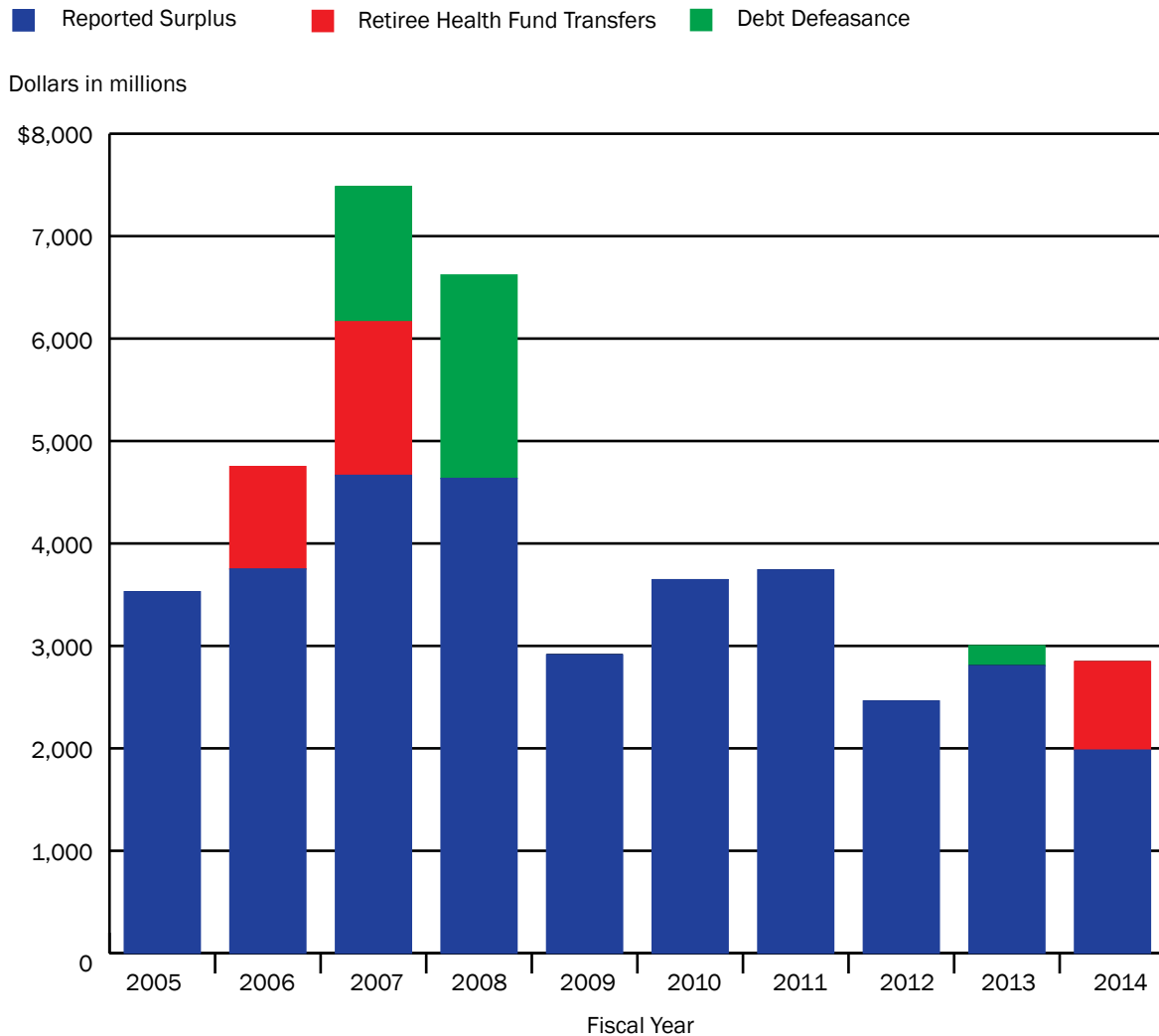


## Is There Another Way to Tally City Budget Surpluses?

The surplus as reported in the city's budget does not reflect all the uses of funds that could be counted as part of a year's surplus. These uncounted uses include the transfer of funds to the Retiree Health Benefits Trust and the setting aside of funds needed to pay principal and interest on outstanding bonds in advance of when payments are due, also known as debt defeasance.

### Ten-Year History of Budget Surpluses



- In 5 of the past 10 years, including fiscal year 2014, the city has had budget surpluses higher than reported.
- Over the 10-year period, total surpluses, including funds transferred to the Retiree Health Benefits Trust or set aside for debt defeasance, have ranged from as low as \$2.5 billion in 2012 to a high of \$7.5 billion in 2007.
- In addition to the reported surplus of \$4.7 billion in 2007, an additional \$2.8 billion was used for the defeasance of outstanding debt and the transfer of funds to the Retiree Health Benefits Trust.

Prepared by Frank Posillico  
New York City Independent Budget Office

SOURCES: Comprehensive Annual Financial Reports; Adopted 2015 Financial Plan

NOTES: Debt defeasance includes General Obligation, Transitional Finance Authority, and Jay Street Development Corporation debt service. The surplus for 2014 is projected.

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