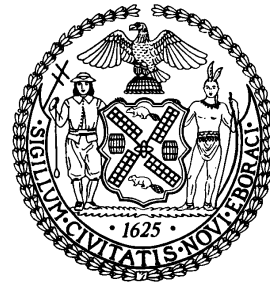


**The City Of New York
Office of the Comptroller
John C. Liu,
Comptroller**



QUARTERLY CASH REPORT

July - September 2012
First Quarter of FY 2013

November 2012

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Summary

Overview

At \$6.397 billion, the 1Q13 average daily cash balance represents a 9.5% increase over year-ago. However, this central statistic masks a few important cross-currents. Importantly, FY13 opened with a \$1.256 billion head start over FY12.

At the end of FY12 (June 2012), the City, following standard practice, committed \$2.439 billion towards the prepayment of FY13 expenses. This outflow was \$1.299 billion smaller than the equivalent payment at the end of FY11. Thus, FY13 began with a considerable cash balance lead on FY12.

One consequence of a lower prepayment at the end of FY12 was an earlier start of GO debt service retention of real estate tax in FY13. There was no GO debt service retention during 1Q of FY06 - FY12 because sizable prepayments covered debt service obligations in the beginning of each of these fiscal years. This year the real estate retention began immediately in July, and \$903.1 million was retained in 1Q13 for GO debt service payments. In addition, the TFA retained \$101.4 million in PIT during 1Q13 for its debt service payments. Cumulatively, \$1.005 billion was retained for debt funding in 1Q13, versus \$0 in 1Q12.

Additionally, 1Q13 capital transfers exceeded year-ago by \$741 million. Most notably, September 2012 transfers totaled \$1.445 billion, versus \$489 million in September 2011. This substantial boost mostly accounts for the quarter's strong finish. The closing balance for 1Q13 was recorded as \$6.235 billion, up \$1.100 billion versus 1Q12.

Cash Receipts

Total cash receipts for the quarter totaled \$19.023 billion, down 1.5% versus year-ago. This total includes \$2.624 billion in reimbursements for capital expenditures. Net of these capital transfers, receipts fell 5.9%.

The cash receipts figures are properly viewed in the context of the method used to calculate them. In accordance with long-standing practice, debt service retention from real estate tax receipts and from PIT receipts is technically counted as negative inflow (rather than positive expense). The already-mentioned increase in 1Q retention this year causes our calculation of receipts to decline.

Total tax receipts fell 2.2%, driven lower by a 7.2% decline in real estate tax, the City's largest single inflow. It should be considered, though, that September 2012 contained two fewer business days than September 2011. This fact is particularly important, as October 1 represents a deadline for the receipt of 2Q13 quarterly real estate tax. This year, the last business day in advance of the deadline was September 28, whereas last year property owners could submit payment through September 30. This accident of the calendar represents only a marginal impact on real estate tax receipts. Even compensating for this difference, it is safe to say that property tax receipts did not grow during 1Q13.

The combined total of 1Q13 Federal and State Aid grew 7.7% over year-ago. Once again, the headline is misleading. Looking inside the aid numbers, we discover that the difference between this year and last year traces to the July receipt of \$354 million in higher education aid from the State. This money represents aid that was originally expected in June, but just happened to arrive one day too late to be counted in FY12. It consequently inflates our aid receipts figure for 1Q13. Adjusting for this fact, we consider total State and Federal aid to have fallen 1.4% versus year-ago.

As already mentioned, bond-funded reimbursements to the central treasury for capital expenditures (capital transfers) totaled \$2.624 billion in 1Q13, an increase of 39.4% over 1Q12.

Cash Expenditures

Total 1Q13 cash expenditures were little-changed, down 0.7% to \$19.085 billion. Nationwide, state and local government spending is reported to have risen 0.6% during the same timeframe.¹ Net of outlays for capital improvements, expenditures fell 2.4% to \$16.936 billion, versus an increase of 1.6% nationwide.² With regard to individual lines of outflow, 1Q13 was largely uneventful. The one category of particular note was vendor-related payments, which fell by 5.4%, or \$218 million.

Capital Expenditures

Total 1Q13 CapEx rose 14.5% versus year-ago, driven by a 19.2% increase in City-funded CapEx. Non-City-Funded CapEx was little-changed. Capital expenditures are initially paid from the NYC central treasury and then reimbursed from various bond-funded capital accounts and State sources. At 131.7%, the rate of reimbursement of reimbursable expenses was unusually high in 1Q13, resulting in a \$632 million gain to the City treasury. Though the quarterly reimbursement rate can be volatile, over the past ten full fiscal years (FY03 - FY12) reimbursements have totaled 104.5% of eligible CapEx.

Financings

The FY13 bond offerings began with the July issuance of \$850 million of fixed rate tax-exempt new money TFA BARBs, which will be used to finance the ongoing capital improvement program of the NYC Department of Education. In August the TFA sold \$800 million of future tax-secured fixed rate new money subordinate bonds, including \$350 million of variable rate tax-exempt bonds, \$200 million of fixed rate taxable bonds, \$150 million of taxable Qualified School Construction (QSCBs), and \$100 million of fixed rate tax-exempt bonds. In addition, the City was able to take advantage of the continuing low-interest rate environment and strong investor demand by refinancing \$950 million of existing TFA PIT bonds at lower interest rates, saving \$143.98 million in debt expense over the life of the bonds.

¹ US Dept of Commerce, Bureau of Economic Analysis,
<http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1>, Table 3.3 .

² Ibid.

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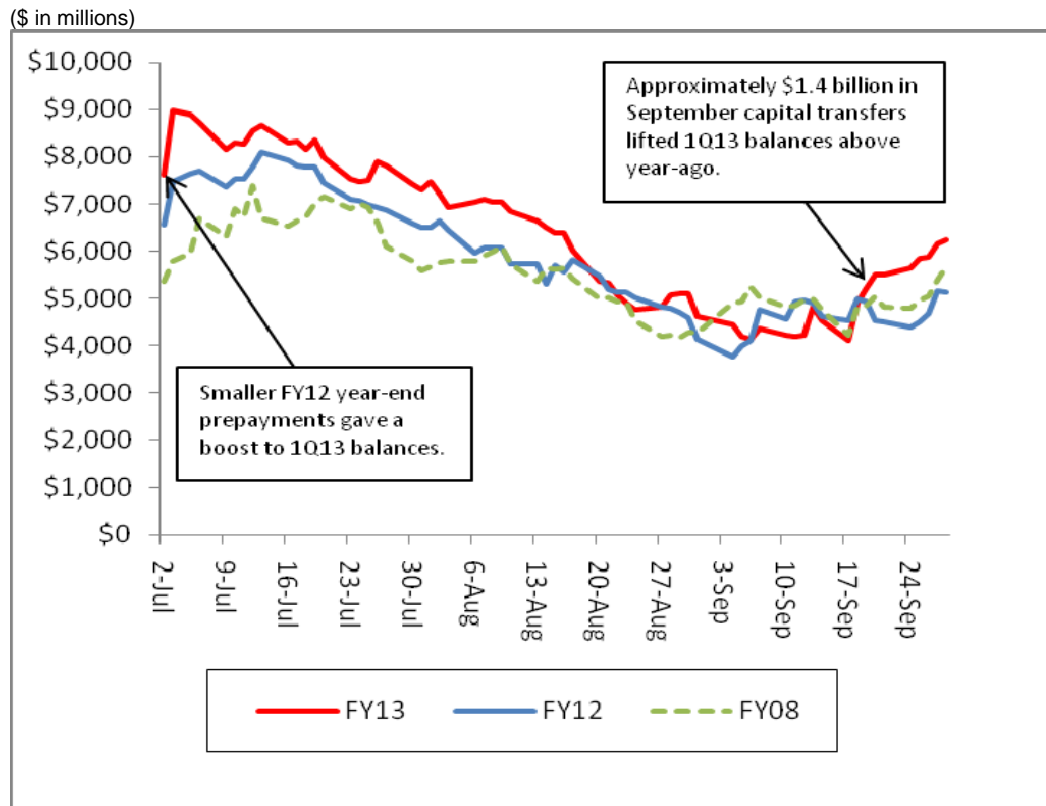
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I. CASH BALANCES ³

Chart 1. Daily Cash Balances in the NYC Central Treasury, 1Q13, 1Q12, 1Q08



Cash balances for 1Q13 sustained a significant lead over the year-ago levels for most of the quarter. NYC began 1Q13 with a \$1.256 billion head start versus last year, due largely to a smaller FY12 prepayment of future expenses. Since the 1980's, the City has, at the end of each fiscal year, prepaid a portion of expenses (mostly debt service) for the coming year. In FY12 most of this annual prepayment was executed in June 2012, on the last day of the fiscal year. As the FY12 cash prepayment was \$1.299 billion smaller than the prepayment from FY11, the starting point for FY13 cash balances was relatively higher than year-ago.

One consequence of a lower prepayment at the end of FY12 was an earlier start of GO debt service retention of real estate tax in FY13. There was no GO debt service retention during 1Q of FY06 - FY12 because sizable prepayments covered debt service obligations in the beginning of each of these fiscal years. This year the real estate retention began immediately in July, and \$903.1 million was retained in 1Q13 for GO debt service payments. In addition, the TFA retained \$101.4 million in PIT during 1Q13 for its debt

³ 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 according to warrants issued.

service payments. Cumulatively \$1.005 billion was retained for debt funding in 1Q13, versus \$0 in 1Q12. This relatively early retention contributed to the convergence between 1Q13 and 1Q12 cash balances in late August.

During September 2012, the last month of the quarter, an influx of capital transfer funds (reimbursements to the central treasury from bond proceeds, for capital expenditures by the City) swelled the central treasury by \$1.445 billion. By comparison, only \$489 million of capital transfers were realized in September 2011. As a result of the lower prepayment and higher September capital transfers, the 1Q13 average daily cash balance exceeded the year-ago levels by 9.5%.

Table 1. Cash Position in the NYC Central Treasury, 1Q, FY04 - FY13

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Opening Balance ^a	\$ 2,502	\$ 4,208	\$ 6,830	\$ 6,386	\$ 4,473	\$ 4,988	\$ 5,839	\$ 4,604	\$ 5,041	\$ 6,297
Total Receipts	14,144	14,575	16,537	15,170	16,821	19,750	17,332	19,911	19,315	19,023
Total Expenditures ^b	14,108	14,873	16,071	15,392	15,608	18,368	18,575	19,165	19,221	19,085
Closing Balance ^c	\$ 2,538	\$ 3,910	\$ 7,296	\$ 6,164	\$ 5,686	\$ 6,370	\$ 4,596	\$ 5,350	\$ 5,135	\$ 6,235

a. Before City audits.

b. Total expenditures include capital expenditures.

c. Components may not sum to closing balance, due to rounding.

Table 2. Average Daily Cash Balances in the NYC Central Treasury, 1Q, FY04 - FY13

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
July	\$3,270	\$5,233	\$8,809	\$7,509	\$6,513	\$7,676	\$7,975	\$6,135	\$7,395	\$8,104
August	2,507	3,939	7,319	5,891	5,211	5,529	5,936	4,017	5,623	6,033
September	2,904	3,891	7,177	5,539	4,952	6,012	5,056	3,761	4,606	4,950
Total	\$2,900	\$4,348	\$7,738	\$6,293	\$5,567	\$6,426	\$6,348	\$4,628	\$5,843	\$6,397

II. CASH RECEIPTS

Receipts at a Glance

Table 3. Total and Average Daily Cash Receipts, 1Q, FY09 - FY13

(\$ in millions)

	Total Receipts					Average Daily Receipts				
	FY09	FY10	FY11	FY12	FY13	FY09	FY10	FY11	FY12	FY13
July	\$ 8,352	\$ 7,519	\$ 7,114	\$ 7,827	\$ 7,542	\$380	\$342	\$339	\$391	\$359
August	3,289	3,861	4,979	4,769	3,667	157	184	226	207	159
September	8,109	5,952	7,818	6,719	7,814	386	283	372	320	411
Total	\$19,750	\$17,332	\$19,911	\$19,315	\$19,023	\$309	\$271	\$311	\$302	\$302

Table 4. Cash Receipts by Category, 1Q12 and 1Q13

(\$ in millions)

	July 2011	August 2011	Sept. 2011	Total 1Q12	July 2012	August 2012	Sept. 2012	Total 1Q13	Diff. Total 1Q13/12
Real Property Tax	\$3,916	\$ 181	\$1,057	\$ 5,154	\$3,808	\$ 218	\$ 759	\$ 4,785	\$ (369)
Other Taxes	1,299	1,237	3,007	5,543	1,302	1,270	3,109	5,681	138
Debt Service Funding	0	0	0	0	(586)	(368)	(51)	(1,005)	(1,005)
Federal and State Aid	1,151	1,524	1,215	3,890	893	1,661	1,634	4,188	298
Miscellaneous	635	518	581	1,734	703	491	475	1,669	(65)
Intergovernmental Aid	0	0	0	0	0	0	0	0	0
Other	826	1,309	859	2,994	1,422	395	1,888	3,705	711
Total	\$7,827	\$4,769	\$6,719	\$19,315	\$7,542	\$3,667	\$7,814	\$19,023	\$ (292)

Total cash receipts for the quarter totaled \$19.023 billion, down 1.5% versus year-ago. The cash receipts figures are properly viewed in the context of the method used to calculate them. In accordance with long-standing practice, debt service retention from real estate tax receipts and from PIT receipts is technically counted as negative inflow (rather than positive expense). The already-mentioned increase in 1Q retention this year causes our calculation of receipts to decline.

Table 5. Cash Receipts by Category, 1Q, FY04 - FY13

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Real Property Tax	\$ 3,954	\$ 4,057	\$ 4,890	\$ 3,416	\$ 4,244	\$ 5,006	\$ 3,778	\$ 4,638	\$ 5,154	\$ 4,785
Other Taxes	3,263	3,905	4,507	5,326	5,640	5,556	4,506	5,191	5,543	5,681
<i>Total Taxes</i>	<i>7,217</i>	<i>7,962</i>	<i>9,397</i>	<i>8,742</i>	<i>9,884</i>	<i>10,562</i>	<i>8,284</i>	<i>9,829</i>	<i>10,697</i>	<i>10,466</i>
Debt Service Funding	(1,402)	(663)	0	(281)	0	0	0	(108)	0	(1,005)
Federal and State Aid	3,762	3,184	3,136	3,303	2,990	3,712	4,279	4,270	3,890	4,188
Miscellaneous	1,268	1,202	1,224	1,488	1,438	1,801	1,796	1,628	1,734	1,669
Intergovernmental Aid	1,316	805	226	63	6	63	63	0	0	0
Other	1,983	2,085	2,554	1,855	2,503	3,612	2,910	3,842	2,994	3,705
Total	\$14,144	\$14,575	\$16,537	\$15,170	\$16,821	\$19,750	\$17,332	\$19,911	\$19,315	\$19,023

Taxes⁴

Table 6. Tax Receipts, 1Q08, 1Q12, 1Q13

(\$ in millions)

	1Q08	1Q12	1Q13	% Change 1Q13/ 1Q08	% Change 1Q13/ 1Q12
Real Property Tax	\$4,244	\$5,154	\$4,785	12.7%	(7.2)%
Personal Income Tax	1,550	1,704	1,721	11.0	1.0
Sales Tax	909	1,279	1,317	44.9	3.0
General Corporation Tax	777	728	669	(13.9)	(8.1)
Banking Corporation Tax	311	312	462	48.6	48.1
Mortgage and Real Property Transfer Taxes	887	450	421	(52.5)	(6.4)
Unincorporated Business Tax	410	404	411	0.2	1.7
STAR	362	178	188	(48.1)	5.6
Commercial Rent Tax	144	168	174	20.8	3.6
Hotel Occupancy Tax	90	115	118	31.1	2.6
Utility Tax	89	90	107	20.2	18.9
All Other Taxes	111	115	93	(16.2)	(19.1)
Total	\$9,884	\$10,697	\$10,466	5.9%	(2.2)%

Total tax receipts fell 2.2%, driven lower by a 7.2% decline in Real property tax, the City's largest single inflow. It should be considered, though, that September 2012 contained two fewer business days than September 2011. This fact is particularly important, as October 1 represents a deadline for the receipt of 2Q13 quarterly real estate tax. This year, the last business day in advance of the deadline was September 28, whereas last year property owners could submit payment through September 30. This accident of the calendar represents only a marginal impact on real estate tax receipts. Even compensating for this difference, it is safe to say that property tax receipts did not grow during 1Q13.

Most economically sensitive taxes (sales tax, PIT, banking corporation tax, and UBT) posted 1Q increases versus year-ago. General corporation tax was a notable exception, falling 8.1%.

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

Table 7. Selected Cash Receipts, 1Q, FY09 - FY13

(\$ in millions)

	FY09	FY10	FY11	FY12	FY13
Real Property Tax	\$5,006	\$3,778	\$4,638	\$5,154	\$4,785
Personal Income Tax	1,649	1,444	1,480	1,704	1,721
NYS Education	1,254	1,298	1,496	1,311	1,324
Sales Tax	955	989	1,193	1,279	1,317
Federal Welfare	536	716	1,079	870	1,023
General Corporation Tax	752	670	684	728	669
Water and Sewer Charges	512	550	542	586	630
Banking Corporation Tax	407	182	537	312	462
Unincorporated Business Tax	391	347	382	404	411
Private Grants	243	431	352	446	379
NYS Welfare	428	570	485	582	355
NYS Higher Education	288	623	330	0	354
Fines and Forfeitures	238	233	243	243	289
NYS Health	158	187	204	134	238
STAR	343	221	102	178	188

Table 8. Cash Receipts, Net of Reimbursements for Capital Expenditures, 1Q12 and 1Q13

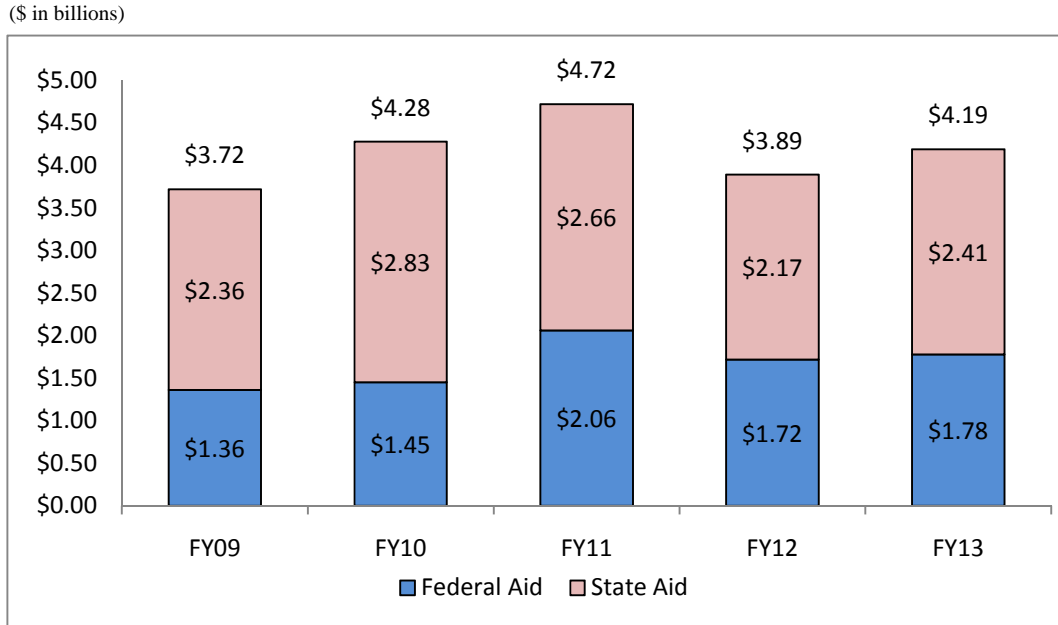
(\$ in millions)

	FY12	FY13	Diff. FY13/ FY12
July	\$ 7,222	\$ 6,537	\$ (685)
August	3,980	3,493	(487)
September	6,230	6,368	138
Total	\$17,432	\$16,398	\$(1,034)

Net of CapEx reimbursements, cash receipts decreased 5.9%.

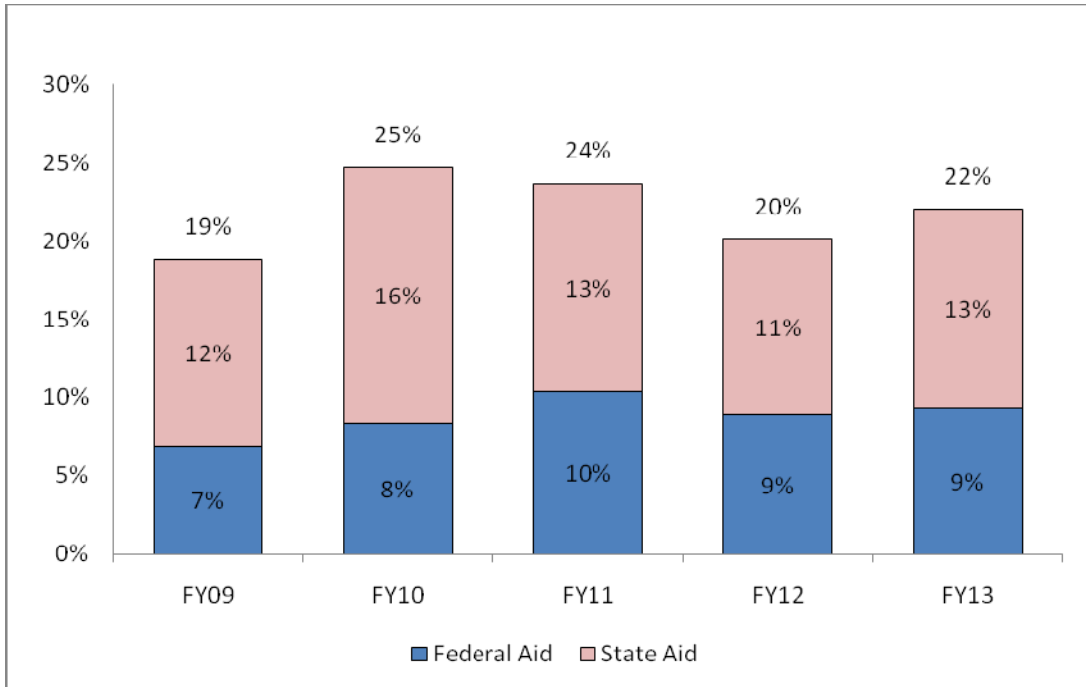
Federal and State Aid

Chart 2. Federal & State Aid to NYC, 1Q, FY09 - FY13



The combined total of 1Q13 Federal and State Aid grew 7.7% over year-ago. Once again, the headline is misleading. Looking inside the aid numbers, we discover that the difference between this year and last year traces to the July receipt of \$354 million in higher education aid from the State. This money represents aid that was originally expected in June, but just happened to arrive one day too late to be counted in FY12. It consequently inflates our aid receipts figure for 1Q13. Adjusting for this fact, we consider total State and Federal aid to have fallen 1.4% versus year-ago.

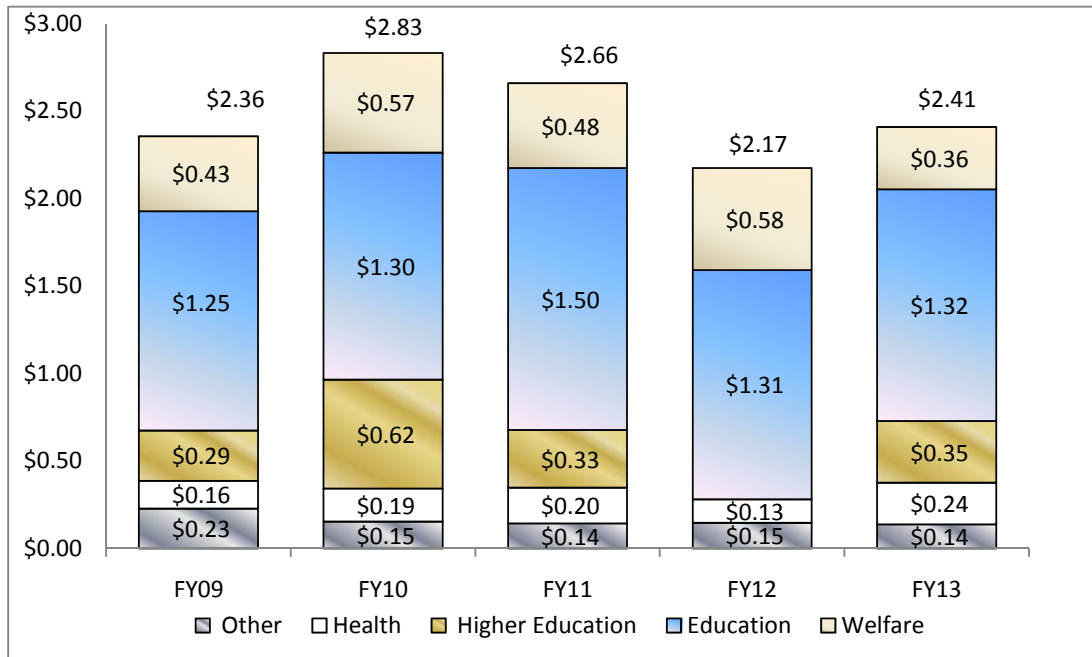
Chart 3. Federal & State Aid as % of Total Cash Receipts, 1Q, FY09 - FY13



Components may not sum to total, due to rounding.

Chart 4. Components of State Aid, 1Q, FY09 - FY13

(\$ in billions)

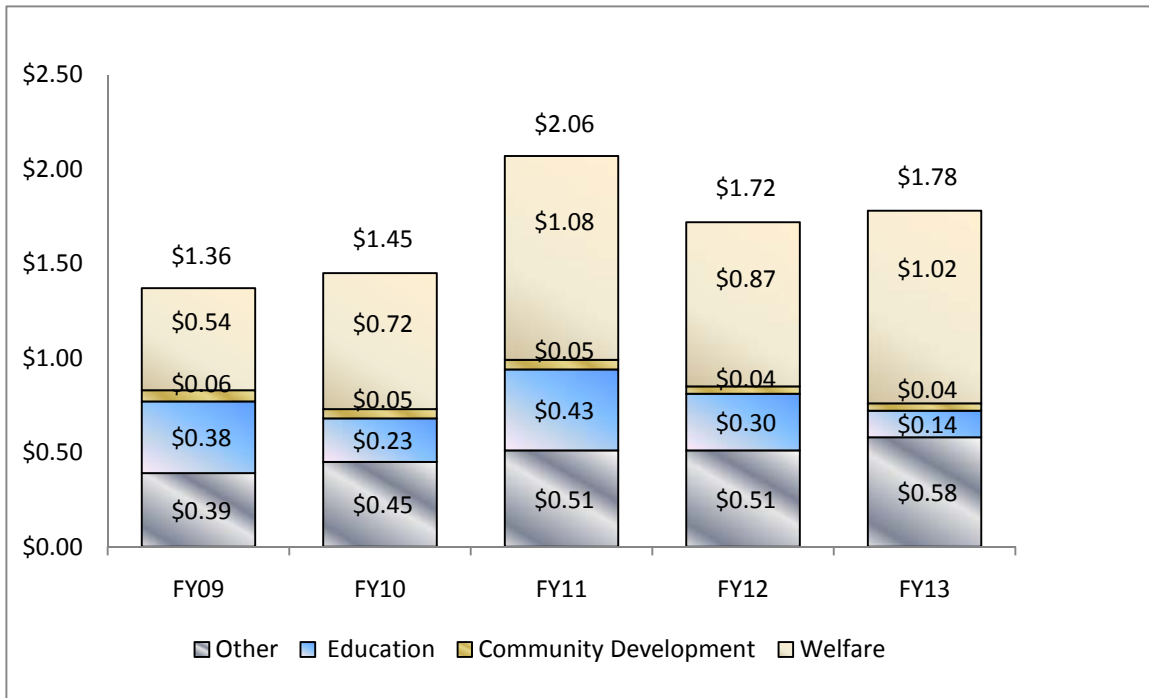


Components may not sum to total, due to rounding.

Approximately \$354 million of FY12 NYS higher education aid arrived just a day too late to be counted as FY12 inflow. It appears above as 1Q13 higher education aid.

Chart 5. Components of Federal Aid, 1Q, FY09 - FY13

(\$ in billions)



Components may not sum to total, due to rounding.

III. CASH EXPENDITURES (INCLUDING CAPITAL)

Cash Expenditures at a Glance

Table 9. Total and Average Daily Cash Expenditures, 1Q, FY09 - FY13

(\$ in millions)

	Total Expenditures					Average Daily Expenditures				
	FY09	FY10	FY11	FY12	FY13	FY09	FY10	FY11	FY12	FY13
July	\$ 6,522	\$ 6,523	\$ 7,107	\$ 6,282	\$ 6,528	\$296	\$297	\$338	\$314	\$311
August	6,037	5,971	6,051	6,657	6,345	287	284	275	289	276
September	5,809	6,081	6,007	6,282	6,212	277	290	286	299	327
Total	\$18,368	\$18,575	\$19,165	\$19,221	\$19,085	\$287	\$290	\$299	\$300	\$303

Components may not sum to total, due to rounding.

Table 10. Cash Expenditures by Category, 1Q12 and 1Q13

(\$ in millions)

	July 2011	August 2011	Sept. 2011	Total 1Q12	July 2012	August 2012	Sept. 2012	Total 1Q13	Diff. Total 1Q13/12
Gross Payroll	\$2,082	\$1,916	\$2,178	\$6,176	\$1,993	\$2,257	\$1,809	\$6,059	\$(117)
Other Personal Services	1,163	1,049	1,080	3,292	1,087	1,169	1,110	3,366	74
Public Assistance	217	213	202	632	209	194	178	581	(51)
Medical Assistance	353	395	902	1,650	409	490	723	1,622	(28)
Other Social Services	252	148	161	561	245	174	220	639	78
Vendor and Other	1,396	1,557	1,081	4,034	1,428	1,358	1,030	3,816	(218)
All Other	819	1,379	678	2,876	1,157	703	1,142	3,002	126
Total	\$6,282	\$6,657	\$6,282	\$19,221	\$6,528	\$6,345	\$6,212	\$19,085	\$(136)

Components may not sum to total, due to rounding.

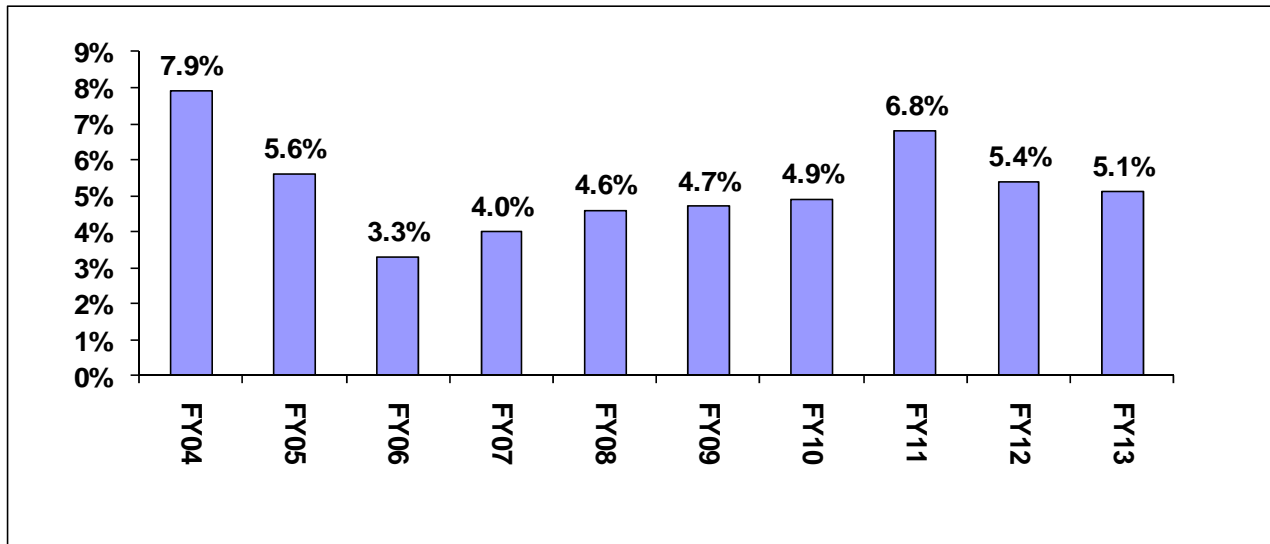
Total 1Q13 cash expenditures were little-changed, down 0.7% to \$19.085 billion. With regard to individual lines of outflow, 1Q13 was largely uneventful. The one category of particular note was vendor-related payments, which fell by 5.4%, or \$218 million.

Table 11. PS & OTPS, 1Q, FY04 - FY13

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Gross Payroll	\$4,756	\$4,901	\$5,330	\$5,042	\$5,200	\$6,161	\$5,759	\$5,967	\$6,176	\$6,059
Other Personal Services	1,856	2,104	2,499	2,419	2,486	2,792	3,040	3,208	3,292	3,366
Total PS	\$6,612	\$7,005	\$7,829	\$7,461	\$7,686	\$8,953	\$8,799	\$9,175	\$9,468	\$9,425
% of 1Q Total Exp	47%	47%	49%	48%	49%	49%	47%	48%	49%	49%
# of Bi-weekly Payrolls	7	7	7	6	6	6	6	6	7	7
Public Assistance	\$781	\$751	\$696	\$593	\$561	\$566	\$767	\$653	\$632	\$581
Medical Assistance	906	1,128	1,085	1,094	1,112	1,214	1,372	1,181	1,650	1,622
Other Social Services	537	567	589	650	570	725	681	655	561	639
Vendor and Other	2,452	2,835	3,124	3,173	3,409	3,728	3,654	3,820	4,034	3,816
Total OTPS	\$4,676	\$5,281	\$5,494	\$5,510	\$5,652	\$6,233	\$6,474	\$6,309	\$6,877	\$6,658
% of 1Q Total Exp	33%	36%	34%	36%	36%	34%	35%	33%	36%	35%
All Other	\$2,820	\$2,587	\$2,748	\$2,421	\$2,270	\$3,182	\$3,302	\$3,681	\$2,876	\$3,002
% of Total Exp	20%	17%	17%	16%	15%	17%	18%	19%	15%	16%
Total Expenditures	\$14,108	\$14,873	\$16,071	\$15,392	\$15,608	\$18,368	\$18,575	\$19,165	\$19,221	\$19,085

Chart 6. Daily Expenditures as % of Daily Cash Balances, 1Q, FY04 - FY13



“All Other” Spending

Table 12. Major Components of “All Other” Spending, 1Q12 and 1Q13

(\$ in millions)

	1Q12	1Q13	Difference
Transit Authority	\$ 254	\$ 227	\$ (27)
Housing Authority	0	0	0
Lump Sum Payments	480	412	(68)
HHC	185	177	(8)
Refunds	211	181	(30)
City-Funded Capital	1,369	1,632	263
Non-City Funded Capital	508	517	9
F-700 Adjustment	(133)	(141)	(8)

Table 13. Cash Expenditures, Net of Capital Expenditures 1Q12 and 1Q13

(\$ in millions)

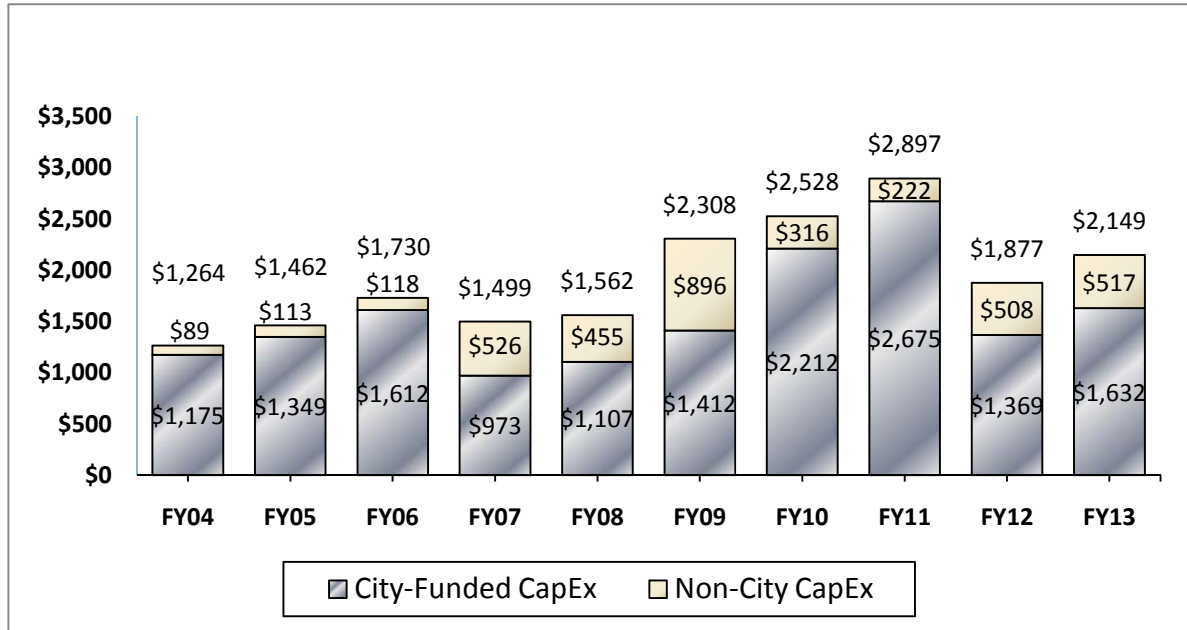
	FY12	FY13	Diff. FY13/ FY12
July	\$5,752	\$5,715	\$ (37)
August	5,764	5,858	94
September	5,828	5,363	(465)
Total	\$17,344	\$16,936	\$(408)

When CapEx is removed from the 1Q13 cash expenditures total, the net figure reflects a decline of 2.4% versus year-ago. Over the long term, CapEx is counterbalanced by reimbursements from capital transfers. By removing the effect of CapEx, this metric attempts to deliver a sense of true expense growth.

IV. CAPITAL EXPENDITURES

Chart 7. Total CapEx, 1Q, FY04 - FY13

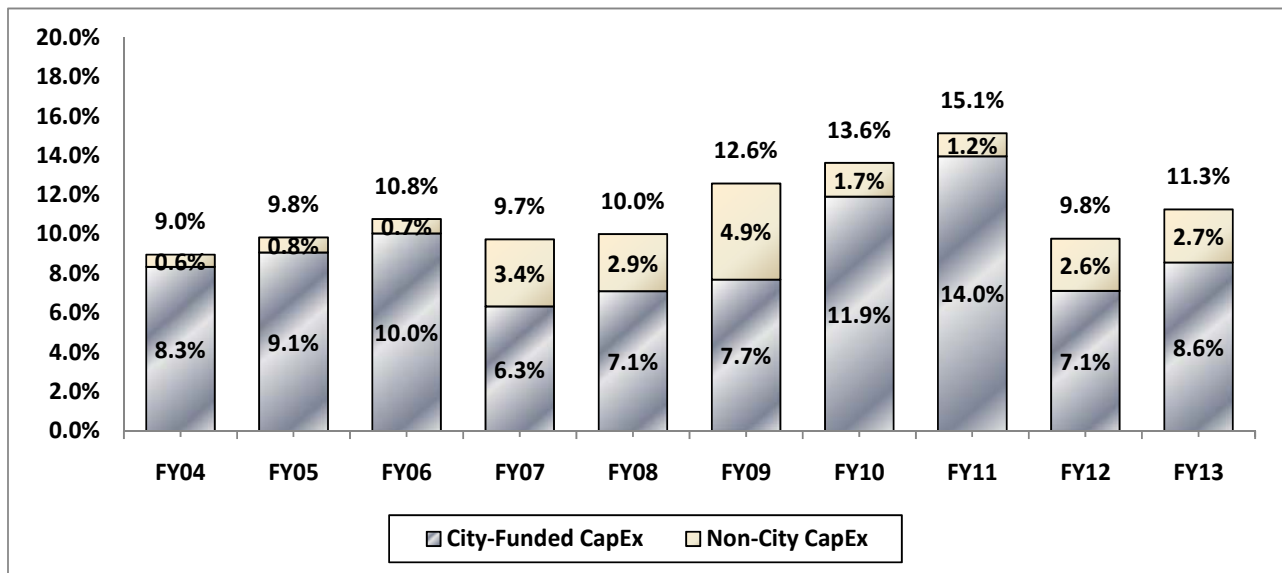
(Sin millions)



Components may not sum to total, due to rounding.

Total 1Q13 CapEx rose 14.5% versus year-ago, driven by a 19.2% increase in City-funded CapEx. Non-City-Funded CapEx was little-changed.

Chart 8. Total CapEx as % of Total Expenditures, 1Q, FY04 - FY13



Components may not sum to total, due to rounding.

Table 14. Reimbursements to the NYC Central Treasury for Capital Expenditures, 1Q13

(\$ in millions)

	July 2012	Aug. 2012	Sept. 2012	1Q13
GO	\$ 81	\$ 95	\$ 119	\$ 295
NY Water	166	0	350	516
TFA	519	79	616	1,214
Subtotal	766	174	1,085	2,025
TFA Building Aid	238	0	360	598
DASNY	0	0	0	0
Subtotal	238	0	360	598
Total	\$1,004	\$174	\$1,445	\$2,624

Components may not sum to total, due to rounding.

Table 15. Reimbursements to the NYC Central Treasury for CapEx, 1Q, FY04 - FY13

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	Total
GO	\$ 487	\$ 777	\$ 1,230	\$ 352	\$ 282	\$1,129	\$ 532	\$ 759	\$ 456	\$ 295	\$6,299
NY Water	323	470	243	473	248	684	611	955	575	516	5,098
TFA	229	0	0	0	286	5	609	1,170	572	1,214	4,085
Sub-total	1,039	1,247	1,473	825	816	1,818	1,752	2,884	1,603	2,025	15,482
TFA Building Aid	0	0	0	0	278	211	182	0	280	598	1,549
DASNY	0	0	0	0	188	327	6	0	0	0	521
Sub-total	0	0	0	0	466	538	188	0	280	598	2,070
Other	8	18	0	0	0	0	0	0	0	0	26
Total	\$1,047	\$1,265	\$1,473	\$825	\$1,282	\$2,356	\$1,940	\$2,884	\$1,883	\$2,624	\$17,578
1Q Reimbursable Capital Expenditures	\$1,175	\$1,349	\$1,612	\$1,373	\$1,485	\$2,163	\$2,382	\$2,747	\$1,667	\$1,992	\$17,945
1Q Reimbursements Less 1Q Reimbursable Capital Expenditures	(\$128)	(\$84)	(\$139)	(\$548)	(\$203)	\$193	(\$442)	\$137	\$216	\$632	(\$367)
1Q Reimbursements as a % of 1Q Reimbursable Capital Expenditures	89.1%	93.8%	91.4%	60.1%	86.3%	108.9%	81.4%	105.0%	113.0%	131.7%	98.0%
1Q Reimbursements as a % of 1Q Total Receipts	7.4%	8.7%	8.9%	5.4%	7.6%	11.9%	11.2%	14.5%	9.7%	13.8%	10.2%

Capital expenditures are initially paid from the NYC central treasury and then reimbursed from various bond-funded capital accounts and State sources. At 131.7%, the rate of reimbursement of reimbursable expenses was unusually high in 1Q13, delivering to the City treasury a net increase of \$632 million. Though the quarterly reimbursement rate can be volatile, over the past ten full fiscal years (FY03 - FY12) reimbursements have totaled 104.5% of eligible CapEx.

Chart 9. Bond-Funded Reimbursements for Eligible CapEx, 1Q, FY09 - FY13

(\$ in millions)

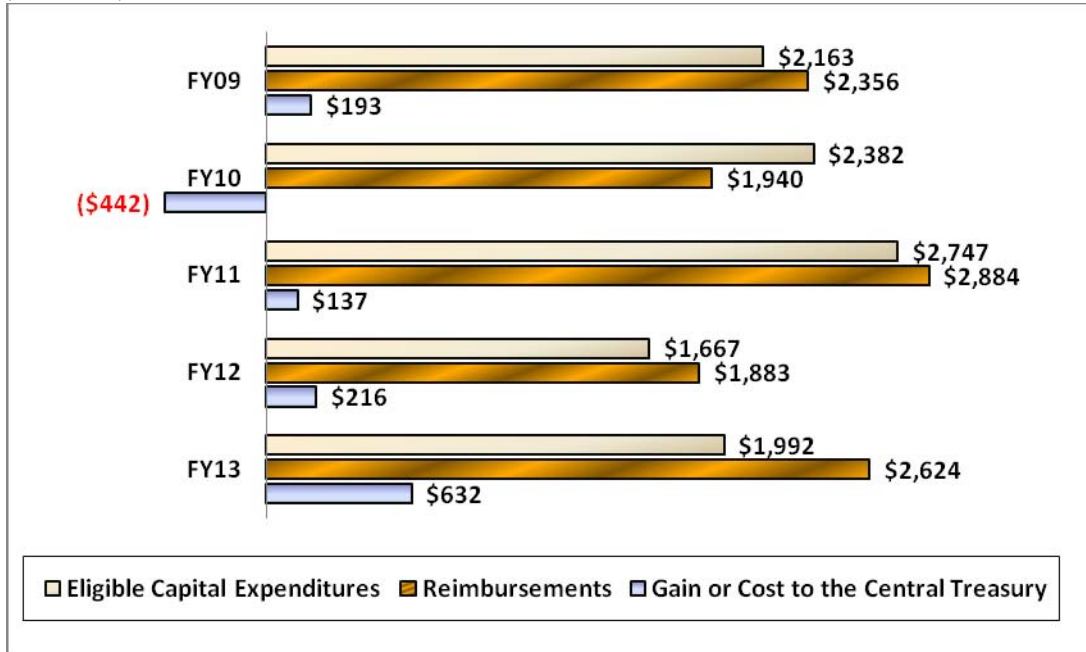


Table 16. Payments to the SCA, 1Q, FY04 - FY13

(\$ in millions)

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
City-funded	\$300	\$300	\$596	\$ 0	\$ 22	\$ 29	\$627	\$727	\$ 52	\$320
TFA Building Aid & DASNY	0	0	0	400	378	751	170	72	298	360
Other	0	0	4	0	0	20	3	1	0	4
Total	\$300	\$300	\$600	\$400	\$400	\$800	\$800	\$800	\$350	\$684
1Q SCA as a % of 1Q Total Capital Expenditures	23.7%	20.5%	34.7%	26.7%	25.6%	34.7%	31.6%	27.6%	18.6%	31.8%

V. FINANCINGS

In FY13 the City plans to issue \$6.45 billion in General Obligation (GO), Transitional Finance Authority Personal Income Tax (TFA PIT), and Transitional Finance Authority Building Aid Revenue Bonds (TFA BARBs) for new money capital purposes. This year's bond issuance should closely resemble the bond issuance in FY 2012, when the City issued \$6.18 billion in new money debt across the three credits.

Table 17. FY13 Projected vs. 1Q13 Actual GO, TFA PIT, and TFA BARBs Issuance

(\$ in billions)

	Projected Issuance	1Q13 Issuance	Remaining Issuance
GO	\$1.70	\$0.00	\$1.70
TFA PIT	3.40	0.80	2.60
TFA BARBs	1.35	0.85	0.50
Total	\$6.45	\$1.65	\$4.80

Projected bond issuance is based on the OMB's FY 2013 Adopted Budget.

The FY13 bond offerings began with the issuance of \$850 million of fixed rate tax-exempt new money TFA BARBs, which will be used to finance the ongoing capital improvement program of the NYC Department of Education. In August the TFA sold \$800 million of future tax-secured fixed rate new money subordinate bonds, including \$350 million of variable rate tax-exempt bonds, \$200 million of fixed rate taxable bonds, \$150 million of taxable Qualified School Construction Bonds (QSCBs), and \$100 million of fixed rate tax-exempt bonds. In addition, the City was able to take advantage of the continuing low-interest rate environment and strong investor demand by refinancing \$950 million of existing TFA PIT bonds at lower interest rates, saving \$144 million in debt expense over the life of the bonds.

Table 18. GO and TFA PIT Bond Issuance, 1QFY13

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed	TE Variable	QSCBs*	Total Par
7/25/2012	TFA BARBs	New Money	\$850	\$0	\$0	\$0	\$850
8/28/2012	TFA PIT 2013 A	New Money	100	200**	350	150**	800
8/28/2012	TFA PIT 2013 B	Refunding	950	0	0	0	950

* QSCBs are 100% subsidized by the federal government

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

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