

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

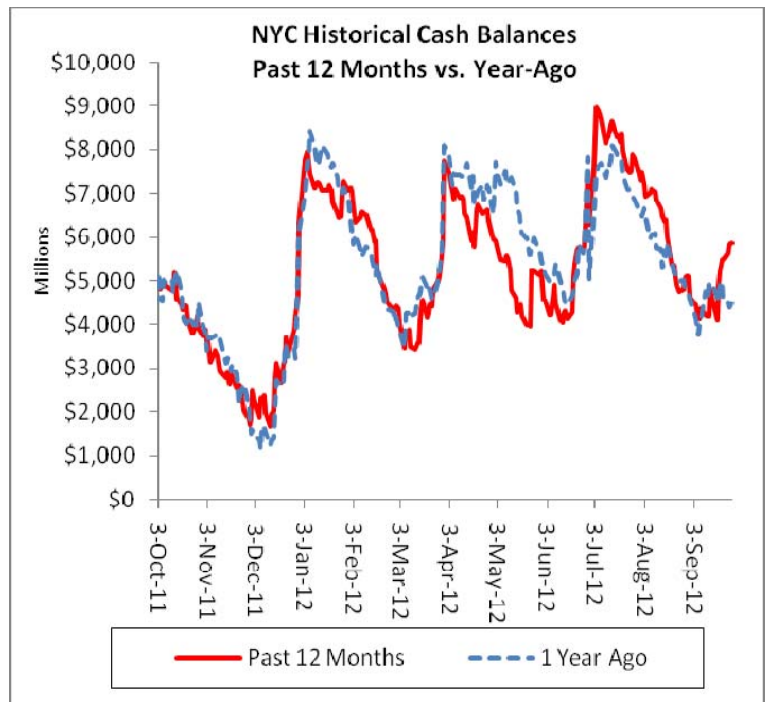
JOHN C. LIU  
COMPTROLLER

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

To: Distribution  
From: Kirk Parks, Bureau Chief, Financial Analysis  
Subject: NYC Cash Balance Projection (October 2012 – March 2013)  
Date: September 28, 2012

As of September 26, 2012, the NYC cash (book) balance stands at \$5.870 billion. Over the past twelve months, the balance has averaged \$5.270 billion, versus \$5.355 billion for the same period year-go. On June 29, the City ended its fiscal year 2012 on a very strong note, with a closing balance of \$6.297 billion. This figure represents the unaudited cash balance, net of a \$2.439 billion prepayment of future expenses. Last year's closing balance was \$5.041 billion, net of a prepayment of \$3.738 billion.

For most of the past year cash balances have been closely paired to year-ago levels. We mentioned in the May projection update that some divergence between FY12 and FY11 had been caused by a change in the schedule of payment of State education aid during May. As expected, by fiscal year-end the payments were received, and FY12 balances converged once again towards prior-year levels.



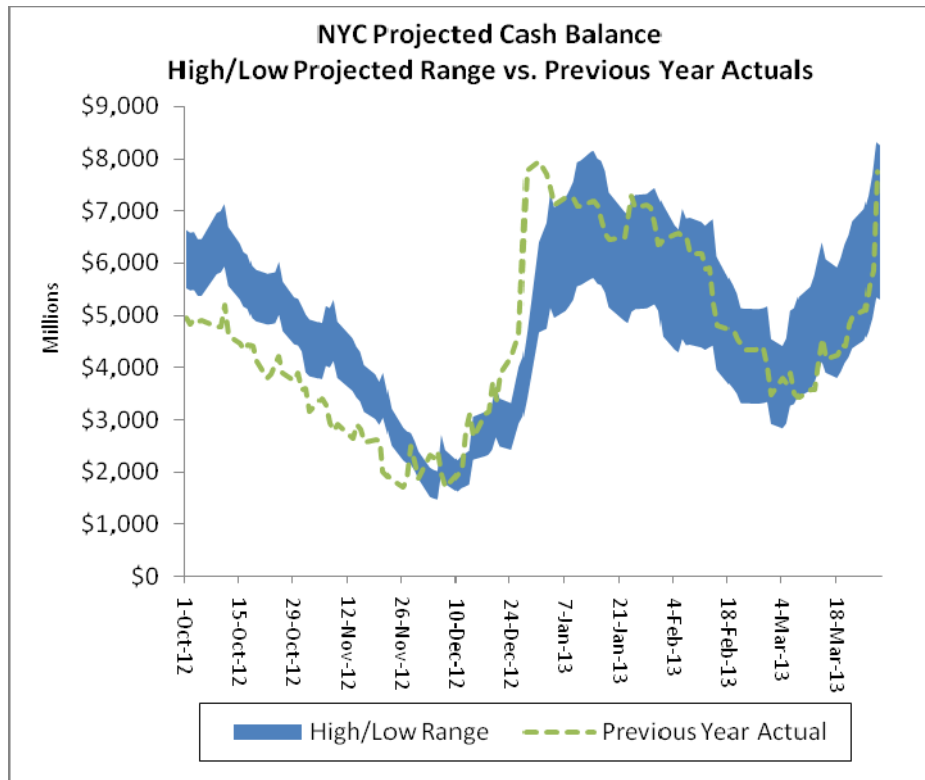
Very recently, current-year balances have pulled ahead of prior year. By the end of the month, September capital transfers (reimbursements from bond proceeds to the central treasury for capital expenditures) will have added approximately \$1.4 billion to the central treasury. By comparison, during September 2011, the City recorded \$489 million in capital transfers. We project that the pace of transfers will slow in the coming months. However, the recent boost is likely to have a mitigating effect on the annual cash balance low typically experienced during December.

As detailed in our Quarterly Cash Report<sup>1</sup>, NYC cash receipts from all sources totaled \$81.152 billion during FY12, up 1.1% versus year-ago. Total tax receipts rose 5.7%, led higher by strong gains in real property tax, personal income tax, and sales tax. We note less impactful declines in general corporation tax, unincorporated business tax, and utility tax.

<sup>1</sup> [http://www.comptroller.nyc.gov/bureaus/bfa/cash\\_reports.shtm](http://www.comptroller.nyc.gov/bureaus/bfa/cash_reports.shtm)

Total FY12 expenditures were nearly unchanged from year-ago, up \$21 million, or 0.03%, to \$79.895 billion. This result hinges largely on lower capital expenditures and a lower prepayment of future expenses. Net of these elements, FY12 expenditures rose 3.4%, led by increases in spending for personnel benefits, vendor services, and medical assistance.

The accompanying projection update outlines expected cash balances in the NYC central treasury from October 1, 2012 to March 29, 2013, and incorporates guidance provided in the Adopted Budget for FY13.



Our latest estimates indicate that cash balances will exceed year-ago levels during the near term. Between now and the end of December a slower pace of capital transfers will likely guide balances back towards year-ago marks. Importantly, the projection indicates that the annual cash balance low will occur in the first week of December and measure \$1.5 - \$2.0 billion. Last year's low was recorded on December 12, 2011, at \$1.696 billion.

Our estimate for the December low relies on a few factors that in the past have been difficult to predict. As we have already mentioned, capital transfers will fluctuate considerably. Also, our visibility on the receipt of prior-year federal aid is limited. Approximately \$1.1 billion of such aid is modeled in the October - December period. The City will very likely receive most of these funds during the expected timeframe, but possibly not all. More remote factors, such as adverse economic developments or retroactive labor agreements, could also impact the projection.

Detailed projection elements are available in the ensuing pages of this document. The next Cash Letter is scheduled for publication in November, unless events require an update before then.

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

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
1-Oct-12	6634	5528	6062
2-Oct-12	6584	5486	6016
3-Oct-12	6596	5496	6027
4-Oct-12	6460	5383	5903
5-Oct-12	6461	5384	5904
9-Oct-12	6964	5803	6364
10-Oct-12	6997	5830	6393
11-Oct-12	7135	5946	6520
12-Oct-12	6693	5577	6116
15-Oct-12	6380	5316	5830
16-Oct-12	6212	5176	5676
17-Oct-12	6161	5134	5630
18-Oct-12	5947	4955	5434
19-Oct-12	5871	4892	5365
22-Oct-12	5796	4830	5297
23-Oct-12	5810	4841	5309
24-Oct-12	5826	4854	5323
25-Oct-12	6027	5022	5507
26-Oct-12	5645	4704	5158
29-Oct-12	5342	4451	4881
30-Oct-12	5317	4430	4858
31-Oct-12	5176	4313	4730
1-Nov-12	5017	3913	4446
2-Nov-12	4919	3836	4359
5-Nov-12	4849	3781	4297
6-Nov-12	5178	4038	4589
7-Nov-12	5136	4005	4552
8-Nov-12	5295	4129	4693
9-Nov-12	4879	3805	4324
13-Nov-12	4559	3555	4040
14-Nov-12	4398	3430	3897
15-Nov-12	4297	3351	3808
16-Nov-12	4043	3153	3583
19-Nov-12	3864	3014	3425
20-Nov-12	3721	2902	3297
21-Nov-12	3895	3038	3452
23-Nov-12	3205	2500	2841
26-Nov-12	2844	2218	2521
27-Nov-12	2768	2159	2453
28-Nov-12	2741	2138	2429
29-Nov-12	2586	2017	2292
30-Nov-12	2388	1862	2116

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
3-Dec-12	2075	1517	1982
4-Dec-12	2032	1485	1941
5-Dec-12	2007	1468	1918
6-Dec-12	2708	1979	2587
7-Dec-12	2414	1765	2307
10-Dec-12	2216	1620	2118
11-Dec-12	2306	1686	2204
12-Dec-12	2348	1717	2244
13-Dec-12	2400	1755	2293
14-Dec-12	3052	2231	2917
17-Dec-12	3139	2295	3000
18-Dec-12	3180	2325	3039
19-Dec-12	3308	2418	3161
20-Dec-12	3644	2664	3482
21-Dec-12	3401	2487	3250
24-Dec-12	3313	2422	3166
26-Dec-12	4007	2930	3829
27-Dec-12	4192	3065	4006
28-Dec-12	4676	3419	4469
31-Dec-12	6403	4681	6118
2-Jan-13	6772	4751	6412
3-Jan-13	7342	5151	6952
4-Jan-13	7069	4960	6693
7-Jan-13	7261	5094	6874
8-Jan-13	7398	5191	7004
9-Jan-13	7564	5307	7162
10-Jan-13	7933	5565	7510
11-Jan-13	7970	5592	7546
14-Jan-13	8156	5722	7722
15-Jan-13	8006	5617	7580
16-Jan-13	7963	5587	7539
17-Jan-13	7766	5449	7353
18-Jan-13	7357	5162	6965
22-Jan-13	6997	4909	6625
23-Jan-13	6924	4858	6556
24-Jan-13	7235	5076	6850
25-Jan-13	7306	5126	6917
28-Jan-13	7327	5141	6937
29-Jan-13	7385	5181	6992
30-Jan-13	7441	5220	7045
31-Jan-13	7262	5095	6875

	<u>High</u>	<u>Low</u>	<u>Baseline</u>
1-Feb-13	7114	4600	6381
4-Feb-13	6723	4347	6030
5-Feb-13	6646	4297	5960
6-Feb-13	7042	4553	6316
7-Feb-13	6857	4433	6149
8-Feb-13	6871	4443	6162
11-Feb-13	6791	4391	6090
12-Feb-13	6716	4342	6023
13-Feb-13	6786	4388	6086
14-Feb-13	6843	4424	6137
15-Feb-13	6123	3959	5491
19-Feb-13	5577	3606	5002
20-Feb-13	5418	3503	4859
21-Feb-13	5135	3320	4606
22-Feb-13	5125	3314	4596
25-Feb-13	5121	3311	4593
26-Feb-13	5121	3311	4593
27-Feb-13	5137	3322	4607
28-Feb-13	5170	3343	4636
1-Mar-13	4542	2920	4342
4-Mar-13	4408	2834	4214
5-Mar-13	4556	2930	4356
6-Mar-13	5089	3272	4865
7-Mar-13	5134	3301	4908
8-Mar-13	5352	3441	5116
11-Mar-13	5546	3566	5302
12-Mar-13	5763	3705	5509
13-Mar-13	6088	3914	5820
14-Mar-13	6399	4114	6117
15-Mar-13	6074	3905	5807
18-Mar-13	5915	3803	5655
19-Mar-13	6106	3926	5837
20-Mar-13	6361	4090	6081
21-Mar-13	6532	4200	6244
22-Mar-13	6804	4375	6504
25-Mar-13	7038	4525	6728
26-Mar-13	7298	4692	6976
27-Mar-13	7706	4955	7367
28-Mar-13	8322	5351	7955
29-Mar-13	8260	5311	7896

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

	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>
<b>Opening Balance</b>	<b>6450.24</b>	<b>4729.51</b>	<b>2116.06</b>	<b>6117.92</b>	<b>6875.38</b>	<b>4636.35</b>
Sales Tax	579.00	459.00	621.00	460.00	516.00	435.00
Utility Tax	44.00	26.00	30.00	34.02	36.00	58.00
Commercial Rent Tax	6.00	5.00	153.00	27.93	5.00	161.04
Personal Income Tax	643.06	488.00	627.00	1287.93	646.00	533.00
General Corporation Tax	108.90	122.00	498.00	132.09	102.98	783.04
Banking Tax	61.00	11.00	288.00	21.00	5.00	321.00
Unincorporated Business Tax	44.00	20.00	138.00	367.08	27.00	43.05
Real Property Tax	562.10	188.15	4459.40	2427.74	107.33	1060.83
Other Taxes	148.54	140.21	291.20	408.80	160.23	246.61
Less Refunds All Taxes	-69.96	-59.00	-40.00	-67.83	-46.93	-60.90
<b>Total Taxes</b>	<b>2126.64</b>	<b>1400.36</b>	<b>7065.60</b>	<b>5098.76</b>	<b>1558.61</b>	<b>3580.67</b>
Federal Welfare	57.00	122.00	215.00	77.91	105.07	322.00
Federal Education	13.00	27.00	99.00	103.32	289.00	276.00
Federal Community Development	11.00	13.00	12.00	9.87	10.07	10.08
Federal Other	60.06	64.00	89.00	76.23	68.02	89.04
<b>Total Federal Aid</b>	<b>141.06</b>	<b>226.00</b>	<b>415.00</b>	<b>267.33</b>	<b>472.16</b>	<b>697.12</b>
NYS Welfare	94.00	90.00	127.00	141.75	65.00	398.00
NYS Health	29.04	1.00	7.00	48.51	26.03	76.02
NYS Education	129.90	317.40	744.00	71.90	56.50	2941.47
NYS Higher Education	279.84	0.00	0.00	0.00	279.87	279.82
NYS Other	27.06	40.00	94.00	31.92	26.03	85.05
<b>Total New York State Aid</b>	<b>559.84</b>	<b>448.40</b>	<b>972.00</b>	<b>294.08</b>	<b>453.43</b>	<b>3780.36</b>
NYS Revenue Sharing	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
<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>
Water Board	92.00	125.00	84.00	104.79	91.01	196.00
Interest Income	2.00	1.00	1.00	2.10	1.00	1.05
Fines and Forfeitures	86.02	82.00	87.00	86.10	84.00	101.01
Miscellaneous Revenue	185.02	298.00	192.00	237.09	183.00	304.08
Senior College Tuition and Fees	188.10	0.40	0.60	290.43	1.14	239.40
Capital Interest	0.00	0.00	0.00	0.00	0.00	0.00
Housing Revenue	2.86	1.80	2.00	3.00	2.30	2.73
<b>Total Miscellaneous</b>	<b>556.00</b>	<b>508.20</b>	<b>366.60</b>	<b>723.51</b>	<b>362.45</b>	<b>844.27</b>
Prior Federal Aid	583.00	261.00	207.00	118.02	181.07	88.00
Prior NYS Aid	108.02	38.00	38.00	31.92	18.05	102.06
Total Federal And NYS Prior Aid	691.02	299.00	245.00	149.94	199.12	190.06
Balance Sheet Inflows	17.00	17.00	17.00	17.01	17.00	17.01
Federal/State Capital	80.08	80.00	80.00	80.01	80.00	80.01
Transfers from Capital Proceeds	640.00	600.00	700.00	686.58	590.80	461.36
Payroll Taxes Inflows	124.28	124.30	129.78	128.48	126.73	160.25
Seasonal Borrowing	0.00	0.00	0.00	0.00	0.00	0.00
Other Operating Inflow	227.04	227.00	245.00	276.99	240.00	230.00
<b>Total Other Inflows</b>	<b>1088.40</b>	<b>1048.30</b>	<b>1171.78</b>	<b>1189.07</b>	<b>1054.53</b>	<b>948.63</b>
<b>Total Inflows</b>	<b>5162.96</b>	<b>3930.26</b>	<b>10235.98</b>	<b>7722.69</b>	<b>4100.30</b>	<b>10041.11</b>

	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>
Payroll	1257.92	1261.23	1252.66	1270.47	1250.03	1608.10
Pensions	606.72	788.32	720.08	697.12	717.28	697.28
Social Security	163.60	126.04	126.02	127.17	125.77	126.29
Health Plan	373.53	237.62	257.24	248.16	251.44	239.10
Other PS	107.00	65.00	82.00	107.88	74.00	76.02
<b>Total PS</b>	<b>2508.77</b>	<b>2478.21</b>	<b>2438.00</b>	<b>2450.80</b>	<b>2418.52</b>	<b>2746.79</b>
PA	182.00	188.00	191.00	167.37	206.00	181.02
MA	535.04	606.00	492.00	577.00	647.00	698.00
Other DOSS	241.00	188.00	207.00	178.08	223.06	207.06
HHC	82.06	44.00	47.00	48.30	21.09	111.09
TA	0.00	0.06	38.62	0.00	0.04	0.10
HA	0.00	0.00	0.00	0.00	0.00	0.00
Lump Sum	154.00	154.00	154.00	153.93	154.09	154.00
Vendor Payments	1086.00	1142.00	1219.00	1111.74	1198.00	1065.00
Other OTPS	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total OTPS</b>	<b>2280.10</b>	<b>2322.06</b>	<b>2348.62</b>	<b>2236.42</b>	<b>2449.28</b>	<b>2416.27</b>
City Capital	670.00	664.00	395.00	410.55	363.09	559.02
Other Outflow Capital	117.04	238.00	217.00	223.02	211.09	159.00
GO Debt Service Funding	424.98	0.00	0.00	833.73	0.00	0.00
NYCTFA Debt Service Funding	0.00	135.44	135.44	0.00	167.60	167.60
Other Debt Service Funding	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
Payroll Taxes Outflow	763.78	594.00	598.06	595.25	592.75	602.45
Other Outflows	119.02	112.00	102.00	215.46	137.00	130.00
<b>Total Other Outflows</b>	<b>2094.82</b>	<b>1743.44</b>	<b>1447.50</b>	<b>2278.01</b>	<b>1471.53</b>	<b>1618.07</b>
<b>Total Outflows</b>	<b>6883.69</b>	<b>6543.71</b>	<b>6234.12</b>	<b>6965.23</b>	<b>6339.33</b>	<b>6781.13</b>
<b>Net Flow</b>	<b>-1720.73</b>	<b>-2613.45</b>	<b>4001.86</b>	<b>757.46</b>	<b>-2239.03</b>	<b>3259.98</b>
<b>Ending Balance</b>	<b>4729.51</b>	<b>2116.06</b>	<b>6117.92</b>	<b>6875.38</b>	<b>4636.35</b>	<b>7896.33</b>