	577	355	(222)
Refunds	344	355	11
City-Funded Capital	1,405	1,534	129
Non-City-funded Capital	333	227	(106)
Fund 700 Adjustment	370	65	(305)
Prepayment of expenses for next FY	3,994	4,169	175

Table 11. Cash Payments of Future Years’ Expenditures, 4Q, FY13 - FY17

(\$ in millions)

	4Q13	4Q14	4Q15	4Q16	4Q17
General Obligation Debt Service	\$2,727	\$621	\$1,953	\$1,760	\$1,560
NYC TFA Debt Service	0	1,362	1,578	1,734	1,909
Lease Payments	0	0	0	100	0
Payments to the Libraries	64	0	0	0	0
Defeasance or Redemption of Debt	0	0	23	0	0
Payments to HHC	0	0	0	400	300
Retiree Health Benefits Trust	0	0	0	0	400
Total	\$2,791	\$1,983	\$3,554	\$3,994	\$4,169

This year’s prepayment totaled \$4.169 billion, compared to \$3.994 billion last year.

July 2016 – June 2017 (FY17)

Cash Expenditures at a Glance

Table 12. PS and OTPS, FY08 - FY17

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Gross Payroll	\$21,767	\$23,813	\$23,510	\$23,820	\$23,693	\$23,894	\$24,227	\$25,879	\$27,548	\$28,288
Other PS	12,103	12,756	13,821	14,346	15,230	15,349	17,445	18,389	19,025	19,358
FY Total PS	\$33,870	\$36,569	\$37,331	\$38,166	\$38,923	\$39,243	\$41,672	\$44,268	\$46,573	\$47,646
% of Total FY Exp	44%	48%	48%	48%	49%	48%	49%	49%	49%	48%
Public Assistance	2,186	2,337	2,594	2,496	2,394	2,392	2,411	2,568	2,745	3,069
Medical Assistance	4,986	4,660	4,652	4,912	5,936	5,987	5,831	6,081	5,716	5,285
Other Social Services	2,990	2,415	2,456	2,426	2,359	2,404	2,368	2,404	2,664	2,878
Vendor and Other	13,962	13,977	13,668	15,157	15,973	16,577	17,559	20,430	19,917	21,927
FY Total OTPS	\$23,424	\$23,389	\$23,370	\$24,991	\$26,662	\$27,360	\$28,169	\$31,483	\$31,042	\$33,159
% of Total FY Exp	31%	30%	30%	31%	33%	34%	33%	34%	32%	34%
All Other	\$18,767	\$16,613	\$17,296	\$16,715	\$14,310	\$14,627	\$15,822	\$15,257	\$18,413	\$17,639
% of Total FY Exp	25%	22%	22%	21%	18%	18%	18%	17%	19%	18%
FY Total Expenditures	\$76,061	\$76,571	\$77,977	\$79,874	\$79,895	\$81,231	\$85,663	\$91,008	\$96,028	\$98,444
Total Expenditures, Net of CapEx	\$67,745	\$67,138	\$67,930	\$70,705	\$71,653	\$73,230	\$77,776	\$83,843	\$88,091	\$90,243

Total expenditures, including capital expenditures, rose 2.5% versus a year ago, to a new record high of \$98.444 billion. Net cash expenditures (which exclude capital expenditures) rose 2.4% in FY17. Personal service expenditures increased 2.3% versus a year ago. Gross payroll increased 2.7% and spending on fringe benefits rose 1.8%. Meanwhile, other-than-personal-service expenditures (OTPS) increased 6.8% versus a year ago, mostly due to a \$2 billion increase in vendor and other payments. Outlays considered “All Other” decreased 4.2%, due to slower Non-City-funded capital spending and the outflow of cash from the restricted Fund 700 account.

Certain bookkeeping procedures within the City’s financial management system serve as a mechanism through which City agencies give notice of upcoming expenditures or of funds held in trust on behalf of non-City entities. Such entries are collectively captured in the Fund 700 adjustment and are deducted from our calculation of the unrestricted cash balance. As the City’s business proceeds throughout the year, the Fund 700 adjustment may be reflected as a positive expense (more cash excluded from the unrestricted balance) or as a negative expense (as previously disclosed Fund 700 obligations are satisfied). In FY17, the Fund 700 adjustment was reflected as a negative expense, and it increased the unrestricted cash balance by \$469 million. Meantime, in FY16 the Fund 700 adjustment was reflected as a positive expense, and it reduced the unrestricted cash balance by \$1.247 billion.

“All Other” Spending

Table 13. Major Components of “All Other” Spending, FY16 and FY17

(\$ in millions)

	FY16	FY17	Difference
Transit Authority	\$325	\$325	\$0
Housing Authority	89	113	24
Lump Sum Payments	2,596	2,841	245
H+H	1,288	1,416	128
Refunds	939	1,075	136
City-Funded Capital	6,080	6,806	726
Non-City-funded Capital	1,857	1,395	(462)
Fund 700 Adjustment	1,247	(469)	(1,716)
Prepayment of expenses for next FY	3,994	4,169	175

IV. Capital Expenditures and Reimbursements

April – June 2017 (4Q17)

CapEx totaled \$1.761 billion in 4Q17, up 1.3% from \$1.738 billion in 4Q16. City-funded CapEx increased 9.2% while Non-City-funded CapEx declined 31.8%.

Chart 11. Total CapEx, 4Q, FY08 - FY17

(\$ in millions)

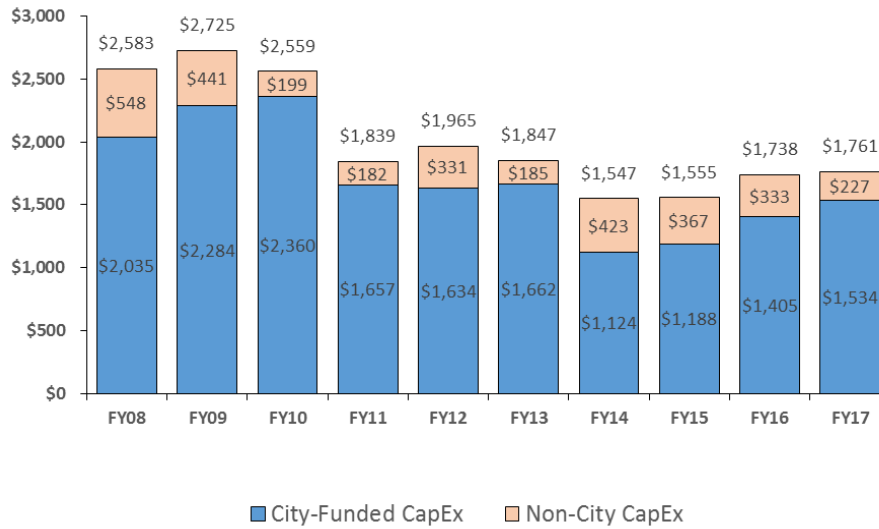


Chart 12. Total CapEx as % of Total Expenditures, 4Q, FY08 - FY17

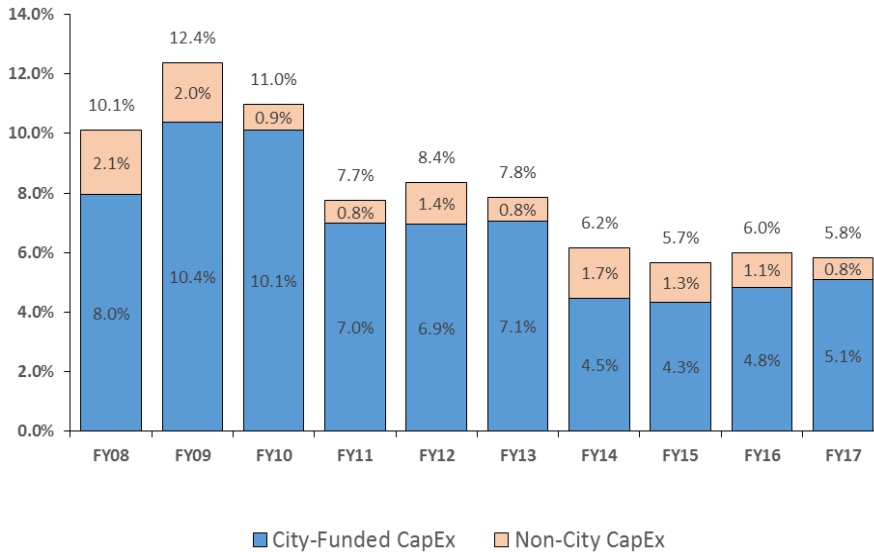


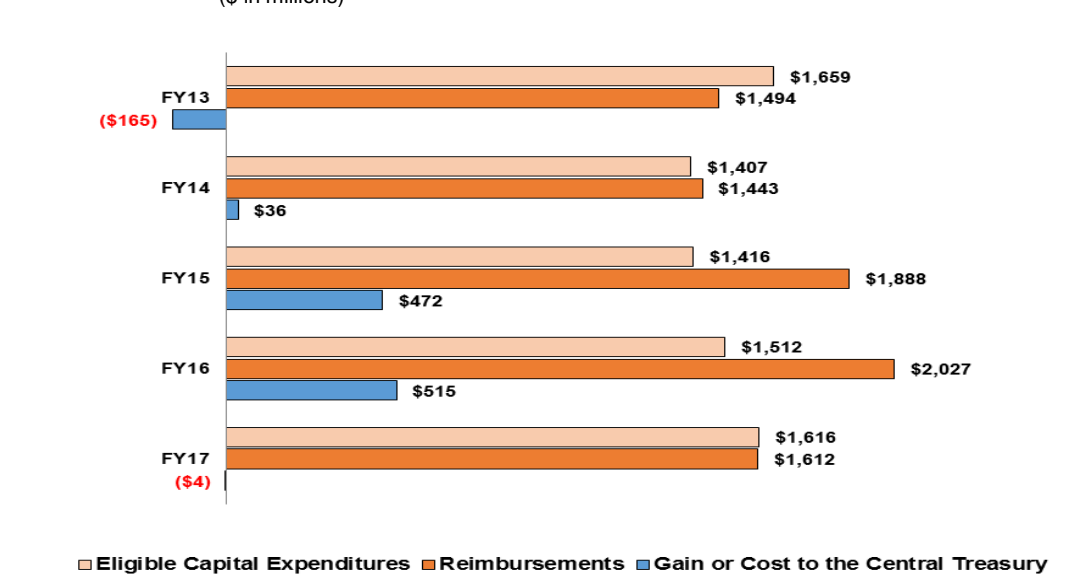
Table 14. Reimbursements to the NYC Central Treasury for CapEx, 4Q, FY08 - FY17

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total
GO	\$1,160	\$1,745	\$1,049	\$228	\$914	\$689	\$595	\$507	\$0	0	\$6,887
NY Water	690	581	670	687	577	420	401	323	341	383	5,073
TFA	7	0	1,205	817	478	385	447	1,058	834	1,229	6,460
<i>Sub-total</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>1,175</i>	<i>1,612</i>	<i>18,420</i>
TFA Building Aid	490	622	0	0	26	0	0	0	852	0	1,990
DASNY	487	3	0	0	0	0	0	0	0	0	490
<i>Sub-total</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>852</i>	<i>0</i>	<i>2,480</i>
Other	0	0	0	0	0	0	0	0	0	0	0
Total	\$2,834	\$2,951	\$2,924	\$1,732	\$1,995	\$1,494	\$1,443	\$1,888	\$2,027	\$1,612	\$20,900
4Q Reimbursable Capital Expenditures	\$2,417	\$2,551	\$2,368	\$1,653	\$1,764	\$1,659	\$1,407	\$1,416	\$1,512	\$1,616	\$18,363
4Q Reimbursements Less 4Q Reimbursable Capital Expenditures	\$417	\$400	\$556	\$79	\$231	(\$165)	\$36	\$472	\$515	(\$4)	\$2,537
4Q Reimbursements as a % of 4Q Reimbursable Capital Expenditures	117.2%	115.7%	123.5%	104.8%	113.1%	90.1%	102.6%	133.3%	134.1%	99.8%	113.8%
4Q Reimbursements as a % of 4Q Total Receipts	13.8%	14.7%	13.5%	8.4%	9.0%	6.6%	6.1%	7.7%	7.5%	5.8%	9.1%

Chart 13. Bond-Funded Reimbursements for Eligible CapEx, 4Q, FY13 - FY17

(\$ in millions)



Reimbursements for CapEx in 4Q17 were lower than reimbursable expenditures, decreasing the cash balance by \$4 million.

July 2016 – June 2017 (FY17)

Chart 14. Total CapEx, FY08 - FY17

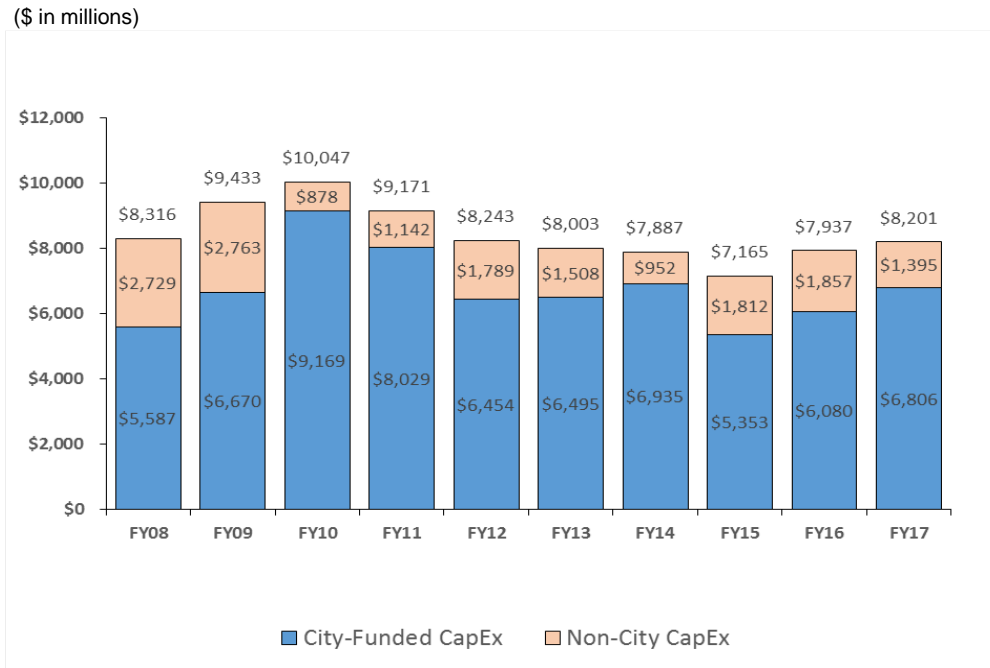
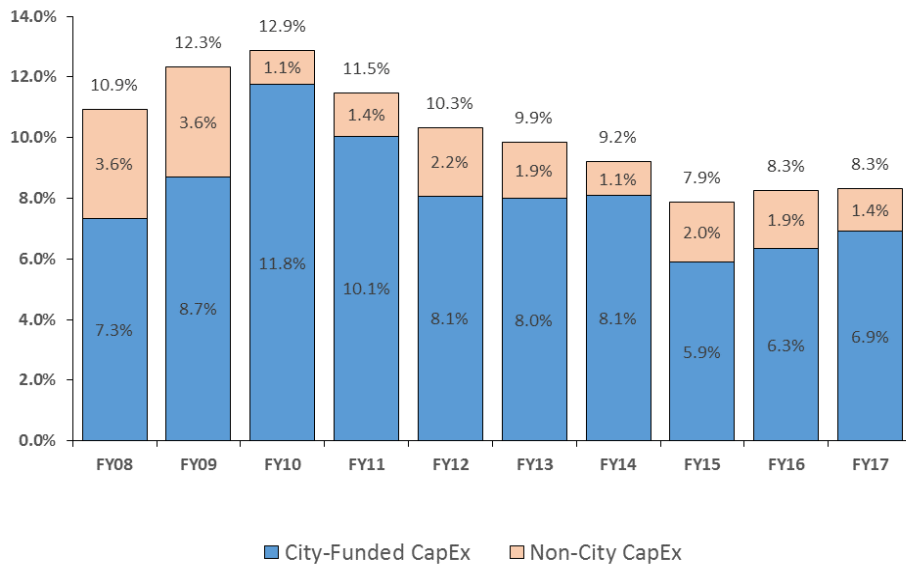


Chart 15. Total CapEx as % of Total Expenditures, FY08 - FY17



Total CapEx equaled \$8.201 billion in FY17, up 3.3% from \$7.937 billion in FY16. The City-funded component increased 11.9% while the Non-City-funded component declined 24.9%.

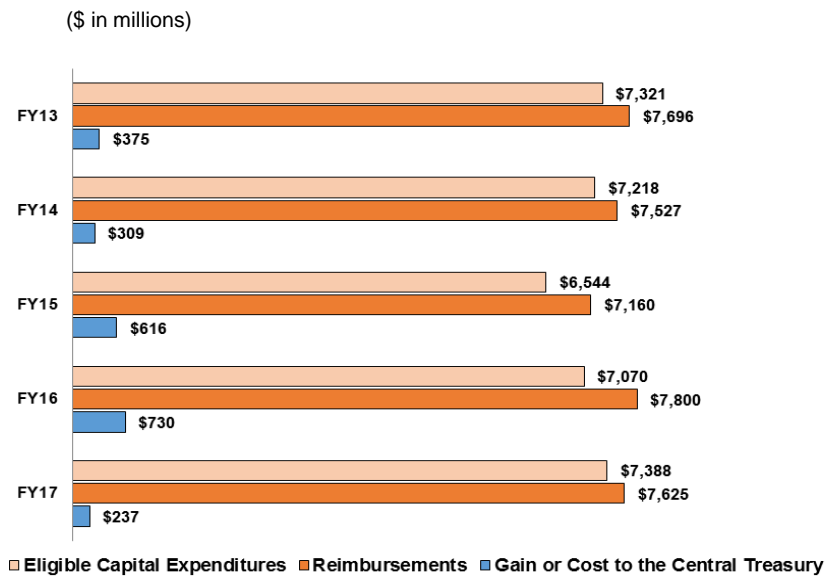
Table 15. Reimbursements to the NYC Central Treasury for CapEx, FY08 - FY17

(\$ in millions)

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total
GO	\$3,339	\$5,255	\$3,304	\$2,799	\$2,560	\$1,587	\$2,307	\$889	\$609	\$2,468	\$25,117
NY Water	2,150	2,571	2,689	2,965	2,268	1,858	1,644	1,397	1,371	1,478	20,391
TFA	531	14	3,145	3,344	2,223	3,294	3,576	3,991	4136	3,679	27,933
<i>Sub-total</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>6,116</i>	<i>7,625</i>	<i>73,441</i>
TFA Building Aid	1,229	2,271	182	352	1,005	957	0	883	1,684	0	8,563
DASNY	952	371	6	0	0	0	0	0	0	0	1,329
<i>Sub-total</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>1,684</i>	<i>0</i>	<i>9,892</i>
Other	0	0	0	0	0	0	0	0	0	0	0
Total	\$8,201	\$10,482	\$9,326	\$9,460	\$8,056	\$7,696	\$7,527	\$7,160	\$7,800	\$7,625	\$83,333
FY Reimbursable Capital Expenditures	\$7,868	\$8,826	\$9,316	\$8,516	\$7,469	\$7,321	\$7,218	\$6,544	\$7,070	\$7,388	\$77,536
FY Reimbursements Less FY Reimbursable Capital Expenditures	\$333	\$1,656	\$10	\$944	\$587	\$375	\$309	\$616	\$730	\$237	\$5,797
FY Reimbursements as a % of FY Reimbursable Capital Expenditures	104.2%	118.8%	100.1%	111.1%	107.9%	105.1%	104.3%	109.4%	110.3%	103.2%	107.5%
FY Reimbursements as a % of FY Total Receipts	10.7%	13.5%	12.2%	11.8%	9.9%	9.3%	8.6%	7.9%	7.9%	7.9%	9.8%

FY17 reimbursements for CapEx totaled \$7.625 billion and accounted for 7.9% of total cash receipts. Reimbursements during the fiscal year exceeded reimbursable expenditures, increasing the cash balance by \$237 million. Over time, reimbursements and CapEx should offset each other.

Chart 16. Bond-Funded Reimbursements for Eligible CapEx, FY13 - FY17



V. Financings

Table 16. GO and TFA PIT Bond Issuance, FY17

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	TE Index	Total Par
7/28/2016	TFA 2017 A	New Money	\$800	\$250	\$0	\$0	\$1,050
8/18/2016	GO 2017 A	New Money	\$800	\$250	\$381	\$0	\$1,431
9/22/2016	TFA 2017 B	New Money	\$800	\$250	\$0	\$100	\$1,150
12/20/2016	GO 2017 B	New Money	\$650	\$200	\$0	\$0	\$850
2/22/2017	GO 2017 CD	Refunding	\$900	\$0	\$0	\$0	\$900
3/22/2017	TFA 2017 CD	Refunding	\$795	\$0	\$0	\$0	\$795
4/19/2017	TFA 2017 E	New Money	\$800	\$300	\$0	\$0	\$1,100
6/29/2017	TFA 2017 F	New Money	\$850	\$250	\$0	\$0	\$1,100

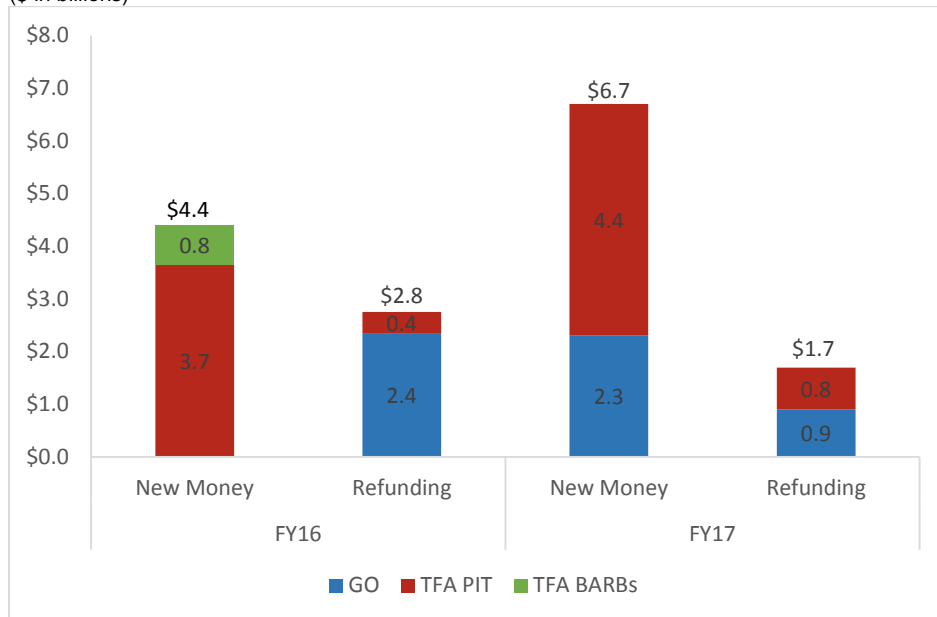
The table excludes conversions and re-offerings.

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

Two new money transactions closed in 4Q17. The first was a TFA sale of \$800 million of tax-exempt fixed rate bonds and \$300 million of taxable fixed rate bonds. The second transaction was a TFA sale of \$850 million of tax-exempt fixed rate bonds and \$250 million of taxable fixed rate bonds.

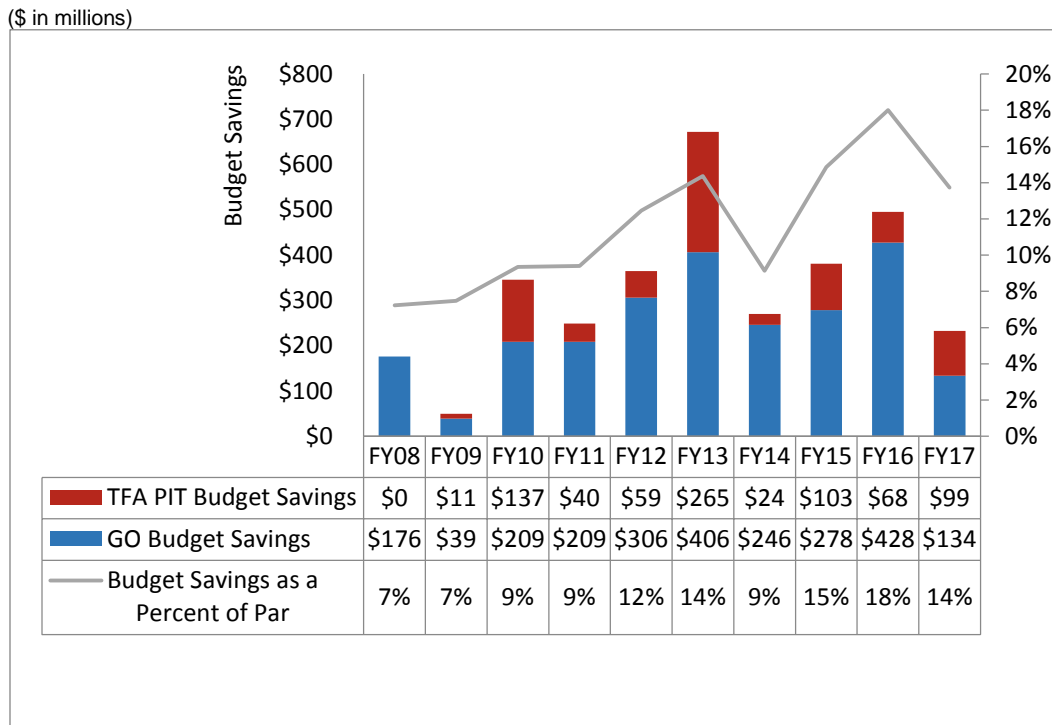
Chart 17. GO, TFA PIT, and TFA BARBs Issues, FY16 and FY17

(\$ in billions)



As shown in Chart 17, in FY17 New York City and TFA issued a combined total of \$8.4 billion in new money and refunding bonds, compared to \$7.2 billion in FY16. In FY17 the City refinanced \$1.7 billion in GO and TFA bonds, compared to \$2.8 billion in FY16.

Chart 18. Budget Savings from GO and TFA PIT Refundings, FY08 - FY17



FY17 refundings produced \$233 million in budget relief over the life of the bonds, or \$204 million on a present value basis. As shown in the chart above, in FY17 the City achieved 14% budget savings, as a percentage of the refunding par. In comparison, the refunding activity in FY16 was the most efficient during the last decade when the City achieved 18% budget savings, as a percentage of the refunding par.

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