

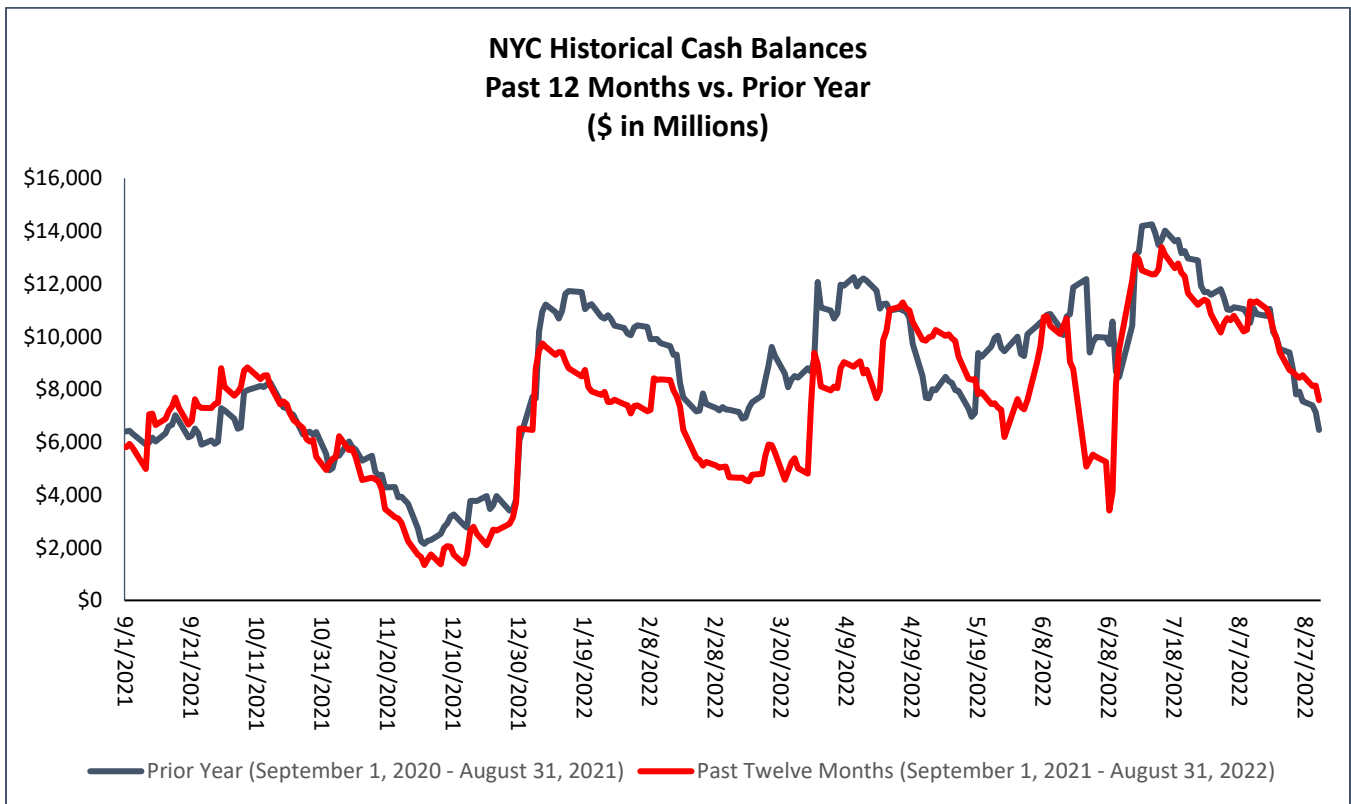


# New York City Cash Balance Projection

New York City Comptroller Brad Lander

Bureau of Budget

September 2022



At the close of FY 2022 (on June 30, 2022), the City recorded the end-of-year cash balance of \$8.159 billion, compared to \$8.469 billion a year ago. Daily cash balances during FY22 averaged \$7.524 billion, \$831 million below the prior year’s number.

Overall, in FY 2022 the City benefited from robust economic growth and large gains on Wall Street, which lead to record-high non-property tax receipts, with personal income, sales, and business taxes (general corporation and unincorporated business taxes) reaching new peaks. Also, on June 6 and on July 14, 2022, the City received \$2.1 billion and \$809.7 billion, respectively, in federal pandemic aid provided under the American Rescue Plan Act of 2021.

Strong tax collections and the continuation of federal aid supported an increase in spending as well as a significant prepayment towards next fiscal year. Total expenditures, including capital expenditures, in FY 2022 increased 10.4% or \$11.5 billion compared to the previous year. This year’s prepayment totaled \$6.114 billion, very close to last year’s prepayment of \$6.107 billion. The prepayment consisted of \$3.318 billion of General Obligation (GO) debt service, \$1.965 billion of Transitional Finance Authority (TFA)

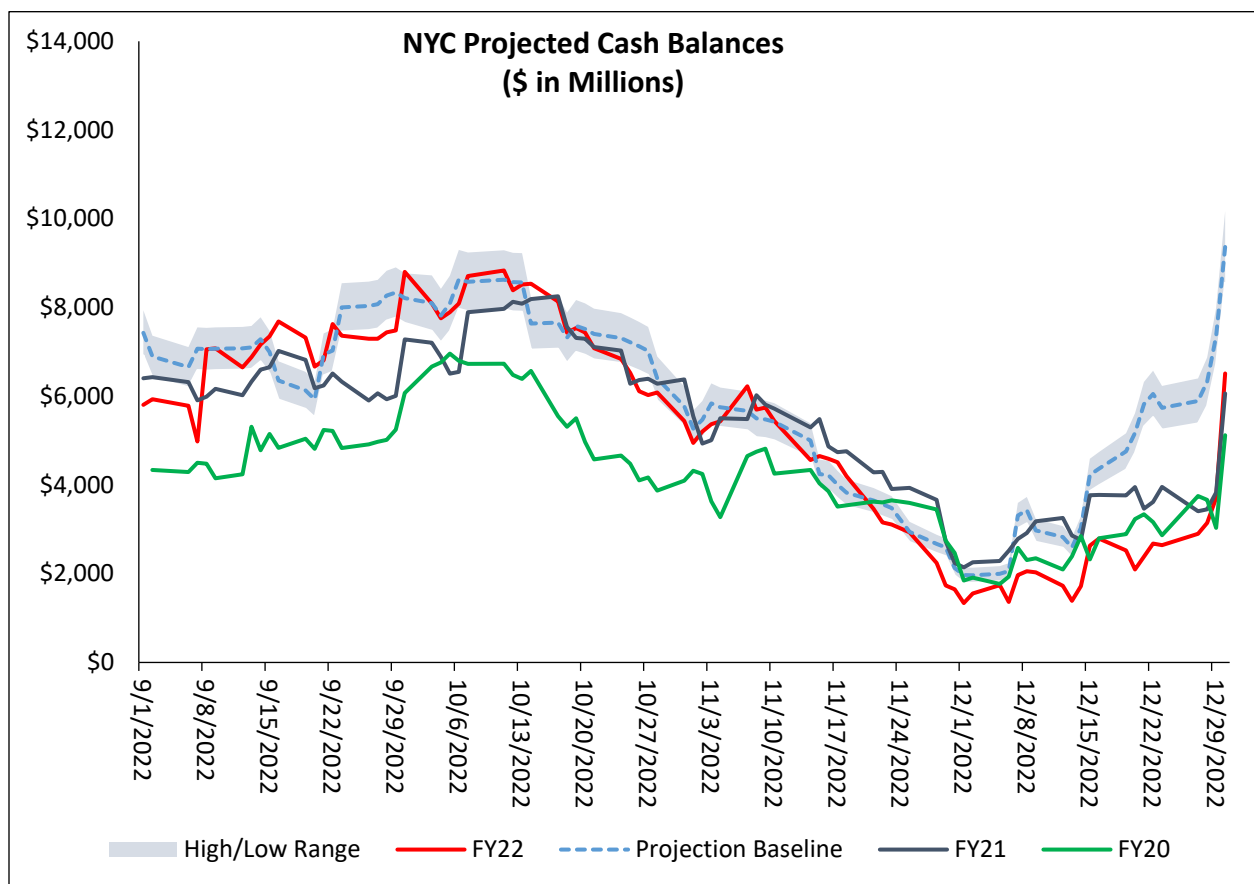
debt service, \$792 million to the Retiree Health Benefit Trust (RHBT), and \$40 million to lease debt prepayments. This year’s payment to the RHBT for FY22 expenditures equaled \$2.710 billion, versus \$2.775 billion in FY21. The City also made an additional deposit of \$750 million into the RHBT above what is needed for retiree pay-as-you-go health benefits. In addition, the City appropriated \$1.45 billion into the Revenue Stabilization Fund, also known as the Rainy Day Fund, but this deposit stays in the cash balance.

During the last 12 months, cash balances have averaged \$7.482 billion, compared to \$8.502 billion at the same time last year. New York City is starting September 1, 2022 with \$7.586 billion in cash, above last year’s figure by \$1.397 billion.

For a full description of FY22 and the last quarter, please see the accompanying report.

**Projected Cash Balances (September 1<sup>st</sup> – December 31<sup>st</sup>)**

The updated projection below outlines expected cash balances in the NYC central treasury from September 1 to December 31, 2022, incorporating guidance provided in the FY23 Adopted Budget.



The City’s cash position remains strong, and we expect there will be sufficient cash-on-hand during the leanest part of the year. Our projection shows that, as in previous years, the annual cash balance low will occur in early December and will measure between \$1.8 billion and \$2.1 billion. The seasonal low measured \$1.338 billion in FY 2022, \$2.143 billion in FY 2021, and \$1.769 billion in FY 2020.

The cash forecast is consistent with [our assessment of the revenue forecast in the City’s Adopted Plan](#). The FY 2023 forecast incorporates the growth in property tax revenue, reflecting the growth in

assessments. At the same time, we assume slower growth in non-property tax revenue going forward, consistent with the Federal Reserve's objective to achieve a so-called soft landing. The forecast also includes the recently enacted Pass-through Entity Tax (PTET). This optional tax allows taxpayers with pass-through income from New York City partnerships and New York S corporations to pay the PTET and receive a commensurate credit on their New York City personal income tax. The PTET was implemented to counteract the loss of federal personal income tax deductions for state and local taxes and is expected to be revenue neutral for the City. The City expects to collect close to \$1.5 billion in PTET in December 2022 and will see the offsetting reduction in personal income tax receipts later in the fiscal year. Finally, while the City's budget anticipates \$9.9 billion less in Federal categorical grants (primarily COVID-related revenue) in FY23 compared to FY22, the timing of receipts differentially impacts the cash balances. For example, FEMA payments for COVID response are expected to trail accrued amounts significantly.

Overall, cash flow balances are estimated to average \$5.889 billion during the next four months compared to \$5.265 billion during the same time last year.

Projection details are in the following pages of this document.

## NYC Projected Cash Balances

(\$ in Millions)

	<b>High</b>	<b>Low</b>	<b>Baseline</b>
1-Sep-22	7,936	6,925	7,431
2-Sep-22	7,366	6,428	6,897
6-Sep-22	7,109	6,204	6,657
7-Sep-22	7,552	6,591	7,072
8-Sep-22	7,540	6,580	7,060
9-Sep-22	7,552	6,591	7,071
12-Sep-22	7,562	6,599	7,081
13-Sep-22	7,585	6,619	7,102
14-Sep-22	7,779	6,788	7,283
15-Sep-22	7,474	6,522	6,998
16-Sep-22	6,788	5,924	6,356
19-Sep-22	6,548	5,714	6,131
20-Sep-22	6,334	5,527	5,930
21-Sep-22	7,415	6,471	6,943
22-Sep-22	7,508	6,552	7,030
23-Sep-22	8,547	7,458	8,003
26-Sep-22	8,581	7,489	8,035
27-Sep-22	8,623	7,525	8,074
28-Sep-22	8,830	7,705	8,268
29-Sep-22	8,905	7,771	8,338
30-Sep-22	8,770	7,653	8,212
3-Oct-22	8,725	7,477	8,101
4-Oct-22	8,419	7,215	7,817
5-Oct-22	8,716	7,470	8,093
6-Oct-22	9,299	7,969	8,634
7-Oct-22	9,238	7,917	8,578
11-Oct-22	9,290	7,962	8,626
12-Oct-22	9,231	7,911	8,571
13-Oct-22	9,224	7,905	8,564
14-Oct-22	8,225	7,049	7,637
17-Oct-22	8,250	7,071	7,660
18-Oct-22	7,883	6,755	7,319
19-Oct-22	8,169	7,001	7,585
20-Oct-22	8,093	6,935	7,514
21-Oct-22	7,972	6,832	7,402
24-Oct-22	7,872	6,746	7,309
25-Oct-22	7,774	6,662	7,218
26-Oct-22	7,674	6,577	7,126
27-Oct-22	7,561	6,480	7,021
28-Oct-22	6,895	5,909	6,402
31-Oct-22	6,216	5,328	5,772

## NYC Projected Cash Balances

(\$ in Millions)

	<b>High</b>	<b>Low</b>	<b>Baseline</b>
1-Nov-22	5,675	4,863	5,269
2-Nov-22	5,894	5,051	5,472
3-Nov-22	6,288	5,389	5,839
4-Nov-22	6,196	5,310	5,753
7-Nov-22	6,107	5,233	5,670
8-Nov-22	5,923	5,076	5,500
9-Nov-22	5,902	5,058	5,480
10-Nov-22	5,841	5,006	5,423
14-Nov-22	5,388	4,618	5,003
15-Nov-22	4,570	3,917	4,244
16-Nov-22	4,545	3,895	4,220
17-Nov-22	4,316	3,699	4,007
18-Nov-22	4,122	3,532	3,827
21-Nov-22	3,932	3,370	3,651
22-Nov-22	3,842	3,293	3,567
23-Nov-22	3,749	3,213	3,481
25-Nov-22	3,169	2,716	2,943
28-Nov-22	2,877	2,465	2,671
29-Nov-22	2,795	2,395	2,595
30-Nov-22	2,291	1,964	2,127
1-Dec-22	2,137	1,799	1,968
2-Dec-22	2,134	1,796	1,965
5-Dec-22	2,172	1,828	2,000
6-Dec-22	2,236	1,882	2,059
7-Dec-22	3,594	3,025	3,309
8-Dec-22	3,730	3,139	3,435
9-Dec-22	3,232	2,720	2,976
12-Dec-22	3,071	2,585	2,828
13-Dec-22	2,815	2,369	2,592
14-Dec-22	3,294	2,772	3,033
15-Dec-22	4,591	3,864	4,227
16-Dec-22	4,743	3,991	4,367
19-Dec-22	5,165	4,347	4,756
20-Dec-22	5,615	4,726	5,170
21-Dec-22	6,321	5,320	5,821
22-Dec-22	6,573	5,532	6,053
23-Dec-22	6,233	5,246	5,739
27-Dec-22	6,400	5,386	5,893
28-Dec-22	6,874	5,785	6,330
29-Dec-22	7,986	6,722	7,354
30-Dec-22	10,169	8,559	9,364

## Inflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Inflows	Sep-22	Oct-22	Nov-22	Dec-22	Sep-Dec-22
Opening Balance	7,586.09	8,211.69	5,772.00	2,127.49	7,586.09
Sales Tax	614.37	776.29	614.14	998.92	3,003.72
Utility Tax	32.88	32.88	32.88	32.88	131.50
Commercial Rent Tax	197.63	15.86	10.52	192.14	416.14
Personal Income Tax	1,366.34	1,048.77	746.00	1,174.23	4,335.33
General Corporation Tax	1,164.71	132.35	128.61	1,214.89	2,640.55
Banking Tax	6.00	6.00	6.00	6.00	24.00
Unincorporated Business Tax	445.46	50.78	49.55	312.96	858.75
Real Property Tax	1,435.14	1,140.54	239.71	6,104.22	8,919.61
Other Taxes	307.25	250.31	263.62	1,866.14	2,687.32
Less Refunds All Taxes	-111.22	-148.82	-100.71	-87.04	-447.79
Total Taxes	5,458.55	3,304.95	1,990.31	11,815.33	22,569.14
Federal Welfare	17.20	71.31	73.07	61.79	223.37
Federal Education	1.92	20.83	11.47	68.45	102.67
Federal Community Development	6.10	6.88	10.33	17.63	40.94
Federal Other	121.11	126.69	137.96	151.02	536.78
Total Federal Aid	146.32	225.71	232.83	298.90	903.76
NYS Welfare	51.30	82.47	9.78	87.96	231.51
NYS Health	8.62	58.55	1.11	40.40	108.68
NYS Education	941.00	336.11	635.10	1,112.61	3,024.82
NYS Higher Education	3.72	204.36	0.00	0.89	208.97
NYS Other	3.49	13.21	41.42	69.24	127.36
Total New York State Aid	1,008.13	694.70	687.41	1,311.09	3,701.34
NYS Revenue Sharing	0.00	0.00	0.00	0.00	0.00
Other Intergovernmental Aid	0.00	0.00	0.00	0.00	0.00
Total Intergovernmental	0.00	0.00	0.00	0.00	0.00
Water Board	162.37	280.97	244.38	212.54	900.26
Interest Income	4.71	4.71	4.71	4.71	18.85
Fines and Forfeitures	108.19	108.19	108.19	108.19	432.77
Miscellaneous Revenue	151.81	244.81	219.33	232.31	848.27
Senior College Tuition and Fees	0.00	160.35	100.00	0.00	260.35
Capital Interest	0.00	0.00	0.00	0.00	0.00
Housing Revenue	1.98	1.98	1.98	1.98	7.92
Total Miscellaneous	429.07	801.01	678.60	559.74	2,468.42
Prior Federal Aid	534.15	480.81	176.83	252.55	1,444.34
Prior NYS Aid	301.02	193.21	171.45	179.33	845.01
Total Federal And NYS Prior Aid	835.17	674.02	348.28	431.88	2,289.35
Balance Sheet Inflows	17.14	17.14	17.14	17.14	68.57
Federal/State Capital	41.21	54.21	37.46	49.92	182.80
Transfers from Capital Proceeds	1,200.00	700.00	700.00	1,100.00	3,700.00
Payroll Taxes Inflows	238.01	184.64	184.65	184.74	792.04
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	426.06	462.98	432.42	536.69	1,858.15
Total Other Inflows	1,922.42	1,418.97	1,371.67	1,888.50	6,601.56
Total Inflows	9,799.66	7,119.36	5,309.10	16,305.45	38,533.56

## Outflows - NYC Cash Balance Monthly Detail

(\$ in Millions)

Outflows	Sep-22	Oct-22	Nov-22	Dec-22	Sep-Dec-22
Payroll	2,304.45	1,775.76	1,775.86	1,776.76	7,632.84
Pensions	804.83	804.83	804.83	804.83	3,219.31
Social Security	178.73	179.19	231.16	177.37	766.45
Health Plan	490.00	490.00	595.00	530.00	2,105.00
Other PS	131.24	131.24	131.24	131.24	524.96
Total PS	3,909.25	3,381.02	3,538.09	3,420.20	14,248.56
PA	325.27	304.40	309.36	371.90	1,310.93
MA	419.74	419.74	419.74	419.74	1,678.95
Other DOSS	274.49	293.95	275.06	271.63	1,115.13
HHC	573.17	26.59	335.76	100.14	1,035.66
TA	0.00	0.00	0.00	15.00	15.00
HA	0.00	1.33	25.71	1.22	28.26
Lump Sum	256.32	256.32	256.32	256.32	1,025.28
Vendor Payments	1,715.67	2,401.70	2,085.70	2,587.32	8,790.39
Other OTPS	0.00	0.00	0.00	0.00	0.00
Total OTPS	3,564.66	3,704.03	3,707.65	4,023.27	14,999.60
City Capital	495.01	982.93	493.04	423.09	2,394.07
Other Outflow Capital	45.83	82.37	58.62	52.28	239.10
GO Debt Service Funding	0.00	0.00	0.00	0.00	0.00
NYCTFA Debt Service Funding	0.00	0.00	0.00	0.00	0.00
Other Debt Service Funding	0.00	0.00	0.00	0.00	0.00
Repay Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00
Payroll Taxes Outflow	861.92	1,111.31	858.82	852.67	3,684.72
Other Outflows	297.39	297.39	297.39	297.39	1,189.58
Total Other Outflows	1,700.15	2,474.00	1,707.88	1,625.44	7,507.47
Total Outflows	9,174.06	9,559.05	8,953.62	9,068.90	36,755.63
Net Flow	625.60	-2,439.69	-3,644.52	7,236.54	1,777.94
Ending Balance	8,211.69	5,772.00	2,127.49	9,364.03	9,364.03

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