

Kirk Parks  
BUREAU CHIEF

THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF FINANCIAL ANALYSIS  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

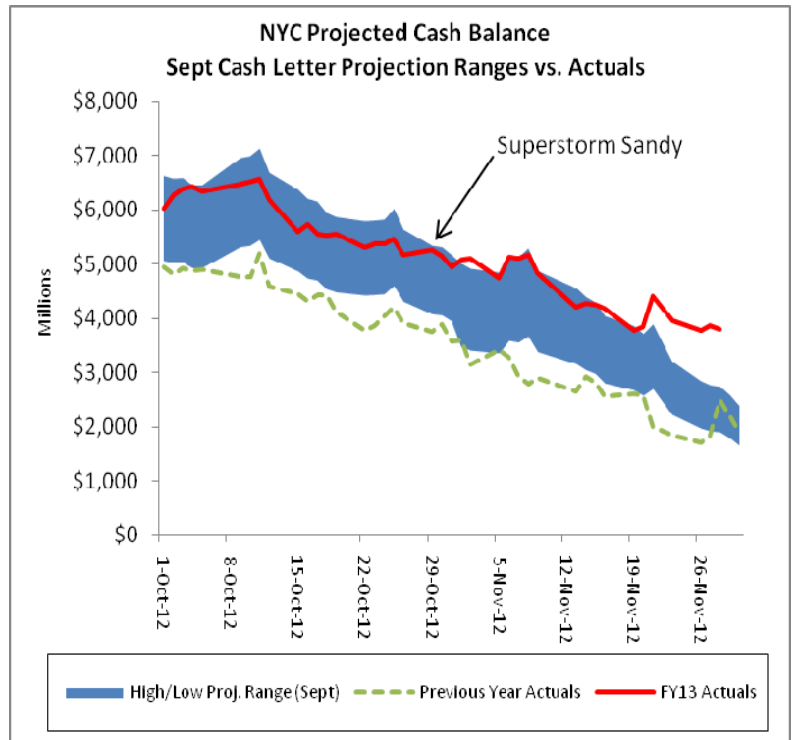
JOHN C. LIU  
COMPTROLLER

(212) 669-4993  
kpark@comptroller.nyc.gov

To: Distribution  
From: Kirk Parks, Bureau Chief, Financial Analysis  
Subject: NYC Cash Balance Projection (December 2012 – May 2013)  
Date: November 30, 2012

We are reminded at times like these to put into perspective those elements of our daily lives that seem paramount until compared to the very real suffering occasioned by an event such as Superstorm Sandy. The Bureau of Financial Analysis celebrates the City’s resilience and joins in its recovery through a redoubling of our efforts to provide clarity regarding the City’s cash flows.

If not for the hurricane, our cash balance projection in the September Cash Letter would need little adjustment or qualification. The graph to the right clearly demonstrates that October cash balance actuals fell comfortably into the middle of the projected range, until Sandy. In a counterintuitive twist, the immediate impact of the storm was a boost in the cash (book) balance. As most City agencies were hobbled during the week of Oct 29 – Nov 2, the processing of expense vouchers was delayed. The resulting reduction in vendor payment outflows led to an upward spike in the cash balance.



The unusual circumstances cause us to think differently about our current cash balance figure. At last measure, on November 28, the City recorded \$3.803 billion in unrestricted cash. However, we estimate (based on the history of expenditures at this time of year) that unprocessed expenditures remaining in the pipeline total roughly \$300 million. Weather-delayed pension contributions and slowed capital spending, taken together, account for another \$300 million. In practical terms, we therefore must consider the cash balance to approximate \$3.2 billion, versus \$1.7 billion at this time last year. We expect that, over the next few weeks, the delayed expenditures will enter our accounting system and that the cash balance actuals will converge to the new projected ranges detailed on the following pages.

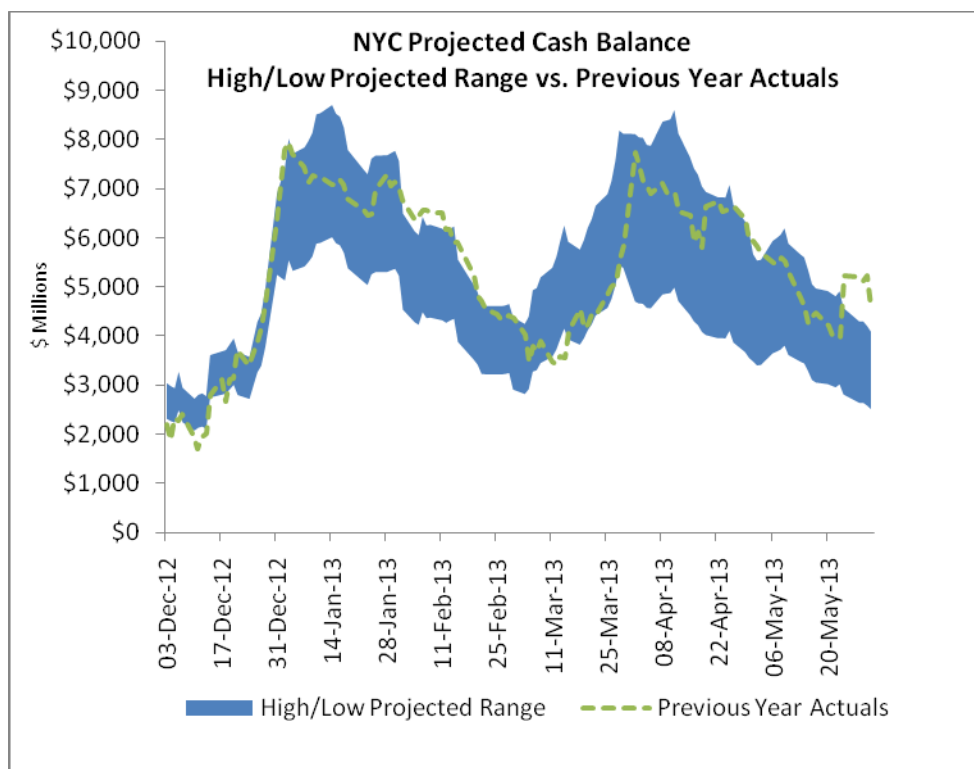
In terms of the emergency response required of the City, our nearest comparable event is the September 11, 2001 attack on the World Trade Center. Using the cash flow impact of 9/11 as a partial model, we have compensated for what we think will be the likely near-term cash flow impact of Sandy. Of course, there are important differences between Sandy and 9/11. We expect that some tax revenue effects of the storm will dissipate

through the end of the fiscal year, whereas the inflow impacts of 9/11 intensified during 3Q02 and 4Q02. Increased expenditures are expected to materialize very shortly and may continue for some time.

Key modifications are as follows:

- Sales Tax has been reduced by 14% in December and January.
- Unincorporated Business Tax has been reduced by 14% in December.
- Total PS/OTPS expenditures have been increased by 5% in December, and January. This adjustment is intended to mimic the increase in expenditures related to the emergency response to WTC. The adjustment is entered as Other OTPS spending in the projection.

The City is entering the mid-December timeframe that normally represents our low-balance period of each year. We expect that the cash balance low for FY13 will occur during the week of December 10, when the balance is projected to fall to the \$2.1 - \$2.7 billion range.



This projection contemplates Sandy expenses during the months of December and January. For the sake of being conservative, we assume no FEMA reimbursements during this period. At some point later in the fiscal year, federal disaster relief aid will begin to arrive, offsetting some of the emergency expenditures. When we observe the actual reimbursement ratio, we will be in a good position to update our model for the months after January. We expect to have a better indication on reimbursements by the publication of the next Cash Letter, scheduled for February.

Unresolved factors, such as storm-related expenditures and the associated federal reimbursements, may impact the accuracy of the forecast. The Mayor has estimated that the City's storm-related expenses will eventually total \$4.5 billion. Such spending would likely have a significant impact on the City's cash flow. Detailed projection elements can be found on the ensuing pages of this document.

**NYC Cash Balance Projected Ranges  
(\$ Millions)**

	<u>Baseline</u>	<u>High</u>	<u>Low</u>	<u>Range</u>
03-Dec-12	2776	3038	2313	725
04-Dec-12	2721	2977	2267	710
05-Dec-12	2683	2936	2236	701
06-Dec-12	2986	3268	2488	780
07-Dec-12	2691	2945	2242	703
10-Dec-12	2488	2723	2073	650
11-Dec-12	2560	2801	2133	668
12-Dec-12	2586	2830	2155	675
13-Dec-12	2534	2773	2111	662
14-Dec-12	3298	3609	2748	861
17-Dec-12	3367	3685	2806	879
18-Dec-12	3392	3712	2826	886
19-Dec-12	3499	3830	2916	914
20-Dec-12	3606	3946	3005	942
21-Dec-12	3360	3678	2800	877
24-Dec-12	3262	3570	2718	852
26-Dec-12	3911	4280	3259	1021
27-Dec-12	4073	4458	3394	1064
28-Dec-12	4522	4949	3768	1181
31-Dec-12	6298	6892	5248	1645
02-Jan-13	6578	7423	5130	2293
03-Jan-13	7105	8017	5541	2476
04-Jan-13	6833	7710	5329	2381
07-Jan-13	6946	7837	5417	2420
08-Jan-13	7063	7969	5508	2461
09-Jan-13	7206	8132	5620	2511
10-Jan-13	7542	8510	5882	2628
11-Jan-13	7564	8535	5899	2636
14-Jan-13	7709	8698	6012	2686
15-Jan-13	7553	8522	5890	2632
16-Jan-13	7499	8462	5848	2613
17-Jan-13	7299	8236	5692	2544
18-Jan-13	6899	7784	5380	2404
22-Jan-13	6544	7384	5104	2281
23-Jan-13	6462	7291	5039	2252
24-Jan-13	6743	7608	5259	2350
25-Jan-13	6797	7669	5301	2369
28-Jan-13	6803	7677	5306	2371
29-Jan-13	6845	7724	5338	2385
30-Jan-13	6884	7768	5369	2399
31-Jan-13	6701	7562	5226	2335

	<u>Baseline</u>	<u>High</u>	<u>Low</u>	<u>Range</u>
01-Feb-13	6205	6494	4537	1957
04-Feb-13	5853	6126	4279	1846
05-Feb-13	5783	6052	4228	1824
06-Feb-13	6138	6424	4487	1936
07-Feb-13	5971	6248	4365	1883
08-Feb-13	5983	6261	4374	1887
11-Feb-13	5909	6184	4320	1864
12-Feb-13	5841	6113	4270	1842
13-Feb-13	5903	6177	4315	1862
14-Feb-13	5952	6229	4352	1878
15-Feb-13	5305	5552	3879	1674
19-Feb-13	4815	5039	3520	1519
20-Feb-13	4671	4888	3415	1473
21-Feb-13	4417	4622	3229	1393
22-Feb-13	4406	4611	3221	1390
25-Feb-13	4401	4606	3218	1388
26-Feb-13	4400	4605	3217	1388
27-Feb-13	4414	4619	3227	1392
28-Feb-13	4441	4648	3247	1401
01-Mar-13	4146	4379	2909	1470
04-Mar-13	4017	4243	2818	1425
05-Mar-13	4158	4392	2917	1475
06-Mar-13	4666	4929	3274	1655
07-Mar-13	4709	4974	3304	1670
08-Mar-13	4916	5193	3449	1743
11-Mar-13	5101	5388	3579	1809
12-Mar-13	5308	5606	3724	1882
13-Mar-13	5618	5934	3941	1992
14-Mar-13	5914	6247	4149	2098
15-Mar-13	5603	5918	3931	1987
18-Mar-13	5450	5757	3824	1933
19-Mar-13	5632	5948	3951	1997
20-Mar-13	5875	6205	4122	2083
21-Mar-13	6037	6376	4235	2141
22-Mar-13	6296	6650	4417	2233
25-Mar-13	6520	6886	4574	2312
26-Mar-13	6767	7147	4747	2400
27-Mar-13	7156	7558	5021	2538
28-Mar-13	7744	8179	5433	2746
29-Mar-13	7684	8116	5391	2725

	<u>Baseline</u>	<u>High</u>	<u>Low</u>	<u>Range</u>
01-Apr-13	7273	8109	4702	3407
02-Apr-13	7212	8042	4663	3379
03-Apr-13	7206	8035	4659	3375
04-Apr-13	7074	7887	4574	3314
05-Apr-13	7057	7869	4563	3306
08-Apr-13	7499	8361	4848	3513
09-Apr-13	7520	8384	4862	3523
10-Apr-13	7541	8409	4876	3533
11-Apr-13	7710	8597	4985	3612
12-Apr-13	7285	8123	4711	3413
15-Apr-13	6844	7631	4425	3206
16-Apr-13	6644	7408	4296	3112
17-Apr-13	6531	7282	4223	3059
18-Apr-13	6316	7043	4084	2959
19-Apr-13	6217	6931	4019	2912
22-Apr-13	6121	6825	3958	2867
23-Apr-13	6119	6822	3956	2866
24-Apr-13	6114	6817	3953	2864
25-Apr-13	6345	7075	4103	2972
26-Apr-13	5981	6669	3867	2802
29-Apr-13	5678	6331	3671	2660
30-Apr-13	5496	6128	3554	2575
1-May-13	5416	5665	3482	2183
2-May-13	5291	5535	3402	2133
3-May-13	5304	5548	3410	2138
6-May-13	5671	5933	3646	2286
7-May-13	5729	5993	3683	2309
8-May-13	5792	6058	3724	2335
9-May-13	5916	6189	3804	2385
10-May-13	5618	5877	3612	2265
13-May-13	5412	5661	3479	2182
14-May-13	5352	5599	3441	2158
15-May-13	5106	5341	3283	2058
16-May-13	4827	5050	3104	1946
17-May-13	4747	4966	3052	1914
20-May-13	4696	4913	3020	1893
21-May-13	4645	4859	2987	1873
22-May-13	4595	4806	2954	1852
23-May-13	4692	4908	3017	1891
24-May-13	4368	4569	2809	1761
28-May-13	4106	4295	2640	1655
29-May-13	4106	4296	2640	1655
30-May-13	4018	4203	2583	1620
31-May-13	3904	4084	2510	1574

**Cash Balance Monthly Detail**  
(\$ Millions)

	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Total</u>
<b>Opening Balance</b>	<b>2923.71</b>	<b>6297.97</b>	<b>6701.45</b>	<b>4441.47</b>	<b>7684.23</b>	<b>5496.08</b>	<b>2923.71</b>
Sales Tax	523.00	387.00	517.00	435.00	564.00	467.00	2893.00
Utility Tax	30.00	34.02	36.00	58.00	30.00	28.00	216.02
Commercial Rent Tax	153.00	27.93	5.00	161.04	7.04	7.04	361.05
Personal Income Tax	607.00	1245.93	625.00	516.00	1043.02	351.00	4387.95
General Corporation Tax	498.00	132.09	102.98	783.04	106.04	128.04	1750.19
Banking Tax	288.00	21.00	5.00	321.00	27.06	3.08	665.14
Unincorporated Business Tax	114.00	361.83	27.00	43.05	381.04	30.00	956.92
Real Property Tax	4459.40	2427.74	107.33	1060.83	470.40	70.23	8595.93
Other Taxes	291.20	408.80	160.23	246.61	198.03	169.96	1474.83
Less Refunds All Taxes	-40.00	-67.83	-46.93	-60.90	-133.98	-42.00	-391.64
<b>Total Taxes</b>	<b>6923.60</b>	<b>4978.51</b>	<b>1538.61</b>	<b>3563.67</b>	<b>2692.65</b>	<b>1212.35</b>	<b>20909.39</b>
Federal Welfare	215.00	77.91	105.07	322.00	52.00	62.04	834.02
Federal Education	99.00	103.32	289.00	276.00	186.00	225.06	1178.38
Federal Community Development	12.00	9.87	10.07	10.08	13.00	13.00	68.02
Federal Other	89.00	76.23	68.02	89.04	64.02	99.00	485.31
<b>Total Federal Aid</b>	<b>415.00</b>	<b>267.33</b>	<b>472.16</b>	<b>697.12</b>	<b>315.02</b>	<b>399.10</b>	<b>2565.73</b>
NYS Welfare	127.00	141.75	65.00	398.00	95.04	86.02	912.81
NYS Health	7.00	48.51	26.03	76.02	7.04	4.00	168.60
NYS Education	744.00	71.90	56.50	2941.47	3.96	1377.70	5195.53
NYS Higher Education	0.00	0.00	280.06	280.00	0.00	0.00	560.06
NYS Other	94.00	31.92	26.03	85.05	36.08	29.04	302.12
<b>Total New York State Aid</b>	<b>972.00</b>	<b>294.08</b>	<b>453.62</b>	<b>3780.54</b>	<b>142.12</b>	<b>1496.76</b>	<b>7139.12</b>
NYS Revenue Sharing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Intergovernmental Aid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Intergovernmental</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Water Board	84.00	104.79	91.01	196.00	79.00	0.00	554.80
Interest Income	1.00	2.10	1.00	1.05	2.00	1.10	8.25
Fines and Forfeitures	87.00	86.10	84.00	101.01	94.00	94.00	546.11
Miscellaneous Revenue	192.00	237.09	183.00	304.08	121.00	357.06	1394.23
Senior College Tuition and Fees	0.00	290.43	0.00	239.00	0.00	0.00	529.43
Capital Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Housing Revenue	2.00	3.00	2.30	2.73	2.20	3.08	15.31
<b>Total Miscellaneous</b>	<b>366.00</b>	<b>723.51</b>	<b>361.31</b>	<b>843.87</b>	<b>298.20</b>	<b>455.24</b>	<b>3048.13</b>
Prior Federal Aid	207.00	118.02	181.07	88.00	28.00	22.00	644.09
Prior NYS Aid	38.00	31.92	18.05	102.06	1.10	14.08	205.21
Total Federal And NYS Prior Aid	245.00	149.94	199.12	190.06	29.10	36.08	849.30
Balance Sheet Inflows	17.00	17.01	17.00	17.01	17.00	17.00	102.02
Federal/State Capital	80.00	80.01	80.00	80.01	80.08	80.08	480.18
Transfers from Capital Proceeds	455.00	686.58	590.80	461.36	749.36	399.76	3342.86
Payroll Taxes Inflows	129.78	128.48	126.73	160.25	125.25	124.88	795.37
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	245.00	276.99	240.00	230.00	239.00	436.04	1667.03
<b>Total Other Inflows</b>	<b>926.78</b>	<b>1189.07</b>	<b>1054.53</b>	<b>948.63</b>	<b>1210.69</b>	<b>1057.76</b>	<b>6387.46</b>
<b>Total Inflows</b>	<b>9848.38</b>	<b>7602.44</b>	<b>4079.35</b>	<b>10023.89</b>	<b>4687.78</b>	<b>4657.29</b>	<b>40899.13</b>

	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Total</u>
Payroll	1252.66	1270.47	1250.03	1608.10	1257.92	1266.49	7905.67
Pensions	720.08	697.12	717.28	697.28	698.64	696.16	4226.56
Social Security	126.02	127.17	125.77	126.29	163.60	126.56	795.41
Health Plan	257.24	248.16	251.44	239.10	393.51	262.34	1651.79
Other PS	82.00	107.88	74.00	76.02	123.00	71.06	533.96
<b>Total PS</b>	<b>2438.00</b>	<b>2450.80</b>	<b>2418.52</b>	<b>2746.79</b>	<b>2636.67</b>	<b>2422.61</b>	<b>15113.39</b>
PA	191.00	167.37	206.00	181.02	185.02	202.00	1132.41
MA	492.00	577.00	647.00	698.00	500.00	621.00	3535.00
Other DOSS	207.00	178.08	223.06	207.06	204.00	223.08	1242.28
HHC	47.00	48.30	21.09	111.09	79.00	41.00	347.48
TA	38.62	0.00	0.04	0.10	0.07	0.00	38.83
HA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lump Sum	154.00	153.93	154.09	154.00	154.00	154.00	924.02
Vendor Payments	1219.00	1111.74	1198.00	1065.00	1273.00	1051.00	6917.74
Other OTPS	240.00	233.73	0.00	0.00	0.00	0.00	473.73
<b>Total OTPS</b>	<b>2588.62</b>	<b>2470.15</b>	<b>2449.28</b>	<b>2416.27</b>	<b>2395.09</b>	<b>2292.08</b>	<b>14611.49</b>
City Capital	395.00	410.55	363.09	559.02	450.00	556.00	2733.66
Other Outflow Capital	217.00	223.02	211.09	159.00	76.00	103.00	989.11
GO Debt Service Funding	0.00	833.73	0.00	0.00	386.31	0.00	1220.04
NYCTFA Debt Service Funding	135.44	0.00	167.60	167.60	0.00	72.20	542.84
Other Debt Service Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repay Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payroll Taxes Outflow	598.06	595.25	592.75	602.45	763.78	596.50	3748.79
Other Outflows	102.00	215.46	137.00	130.00	168.08	207.02	959.56
<b>Total Other Outflows</b>	<b>1447.50</b>	<b>2278.01</b>	<b>1471.53</b>	<b>1618.07</b>	<b>1844.17</b>	<b>1534.72</b>	<b>10194.00</b>
<b>Total Outflows</b>	<b>6474.12</b>	<b>7198.96</b>	<b>6339.33</b>	<b>6781.13</b>	<b>6875.93</b>	<b>6249.41</b>	<b>39918.88</b>
<b>Net Flow</b>	<b>3374.26</b>	<b>403.48</b>	<b>-2259.98</b>	<b>3242.76</b>	<b>-2188.15</b>	<b>-1592.12</b>	<b>980.25</b>
<b>Ending Balance</b>	<b>6297.97</b>	<b>6701.45</b>	<b>4441.47</b>	<b>7684.23</b>	<b>5496.08</b>	<b>3903.96</b>	<b>3903.96</b>

**Addendum: September Cash Letter Projection (corresponds to chart on pg. 1)**

	<u>Baseline</u>	<u>High</u>	<u>Low</u>	<u>Previous Year Actuals</u>	<u>FY13 Actuals</u>
1-Oct-12	6062	6634	5051	4948	6026
2-Oct-12	6016	6584	5013	4820	6271
3-Oct-12	6027	6596	5022	4929	6383
4-Oct-12	5903	6460	4919	4881	6436
5-Oct-12	5904	6461	4919	4895	6348
9-Oct-12	6364	6964	5302	4775	6479
10-Oct-12	6393	6997	5327	4775	6524
11-Oct-12	6520	7135	5433	5197	6560
12-Oct-12	6116	6693	5096	4596	6189
15-Oct-12	5830	6380	4858	4449	5594
16-Oct-12	5676	6212	4729	4326	5740
17-Oct-12	5630	6161	4691	4432	5566
18-Oct-12	5434	5947	4528	4423	5531
19-Oct-12	5365	5871	4470	4113	5559
22-Oct-12	5297	5796	4413	3788	5303
23-Oct-12	5309	5810	4424	3867	5384
24-Oct-12	5323	5826	4436	4048	5368
25-Oct-12	5507	6027	4589	4208	5464
26-Oct-12	5158	5645	4298	3906	5181
29-Oct-12	4881	5342	4067	3756	5272
30-Oct-12	4858	5317	4048	3887	5153
31-Oct-12	4730	5176	3941	3580	4938
1-Nov-12	4446	5017	3467	3608	5093
2-Nov-12	4359	4919	3400	3157	5102
5-Nov-12	4297	4849	3351	3411	4744
6-Nov-12	4589	5178	3579	3283	5133
7-Nov-12	4552	5136	3550	2935	5112
8-Nov-12	4693	5295	3660	2786	5172
9-Nov-12	4324	4879	3372	2908	4839
13-Nov-12	4040	4559	3151	2649	4209
14-Nov-12	3897	4398	3039	2918	4265
15-Nov-12	3808	4297	2970	2818	4256
16-Nov-12	3583	4043	2794	2555	4193
19-Nov-12	3425	3864	2671	2614	3780
20-Nov-12	3297	3721	2572	2594	3843
21-Nov-12	3452	3895	2692	2008	4414
23-Nov-12	2841	3205	2215	1844	3962
26-Nov-12	2521	2844	1966	1701	3780
27-Nov-12	2453	2768	1913	1843	3873
28-Nov-12	2429	2741	1894	2505	3803