



Office of the  
New York City Comptroller

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Bureau of Budget

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# QUARTERLY CASH REPORT

April - June 2016

Fourth Quarter of Fiscal Year 2016

August 2016

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## Summary

### Cash Balances

#### 4Q16 Results

At the end of the fourth quarter of FY16 (4Q16), the City recorded an unrestricted cash balance of \$11.719 billion, the highest year-end closing balance on record. The closing balance was \$2.217 billion higher than last year. The 4Q16 average cash balance of \$12.061 billion exceeded the 4Q15 average by \$1.150 billion. Total receipts in the quarter rose 9.9%, while expenditures rose 5.7%.

#### FY16 Prepayment

The City's practice is to dedicate any year-end budgetary surplus to a prepayment of the following year's expenses. This year's prepayment totaled \$3.994 billion, compared to \$3.554 billion at the end of FY15. The prepayment consisted of \$1.760 billion of general obligation (GO) debt service, \$1.734 billion of Transitional Finance Authority (TFA) debt service, \$100 million of lease-purchase debt service and \$400 million of advance subsidy to Health + Hospitals (H + H). The \$400 million advance subsidy to H + H is the largest advance on record. In addition to the prepayment, the City deposited \$500 million into the Retiree Health Benefits Trust (RHBT). Without these two payments, the City would have ended FY16 with \$16.213 billion of cash-on-hand.

#### FY16 Results

The City experienced strong cash balances throughout FY16. The average cash balance for FY16 measured \$10.684 billion, exceeding the previous year's average balance by \$1.225 billion, or 12.9%. On April 7, 2016, the unrestricted cash balance reached \$14.530 billion, the highest cash figure on record. Total receipts for FY16 rose 8.4% to a new record of \$98.245 billion. Expenditures also reached a new record, up 5.5% compared to a year ago.

### Cash Receipts

#### 4Q16 Results

Total receipts in 4Q16 were the highest 4Q inflows on record, up 9.9% versus a year ago. Net of reimbursements for capital expenditures, 4Q16 cash receipts rose 10.1% versus a year ago.

The City collected \$15.9 billion in tax revenues for 4Q16, compared to \$16.2 billion at the same time last year. During the quarter, real property and sales tax collections increased 2.9% and 7.9%, respectively. General corporation tax declined 13.6% and mortgage and real property transfer taxes fell 10.4%. Personal income tax was down 4.4%.

During 4Q16, the City received \$5.5 billion in federal and state aid, down 2% compared to 4Q15.

## **FY16 Results**

From FY10 through FY16, total cash receipts increased steadily, rising 28% over the seven year period. During FY16, total cash receipts reached \$98.245 billion, an increase of \$7.6 billion from the previous year. Net of reimbursements for capital expenditures, FY16 cash receipts rose 8.3% versus a year ago.

The five largest sources of cash in FY16 were: real property tax, personal income tax, NYS education aid, sales tax, and general corporation tax. These leading sources of cash accounted for 59.8% of total cash receipts in FY16.

“Debt Service Funding” includes retention of personal income and real property taxes for GO and TFA PIT debt service payments. Debt service funding is usually counted as a negative inflow (rather than a positive expense). It offsets the total cash receipts figure. FY16 debt service funding was significantly lower than in FY15 because of the larger prepayment of FY16 debt service. FY15 prepayment totaled \$3.554 billion, compared to \$1.983 billion in FY14. In addition, in FY16 the Office of the New York State Comptroller released \$1.186 billion back to the City because it had over-retained \$2.3 billion in real estate revenue in June 2015 for debt service payments through October 2015.

Tax receipts for FY16 totaled \$55.2 billion, an increase of 3.2% from the previous year. Real property tax collections rose 7.2%, and sales tax receipts increased 8.3%. PIT receipts were up 2.2%. The largest drag on tax receipts was the banking corporation tax, which slipped 54.2% versus a year ago. Beginning in tax year 2015, the general corporation tax and the banking corporation tax merged. All New York City C-corporations now pay under the general corporation tax.

During FY16, the City received \$20.8 billion in federal and state aid, compared to \$20.2 billion in FY15. The growth was mainly due to a \$592 million increase in NYS education aid.

## **Cash Expenditures**

### **4Q16 Results**

Cash expenditures, including capital expenditures, rose 5.7% during 4Q16. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, reached \$13.6 billion in 4Q16. Embedded in this number is the City’s FY16 payment to the NYC Retiree Health Benefits Trust (RHBT). This year’s payment to the RHBT equaled \$2.160 billion, versus \$1.988 billion in FY15. For the third year in a row, the City also added funds into the RHBT above the customary payment. This

year's additional contribution was \$500 million, compared to \$955 million last year. OTPS spending fell 17.0% compared to a year ago driven by decreases in medical assistance (down 31.1%) and vendor and other payments (down 19.1%).

### **FY16 Results**

Total expenditures, including capital expenditures, rose 5.5% versus a year ago, to a new record high of \$96.028 billion. Net cash expenditures (which exclude capital expenditures) rose 5.1% in FY16. Personal service expenditures increased by \$2.3 billion versus a year ago, due to higher payroll expenditures associated with the new collective bargaining agreements. Other-than-personal-service expenditures (OTPS) decreased by \$441 million during the same time period. Medical assistance spending and vendor and other payments declined 6% and 2.5%, respectively. Meanwhile, public assistance spending increased 6.9% and spending on other social services jumped 10.8%. Outlays considered "All Other" increased 20.7%, due to faster City-funded capital spending and greater flow of cash into the restricted Fund 700 account.

## **Capital Expenditures (CapEx) and Reimbursements**

### **4Q16 Results**

CapEx totaled \$1.738 billion in 4Q16, up 11.8% from \$1.555 billion in 3Q16. An 18.3% increase in City-funded CapEx was offset by a 9.3% decline in Non-City-funded CapEx.

Reimbursements for CapEx in 4Q16 exceeded reimbursable expenditures, increasing the cash balance by \$515 million.

### **FY16 Results**

Total CapEx equaled \$7.937 billion in FY16, up 10.8% from \$7.165 billion in FY15. The City-funded component increased 13.6% while the Non-City-funded component grew 2.5%.

FY16 reimbursements for CapEx totaled \$7.800 billion and accounted for 7.9% of total cash receipts. Reimbursements exceeded reimbursable expenditures, increasing the cash balance by \$730 million. Over time, reimbursements and CapEx should offset each other.

## **Financings**

### **4Q16 Results**

Two transactions closed in 4Q16. The first was a TFA PIT sale of \$750 million of new money bonds. The sale included \$500 million of tax-exempt fixed rate bonds and \$250 million of taxable fixed rate bonds. The second transaction was a GO sale of \$800 million of refunding bonds. The refunding achieved \$169 million in budget savings, or more than \$158.9 million on a present-value basis.

## **FY16 Results**

In FY16 New York City and TFA issued a combined total of \$7.2 billion in new money and refunding bonds, compared to \$8 billion in FY15. In FY16 the City refinanced \$2.8 billion in GO and TFA bonds, compared to \$2.6 billion in FY15.

FY16 refundings produced \$495 million in budget relief over the life of the bonds, or \$460 million on a present value basis. In FY16 the City achieved 18% budget savings, as a percentage of the refunding par. In other words, the refunding activity in FY16 was the most efficient during the last decade.

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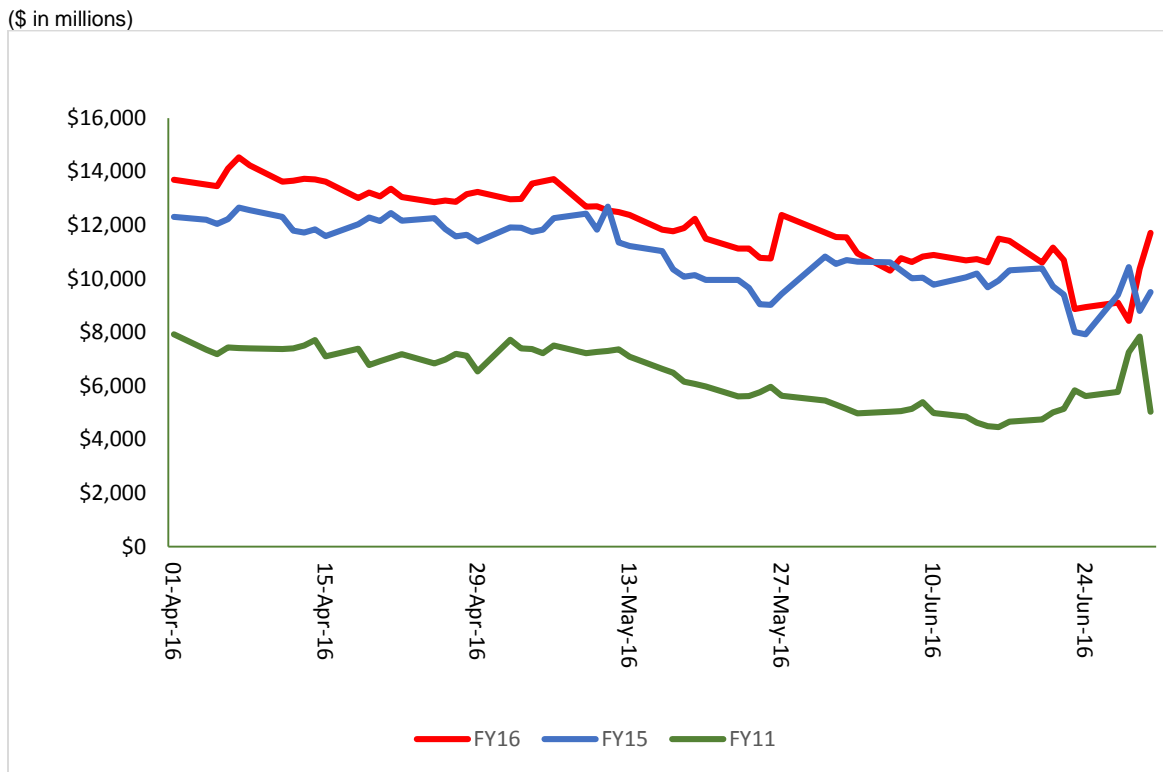
### **Rounding of Large Numbers in the Quarterly Cash Report**

When dealing with numbers as large as those in this report, for conservation of space, numbers are rounded to the nearest tenths, hundredths, or thousandths. Because of rounding, some components, appear not to equal the given total when added together. Examples occur throughout this report and are the result of rounding, not miscalculation.

## I. Cash Balances<sup>1</sup>

### April 2016 – June 2016 (4Q16)

**Chart 1. Daily Cash Balances of the NYC Central Treasury, 4Q11, 4Q15, and 4Q16**



At the close of 4Q16, the City recorded an unrestricted cash balance of \$11.719 billion, the highest year-end closing balance on record. The closing balance was \$2.217 billion higher than last year. The 4Q16 average cash balance of \$12.061 billion exceeded the 4Q15 average by \$1.150 billion. Total receipts in the quarter rose 9.9%, while expenditures rose 5.7%.

The City's practice is to dedicate any year-end budgetary surplus to a prepayment of the following year's expenses. This year's prepayment totaled \$3.994 billion, compared to \$3.554 billion at the end of FY15. The prepayment consisted of \$1.760 billion of general obligation (GO) debt service, \$1.734 billion of Transitional Finance Authority (TFA) debt service, \$100 million of lease-purchase debt service and \$400 million of advance subsidy to Health + Hospitals (H + H). The \$400 million advance subsidy to H + H is the largest advance on record. In addition to the prepayment, the City deposited \$500 million into the Retiree Health Benefits Trust (RHBT). Without these two payments, the City would have

<sup>1</sup> 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 on warrants issued. Receipts and expenditures are net of debt service and funding for RANs and TANs.



ended FY16 with \$16.213 billion of cash-on-hand.

**Table 1. Cash Position of the NYC Central Treasury, 4Q, FY07 - FY16**

(\$ in millions)

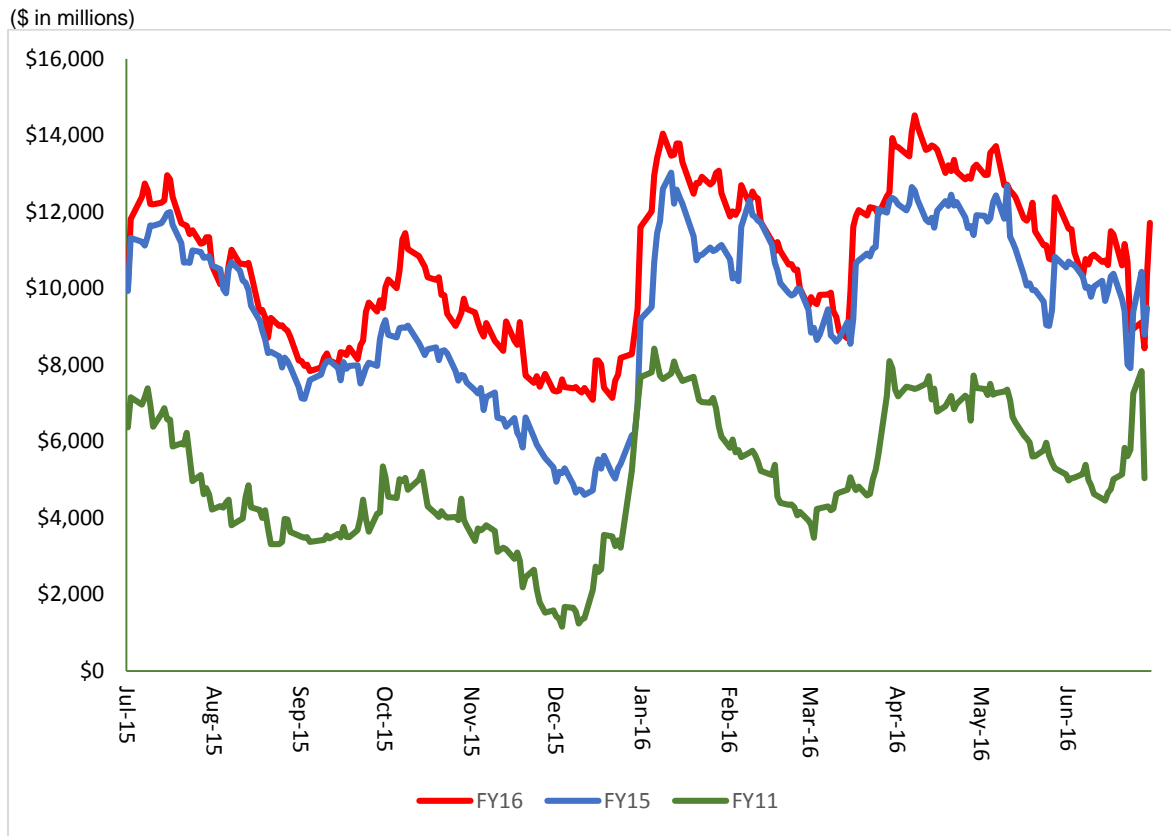
	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16
Opening Balance	\$10,934	\$10,057	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448	\$12,368	\$13,716
Total Receipts	19,037	20,504	20,119	21,738	20,671	22,081	22,752	23,539	24,587	27,016
Total Expenditures <sup>a</sup>	25,498	25,573	22,042	23,322	23,731	23,526	23,562	25,129	27,452	29,013
Closing Balance <sup>b</sup>	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719
Avg. Daily Balance	\$9,755	\$9,440	\$6,273	\$5,506	\$6,362	\$5,534	\$6,520	\$9,586	\$10,911	\$12,061

a. Total expenditures include capital expenditures.

b. Opening and closing balances are before City audits.

**July 2015 – June 2016 (FY16)**

**Chart 2. Daily Cash Balances of the NYC Central Treasury, FY11, FY15, and FY16**



**Table 2. Cash Position of the NYC Central Treasury, FY07 - FY16**

(\$ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Opening Balance <sup>a</sup>	\$6,386	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502
Total Receipts	70,782	76,576	77,422	76,742	80,310	81,152	82,877	87,578	90,653	98,245
Total Expenditures <sup>b</sup>	72,696	76,061	76,571	77,977	79,874	79,895	81,231	85,664	91,008	96,028
Closing Balance <sup>a</sup>	\$4,473	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719
Avg. Daily Balance	\$7,293	\$6,849	\$5,663	\$5,102	\$5,053	\$5,146	\$5,959	\$7,779	\$9,460	\$10,684

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

The City experienced strong cash balances throughout FY16. The average cash balance for FY16 measured \$10.684 billion, exceeding the previous year's average balance by \$1.225 billion, or 12.9%. On April 7, 2016, the unrestricted cash balance reached \$14.530 billion, the highest cash figure on record. Total receipts for FY16 rose 8.4% to a new record of \$98.245 billion. Expenditures also reached a new record, up 5.5% compared to a year ago.

## II. Cash Receipts

April 2016 – June 2016 (4Q16)

### Receipts at a Glance

**Table 3. Cash Receipts by Category, 4Q, FY07 - FY16**

(\$ in millions)

	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16
Real Property Tax	\$2,805	\$3,152	\$4,807	\$4,747	\$4,850	\$5,443	\$5,708	\$6,228	\$7,058	\$7,261
Other Taxes	7,095	7,560	5,806	5,920	7,090	7,014	8,408	8,008	9,166	8,642
<i>Total Taxes</i>	<i>9,900</i>	<i>10,712</i>	<i>10,613</i>	<i>10,667</i>	<i>11,940</i>	<i>12,457</i>	<i>14,116</i>	<i>14,236</i>	<i>16,224</i>	<i>15,903</i>
Federal and State Aid	4,623	4,256	4,471	5,316	4,627	4,486	5,179	4,959	5,657	5,543
Debt Service Funding	(166)	(251)	(282)	(307)	(615)	(534)	(701)	(512)	(2,631)	(349)
Miscellaneous	1,807	1,888	1,610	2,180	1,874	2,385	804	1,714	1,621	1,788
Intergovernmental Aid	0	0	0	0	0	6	0	0	0	0
Other	2,873	3,899	3,707	3,882	2,845	3,281	3,354	3,142	3,716	4,131
<b>4Q Total</b>	<b>\$19,037</b>	<b>\$20,504</b>	<b>\$20,119</b>	<b>\$21,738</b>	<b>\$20,671</b>	<b>\$22,081</b>	<b>\$22,752</b>	<b>\$23,539</b>	<b>\$24,587</b>	<b>\$27,016</b>
<b>Total, Net of Reimbursement for CapEx</b>	<b>\$17,161</b>	<b>\$17,670</b>	<b>\$17,168</b>	<b>\$18,814</b>	<b>\$18,939</b>	<b>\$20,086</b>	<b>\$21,258</b>	<b>\$22,096</b>	<b>\$22,698</b>	<b>\$24,988</b>

Total receipts in 4Q16 were the highest 4Q inflows on record, up 9.9% versus a year ago. Net of reimbursements for capital expenditures, 4Q16 cash receipts rose 10.1% versus a year ago.

The City collected \$15.9 billion in tax revenues for 4Q16, compared to \$16.2 billion at the same time last year. During the quarter, real property and sales tax collections increased 2.9% and 7.9%, respectively. General corporation tax declined 13.6% and mortgage and real property transfer taxes fell 10.4%. Personal income tax was down 4.4%.

During 4Q16 the City received \$5.5 billion in federal and state aid, down 2% compared to 4Q15.

## Taxes<sup>2</sup>

**Table 4. Tax Receipts, 4Q11, 4Q15, and 4Q16**

(\$ in millions)

	4Q11	4Q15	4Q16	% Change 4Q16/ 4Q11	% Change 4Q16/ 4Q15
Real Property Tax	\$4,850	\$7,058	\$7,261	49.7%	2.9%
Personal Income Tax	2,159	3,129	2,992	38.6	(4.4)
Sales Tax	1,546	1,822	1,966	27.2	7.9
Unincorporated Business Tax	763	910	895	17.3	(1.6)
General Corporation Tax	780	978	845	8.3	(13.6)
Mortgage and Real Property Transfer Taxes	305	780	699	129.2	(10.4)
STAR	392	431	420	7.1	(2.6)
Commercial Rent Tax	163	199	197	20.9	(1.0)
PILOT	200	205	195	(2.5)	(4.9)
Other Taxes	782	712	433	(44.6)	(39.2)
<b>4Q Total</b>	<b>\$11,940</b>	<b>\$16,224</b>	<b>\$15,903</b>	<b>33.2%</b>	<b>(2.0)%</b>

**Table 5. Selected Cash Receipts, 4Q, FY12 - FY16**

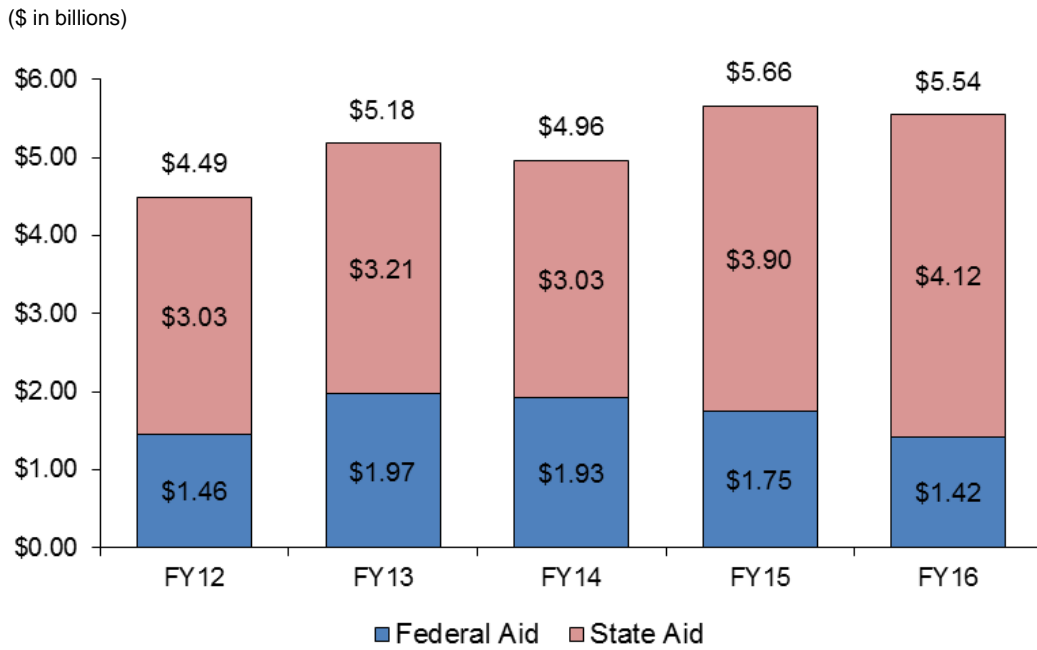
(\$ in millions)

	4Q12	4Q13	4Q14	4Q15	4Q16
Real Property Tax	\$5,443	\$5,708	\$6,228	\$7,058	\$7,261
NYS Education Aid	2,355	2,087	2,404	2,808	3,052
Personal Income Tax	2,158	2,911	2,651	3,129	2,992
Sales Tax	1,591	1,695	1,780	1,822	1,966
Unincorporated Business Tax	727	836	875	910	895
General Corporation Tax	728	1,058	646	978	845
Mortgage and Real Property Transfer Taxes	367	448	565	780	699
Federal Welfare	400	517	695	703	536
NYS Higher Education Aid	0	470	113	496	506
STAR	400	422	424	431	420
Federal Education Aid	568	879	668	461	378
Senior College Fees	250	255	230	314	330
NYS Welfare	489	483	292	321	265
Fines and Forfeitures	285	222	310	259	262
Commercial Rent Tax	168	176	182	199	197

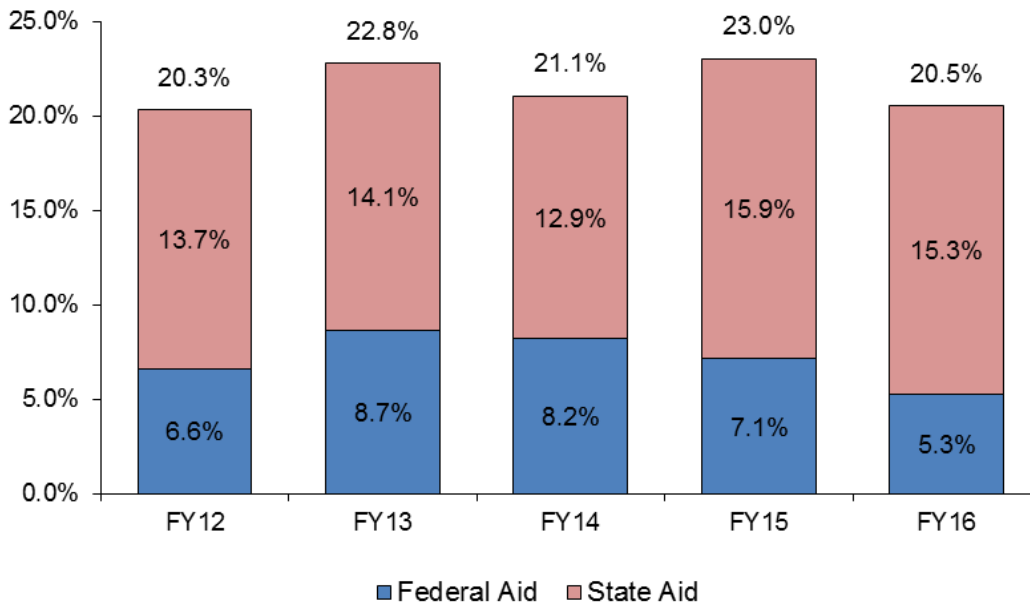
<sup>2</sup> In this report, tax receipts, with the exception of PIT, are gross of refunds. Real property tax and PIT are gross of debt service funding.

## Federal and State Aid

**Chart 3. Federal & State Aid to NYC, 4Q, FY12 - FY16**

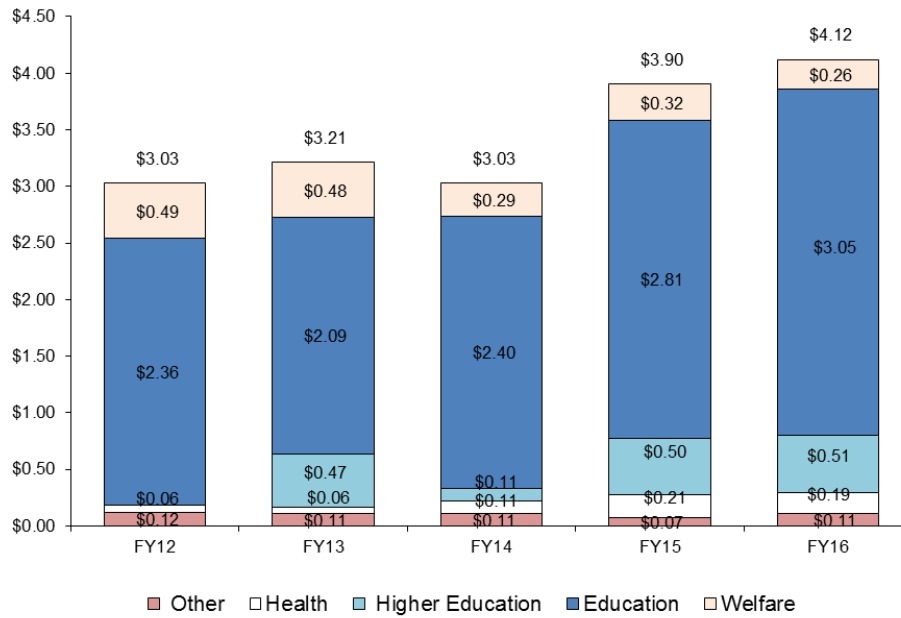


**Chart 4. Federal & State Aid as % of Total Cash Receipts, 4Q, FY12 - FY16**



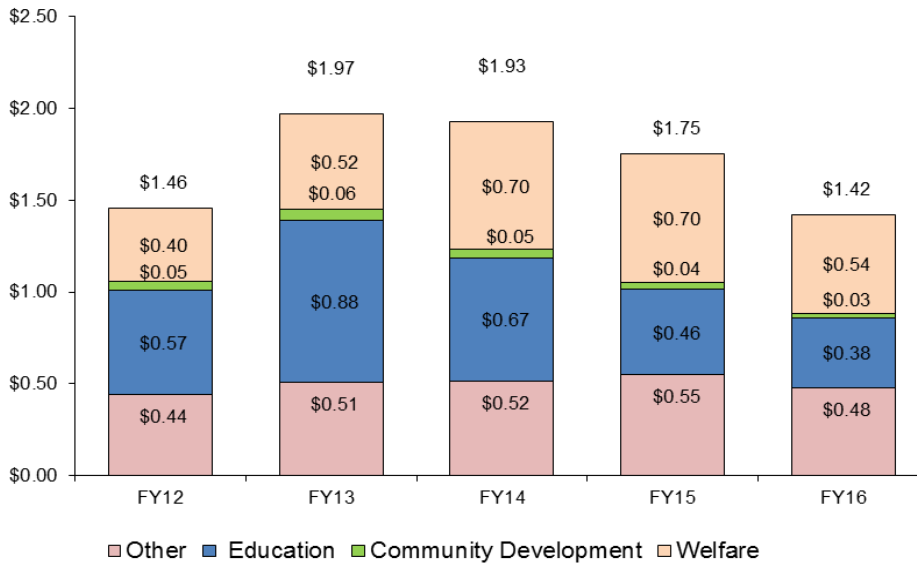
**Chart 5. Components of State Aid, 4Q, FY12 - FY16**

(\$ in billions)



**Chart 6. Components of Federal Aid, 4Q, FY12 - FY16**

(\$ in billions)



**July 2015 – June 2016 (FY16)**

**Receipts at a Glance**

**Table 6. Cash Receipts by Category, FY07 - FY16**

(\$ in millions)

	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Real Property Tax	\$12,649	\$13,867	\$16,427	\$16,313	\$17,272	\$18,862	\$19,252	\$20,967	\$22,210	\$23,809
Other Taxes	25,797	26,674	22,666	21,607	23,969	24,710	27,466	28,761	31,299	31,428
<b>Total Taxes</b>	<b>38,446</b>	<b>40,541</b>	<b>39,093</b>	<b>37,920</b>	<b>41,241</b>	<b>43,572</b>	<b>46,718</b>	<b>49,728</b>	<b>53,509</b>	<b>55,237</b>
Federal and State Aid	16,657	17,153	18,105	18,753	20,520	19,305	20,059	19,618	20,225	20,782
Debt Service Funding	(740)	(255)	(313)	(307)	(1,531)	(1,587)	(3,485)	(2,503)	(6,025)	(120)
Miscellaneous	5,888	6,439	6,007	6,901	6,486	7,123	5,779	7,053	6,832	7,149
Intergovernmental Aid	328	10	228	280	14	7	1	1	0	6
Other	10,203	12,688	14,302	13,195	13,580	12,732	13,805	13,681	16,112	15,191
<b>Total</b>	<b>\$70,782</b>	<b>\$76,576</b>	<b>\$77,422</b>	<b>\$76,742</b>	<b>\$80,310</b>	<b>\$81,152</b>	<b>\$82,877</b>	<b>\$87,578</b>	<b>\$90,653</b>	<b>\$98,245</b>
<b>Total, Net of Reimbursement for CapEx</b>	<b>\$65,256</b>	<b>\$68,375</b>	<b>\$66,940</b>	<b>\$67,416</b>	<b>\$70,850</b>	<b>\$73,098</b>	<b>\$75,179</b>	<b>\$80,053</b>	<b>\$83,492</b>	<b>\$90,444</b>

From FY10 through FY16, total cash receipts increased steadily, rising 28% over the seven year period. During FY16, total cash receipts reached \$98.245 billion, an increase of \$7.6 billion from the previous year. Net of reimbursements for capital expenditures, FY16 cash receipts rose 8.3% versus a year ago.

The five largest sources of cash in FY16 were: real property tax, NYS education aid, personal income tax, sales tax, and general corporation tax. These leading sources of cash accounted for 59.8% of total cash receipts in FY16.

“Debt Service Funding” includes retention of personal income and real property taxes for GO and TFA PIT debt service payments. Debt service funding is usually counted as a negative inflow (rather than a positive expense). It offsets the total cash receipts figure. FY16 debt service funding was significantly lower than in FY15 because of the larger prepayment of FY16 debt service. FY15 prepayment totaled \$3.554 billion, compared to \$1.983 billion in FY14. In addition, in FY16 the Office of the New York State Comptroller released \$1.186 billion back to the City because it had over-retained \$2.3 billion in real estate revenue in June 2015 for debt service payments through October 2015.

## Taxes<sup>3</sup>

**Table 7. Tax Receipts, FY11, FY15, and FY16**

(\$ in millions)

	FY11	FY15	FY16	% Change FY16/ FY11	% Change FY16/ FY15
Real Property Tax	\$17,272	\$22,210	\$23,809	37.8%	7.2%
Personal Income Tax	7,619	10,601	10,830	42.1	2.2
Sales Tax	5,575	6,732	7,288	30.7	8.3
General Corporation Tax	3,396	3,811	4,030	18.7	5.7
Mortgage and Real Property Transfer Taxes	1,163	2,965	2,979	156.1	0.5
Unincorporated Business Tax	1,814	2,207	2,223	22.5	0.7
Banking Corporation Tax	1,622	1,829	838	(48.3)	(54.2)
Commercial Rent Tax	638	795	833	30.6	4.8
STAR	712	835	814	14.3	(2.5)
Other Taxes	1,431	1,524	1,593	11.3	4.5
<b>Total</b>	<b>\$41,242</b>	<b>\$53,509</b>	<b>\$55,237</b>	<b>33.9%</b>	<b>3.2%</b>

Tax receipts for FY16 totaled \$55.2 billion, an increase of 3.2% from the previous year. Real property tax collections rose 7.2%, and sales tax receipts increased 8.3%. PIT receipts were up 2.2%. The largest drag on tax receipts was the banking corporation tax, which slipped 54.2% versus a year ago. Beginning in tax year 2015, the general corporation tax and the banking corporation tax merged. All New York City C-corporations now pay under the general corporation tax.

**Table 8. Selected Cash Receipts, FY12 - FY16**

(\$ in millions)

	FY12	FY13	FY14	FY15	FY16
Real Property Tax	\$18,862	\$19,252	\$20,967	\$22,210	\$23,809
Personal Income Tax	8,000	9,200	9,566	10,601	10,830
NYS Education Aid	8,289	7,981	8,540	9,154	9,746
Sales Tax	5,830	6,109	6,454	6,732	7,288
General Corporation Tax	3,277	3,756	3,701	3,811	4,030
Mortgage and Real Property Transfer Taxes	1,457	1,843	2,359	2,965	2,979
Federal Welfare	2,749	3,440	3,188	3,216	2,954
Unincorporated Business Tax	1,780	1,974	2,077	2,207	2,223
Federal Education Aid	1,923	1,705	1,826	1,240	1,686
NYS Welfare	2,190	1,556	1,463	1,378	1,515
NYS Higher Education Aid	853	1,689	973	1,787	1,437
Water and Sewer	1,399	1,452	1,361	1,536	1,397
Fines and Forfeitures	1,064	1,005	1,012	1,010	1,137
Senior College Fees	857	904	945	982	1,045
Banking Corporation Tax	1,476	1,595	1,533	1,829	838

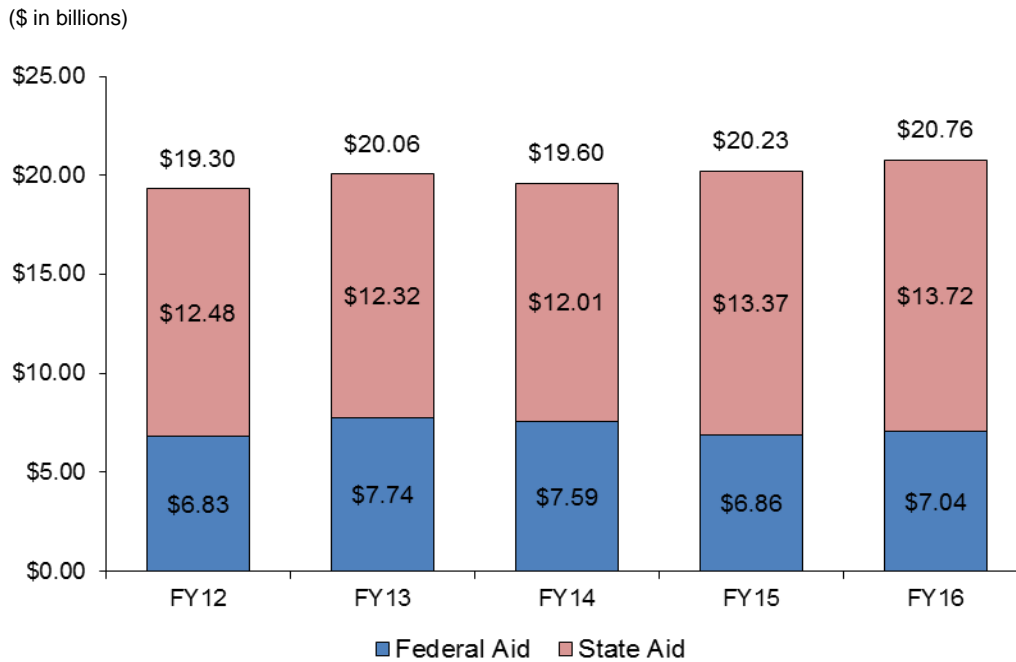
During FY16, the City received \$20.8 billion in federal and state aid, compared to \$20.2 billion in FY15. The growth was mainly due to a \$592 million increase in NYS education aid.

<sup>3</sup> In this report, tax receipts, with the exception of PIT, are gross of refunds. Real property tax and PIT are gross of debt service funding.

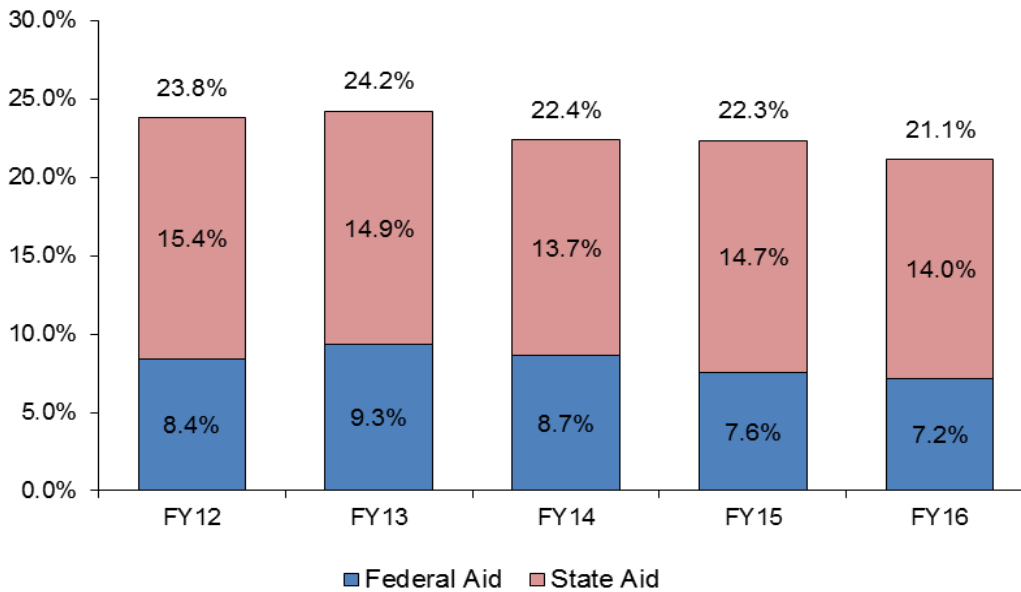


## Federal and State Aid

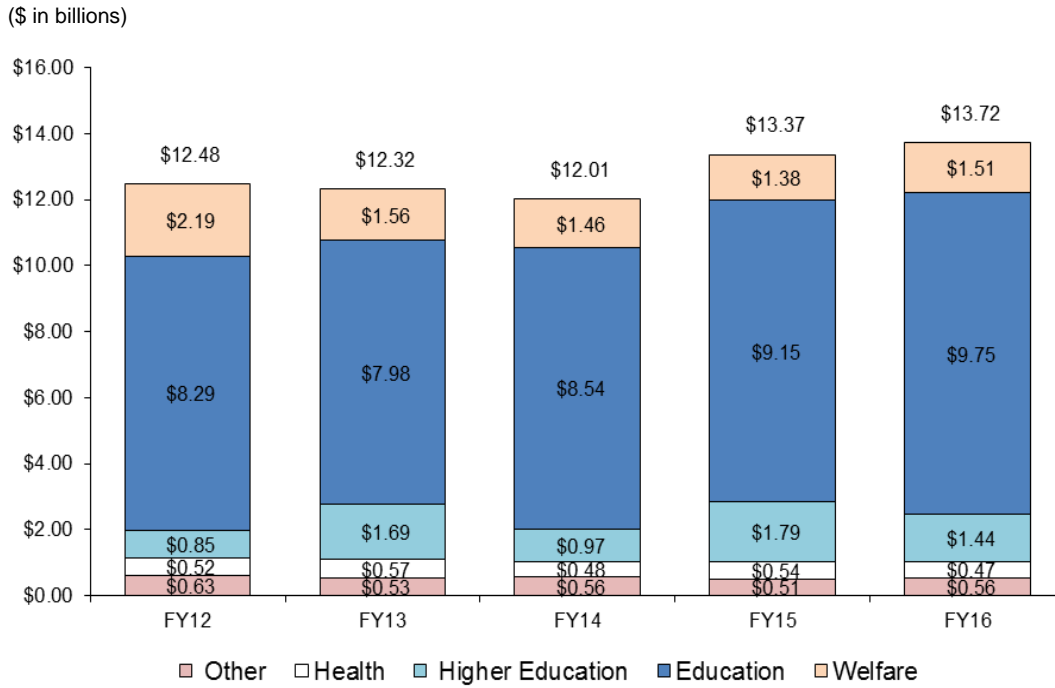
**Chart 7. Federal & State Aid to NYC, FY12 - FY16**



**Chart 8. Federal & State Aid as % of Total Cash Receipts, FY12 - FY16**



**Chart 9. Components of State Aid, FY12 - FY16**



**Chart 10. Components of Federal Aid, FY12 - FY16**



### III. Cash Expenditures (Including Capital)

April 2016 – June 2016 (4Q16)

#### Cash Expenditures at a Glance

**Table 9. PS & OTPS, 4Q, FY07 - FY16**

(\$ in millions)

	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16
Gross Payroll	\$5,402	\$5,484	\$5,704	\$6,077	\$5,952	\$5,783	\$5,835	\$5,986	\$6,281	\$6,436
Other PS	5,334	4,180	4,201	4,509	4,737	5,271	4,904	6,637	6,996	7,173
<b>Total PS</b>	<b>\$10,736</b>	<b>\$9,664</b>	<b>\$9,905</b>	<b>\$10,586</b>	<b>\$10,689</b>	<b>\$11,054</b>	<b>\$10,739</b>	<b>\$12,623</b>	<b>\$13,277</b>	<b>\$13,609</b>
% of 4Q Total Exp	42%	38%	45%	45%	45%	47%	46%	50%	48%	47%
Public Assistance	529	552	568	591	584	588	599	544	604	639
Medical Assistance	1,140	1,030	971	1,177	1,340	1,537	1,660	1,514	1,734	1,194
Other Social Services	629	501	538	575	564	584	563	567	546	697
Vendor and Other	3,753	3,603	3,446	3,378	3,901	4,481	4,450	4,627	6,436	5,209
<b>Total OTPS</b>	<b>\$6,051</b>	<b>\$5,686</b>	<b>\$5,523</b>	<b>\$5,721</b>	<b>\$6,389</b>	<b>\$7,190</b>	<b>\$7,272</b>	<b>\$7,252</b>	<b>\$9,320</b>	<b>\$7,739</b>
% of 4Q Total Exp	24%	22%	25%	25%	27%	31%	31%	29%	34%	27%
<b>All Other</b>	<b>\$8,711</b>	<b>\$10,223</b>	<b>\$6,614</b>	<b>\$7,015</b>	<b>\$6,653</b>	<b>\$5,282</b>	<b>\$5,551</b>	<b>\$5,254</b>	<b>\$4,855</b>	<b>\$7,665</b>
% of Total Exp	34%	40%	30%	30%	28%	22%	23%	21%	18%	26%
<b>Total Expenditures</b>	<b>\$25,498</b>	<b>\$25,573</b>	<b>\$22,042</b>	<b>\$23,322</b>	<b>\$23,731</b>	<b>\$23,526</b>	<b>\$23,562</b>	<b>\$25,129</b>	<b>\$27,452</b>	<b>\$29,013</b>
<b>Total Expenditures, Net of CapEx</b>	<b>\$23,689</b>	<b>\$22,990</b>	<b>\$19,317</b>	<b>\$20,763</b>	<b>\$21,892</b>	<b>\$21,561</b>	<b>\$21,716</b>	<b>\$23,583</b>	<b>\$25,898</b>	<b>\$27,276</b>

Cash expenditures, including capital expenditures, rose 5.7% during 4Q16. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, reached \$13.6 billion in 4Q16. Embedded in this number is the City's FY16 payment to the NYC Retiree Health Benefits Trust (RHBT). This year's payment to the RHBT equaled \$2.160 billion, versus \$1.988 billion in FY15. For the third year in a row, the City also added funds into the RHBT above the customary payment. This year's additional contribution was \$500 million, compared to \$955 million last year. OTPS spending fell 17.0% compared to a year ago driven by decreases in medical assistance (down 31.1%) and vendor and other payments (down 19.1%).

**“All Other” Spending**

**Table 10. Major Components of “All Other” Spending, 4Q15 and 4Q16**

(\$ in millions)

	4Q15	4Q16	Difference
<b>Transit Authority</b>	\$75	\$61	\$(14)
<b>Housing Authority</b>	19	10	(9)
<b>Lump Sum Payments</b>	687	664	(23)
<b>HHC</b>	163	577	414
<b>Refunds</b>	193	344	151
<b>City-Funded Capital</b>	1,188	1,405	217
<b>Non-City-Funded Capital</b>	367	333	(34)
<b>F-700 Adjustment</b>	(1,329)	370	1,699
<b>Prepayment of expenses for next FY</b>	3,554	3,994	440

**Table 11. Cash Payments of Future Years’ Expenditures, 4Q, FY12 - FY16**

(\$ in millions)

	4Q12	4Q13	4Q14	4Q15	4Q16
General Obligation Debt Service	\$1,341	\$2,727	\$621	\$1,953	\$1,760
NYC TFA Debt Service	708	0	1,362	1,578	1,734
Lease Payments	155	0	0	0	100
Payments to the Libraries	65	64	0	0	0
Defeasance or Redemption of Debt	170	0	0	23	0
Payments to HHC	0	0	0	0	400
<b>Total</b>	<b>\$2,439</b>	<b>\$2,791</b>	<b>\$1,983</b>	<b>\$3,554</b>	<b>\$3,994</b>

This year’s prepayment totaled \$3.994 billion, compared to \$3.554 billion last year.

**July 2015 – June 2016 (FY16)**

**Cash Expenditures at a Glance**

**Table 12. PS and OTPS, FY07 - FY16**

(\$ in millions)

	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Gross Payroll	\$20,913	\$21,767	\$23,813	\$23,510	\$23,820	\$23,693	\$23,894	\$24,227	\$25,879	\$27,548
Other PS	12,495	12,103	12,756	13,821	14,346	15,230	15,349	17,445	18,389	19,025
<b>FY Total PS</b>	<b>\$33,408</b>	<b>\$33,870</b>	<b>\$36,569</b>	<b>\$37,331</b>	<b>\$38,166</b>	<b>\$38,923</b>	<b>\$39,243</b>	<b>\$41,672</b>	<b>\$44,268</b>	<b>\$46,573</b>
% of Total FY Exp	46%	44%	48%	48%	48%	49%	48%	49%	49%	49%
Public Assistance	2,162	2,186	2,337	2,594	2,496	2,394	2,392	2,411	2,568	2,745
Medical Assistance	4,933	4,986	4,660	4,652	4,912	5,936	5,987	5,831	6,081	5,716
Other Social Services	2,474	2,990	2,415	2,456	2,426	2,359	2,404	2,368	2,404	2,664
Vendor and Other	13,464	13,962	13,977	13,668	15,157	15,973	16,577	17,559	20,430	19,917
<b>FY Total OTPS</b>	<b>\$23,033</b>	<b>\$23,424</b>	<b>\$23,389</b>	<b>\$23,370</b>	<b>\$24,991</b>	<b>\$26,662</b>	<b>\$27,360</b>	<b>\$28,169</b>	<b>\$31,483</b>	<b>\$31,042</b>
% of Total FY Exp	32%	31%	30%	30%	31%	33%	34%	33%	34%	32%
<b>All Other</b>	<b>\$16,255</b>	<b>\$18,767</b>	<b>\$16,613</b>	<b>\$17,296</b>	<b>\$16,715</b>	<b>\$14,310</b>	<b>\$14,627</b>	<b>\$15,822</b>	<b>\$15,257</b>	<b>\$18,413</b>
% of Total FY Exp	22%	25%	22%	22%	21%	18%	18%	18%	17%	19%
<b>FY Total Expenditures</b>	<b>\$72,696</b>	<b>\$76,061</b>	<b>\$76,571</b>	<b>\$77,977</b>	<b>\$79,874</b>	<b>\$79,895</b>	<b>\$81,231</b>	<b>\$85,663</b>	<b>\$91,008</b>	<b>\$96,028</b>
<b>Total Expenditures, Net of CapEx</b>	<b>\$66,148</b>	<b>\$67,745</b>	<b>\$67,138</b>	<b>\$67,930</b>	<b>\$70,705</b>	<b>\$71,653</b>	<b>\$73,230</b>	<b>\$77,776</b>	<b>\$83,843</b>	<b>\$88,091</b>

Total expenditures, including capital expenditures, rose 5.5% versus a year ago, to a new record high of \$96.028 billion. Net cash expenditures (which exclude capital expenditures) rose 5.1% in FY16. Personal service expenditures increased by \$2.3 billion versus a year ago, due to higher payroll expenditures associated with the new collective bargaining agreements. Other-than-personal-service expenditures (OTPS) decreased by \$441 million during the same time period. Medical assistance spending and vendor and other payments declined 6% and 2.5%, respectively. Meanwhile, public assistance spending increased 6.9% and spending on other social services jumped 10.8%. Outlays considered “All Other” increased 20.7%, due to faster City-funded capital spending and greater flow of cash into the restricted Fund 700 account.

## “All Other” Spending

**Table 13. Major Components of “All Other” Spending, FY15 and FY16**

(\$ in millions)

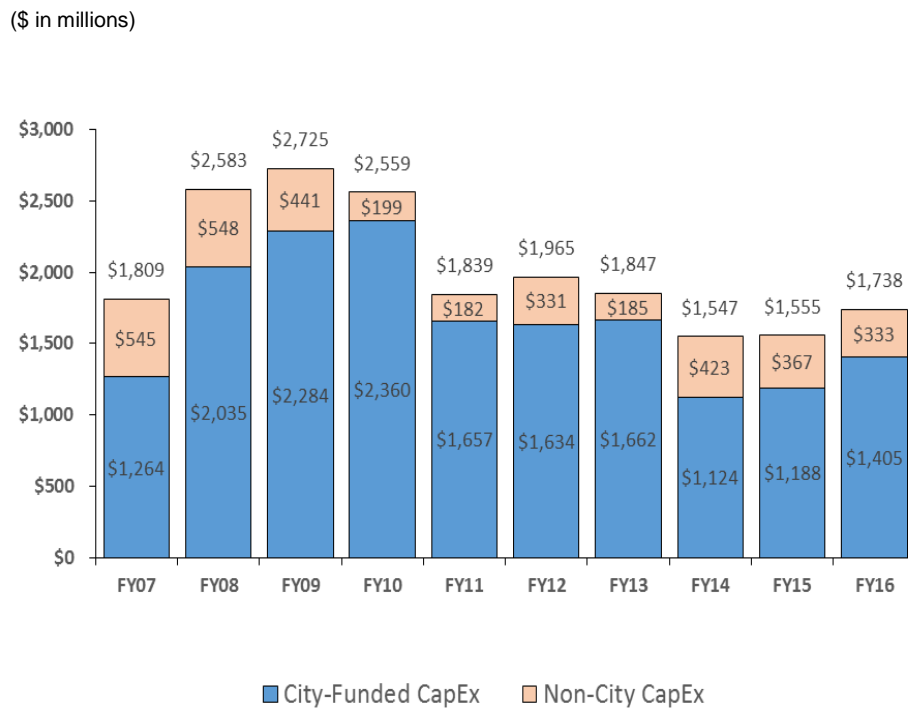
	<b>4Q15</b>	<b>4Q16</b>	<b>Difference</b>
<b>Transit Authority</b>	\$356	\$325	\$(31)
<b>Housing Authority</b>	46	89	43
<b>Lump Sum Payments</b>	2,500	2,596	96
<b>HHC</b>	705	1,288	583
<b>Refunds</b>	902	939	37
<b>City-Funded Capital</b>	5,353	6,080	727
<b>Non-City-Funded Capital</b>	1,812	1,857	45
<b>F-700 Adjustment</b>	(7)	1,247	1,254
<b>Prepayment of expenses for next FY</b>	3,554	3,994	440

## IV. Capital Expenditures and Reimbursements

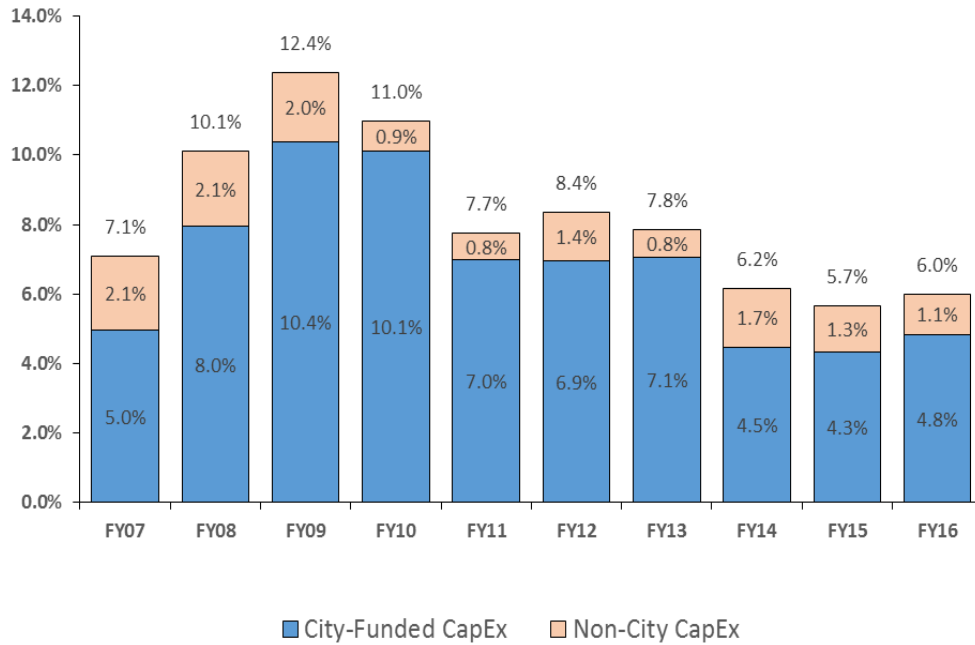
City-funded capital expenditures are primarily financed from the proceeds of general obligation (GO), New York City Transitional Finance Authority (TFA), and New York City Municipal Water Finance Authority (NY Water) debt. Beginning in the 2Q07, non-City-funded capital expenditures for education were financed by TFA Building Aid bonds and Expanding Our Children’s Education and Learning (EXCEL) capital grant funding from the Dormitory Authority of the State of New York (DASNY). Capital expenditures are initially paid for from the New York City Central Treasury and then reimbursed from various capital accounts and State sources.

### April – June 2016 (4Q16)

**Chart 11. Total CapEx, 4Q, FY07 - FY16**



**Chart 12. Total CapEx as % of Total Expenditures, 4Q, FY07 - FY16**



CapEx totaled \$1.738 billion in 4Q16, up 11.8% from \$1.555 billion in 3Q16. An 18.3% increase in City-funded CapEx was offset by a 9.3% decline in Non-City-funded CapEx.



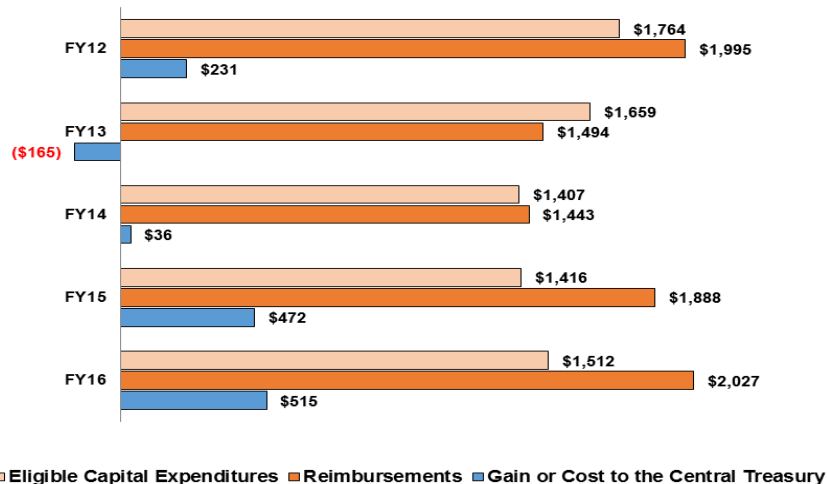
**Table 14. Reimbursements to the NYC Central Treasury for CapEx, 4Q, FY07 - FY16**

(\$ in millions)

	4Q07	4Q08	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	Total
GO	\$389	\$1,160	\$1,745	\$1,049	\$228	\$914	\$689	\$595	\$507	\$0	\$7,276
NY Water	955	690	581	670	687	577	420	401	323	341	5,645
TFA	272	7	0	1,205	817	478	385	447	1,058	834	5,503
<i>Sub-total</i>	<i>1,616</i>	<i>1,857</i>	<i>2,326</i>	<i>2,924</i>	<i>1,732</i>	<i>1,969</i>	<i>1,494</i>	<i>1,443</i>	<i>1,888</i>	<i>1,175</i>	<i>18,424</i>
TFA Building Aid	87	490	622	0	0	26	0	0	0	852	2,077
DASNY	173	487	3	0	0	0	0	0	0	0	663
<i>Sub-total</i>	<i>260</i>	<i>977</i>	<i>625</i>	<i>0</i>	<i>0</i>	<i>26</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>852</i>	<i>2,740</i>
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$1,876</b>	<b>\$2,834</b>	<b>\$2,951</b>	<b>\$2,924</b>	<b>\$1,732</b>	<b>\$1,995</b>	<b>\$1,494</b>	<b>\$1,443</b>	<b>\$1,888</b>	<b>\$2,027</b>	<b>\$21,164</b>
4Q Reimbursable Capital Expenditures	\$1,643	\$2,417	\$2,551	\$2,368	\$1,653	\$1,764	\$1,659	\$1,407	\$1,416	\$1,512	\$18,390
4Q Reimbursements Less 4Q Reimbursable Capital Expenditures	\$233	\$417	\$400	\$556	\$79	\$231	\$(165)	\$36	\$472	\$515	\$2,774
4Q Reimbursements as a % of 4Q Reimbursable Capital Expenditures	114.2%	117.2%	115.7%	123.5%	104.8%	113.1%	90.1%	102.6%	133.3%	134.1%	115.1%
4Q Reimbursements as a % of 4Q Total Receipts	9.9%	13.8%	14.7%	13.5%	8.4%	9.0%	6.6%	6.1%	7.7%	7.5%	9.5%

**Chart 13. Bond-Funded Reimbursements for Eligible CapEx, 4Q, FY12 - FY16**

(\$ in millions)

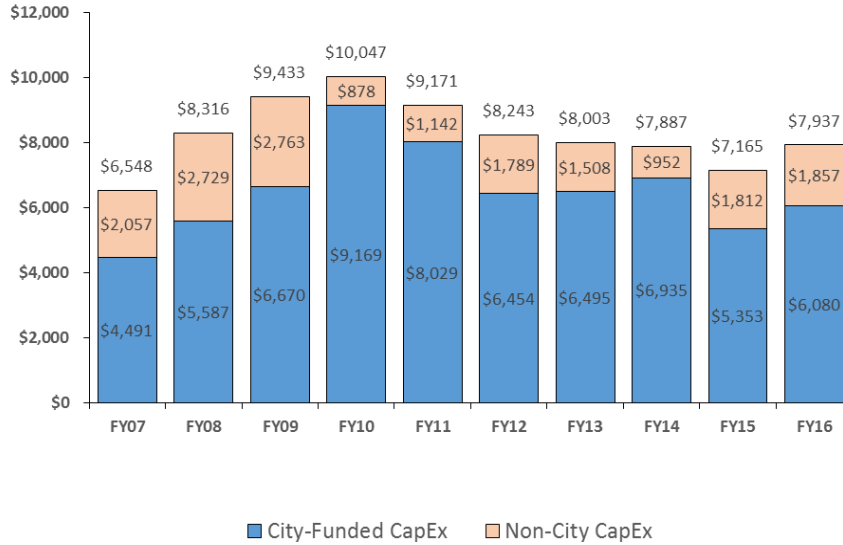


Reimbursements for CapEx in 4Q16 exceeded reimbursable expenditures, increasing the cash balance by \$515 million.

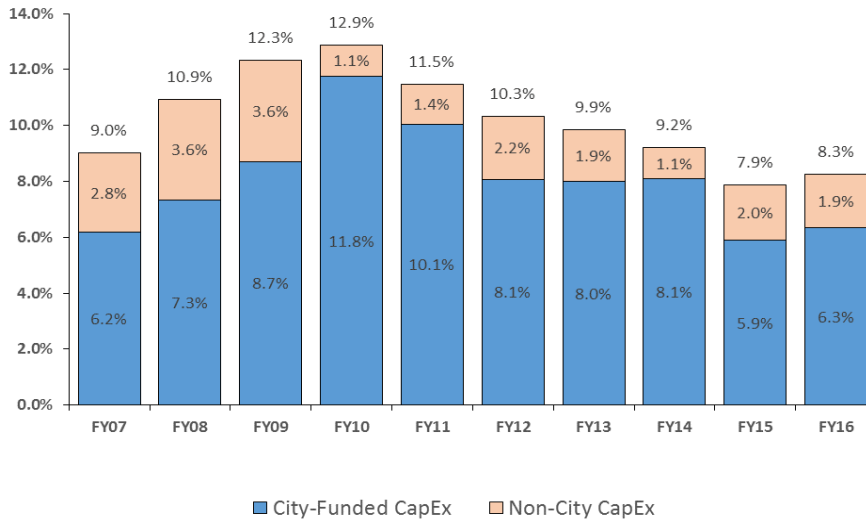
**July 2015 – June 2016 (FY16)**

**Chart 14. Total CapEx, FY07 - FY16**

(\$ in millions)



**Chart 15. Total CapEx as % of Total Expenditures, FY07 - FY16**



Total CapEx equaled \$7.937 billion in FY16, up 10.8% from \$7.165 billion in FY15. The City-funded component increased 13.6% while the Non-City-funded component grew 2.5%.

**Table 15. Reimbursements to the NYC Central Treasury for CapEx, FY07 - FY16**

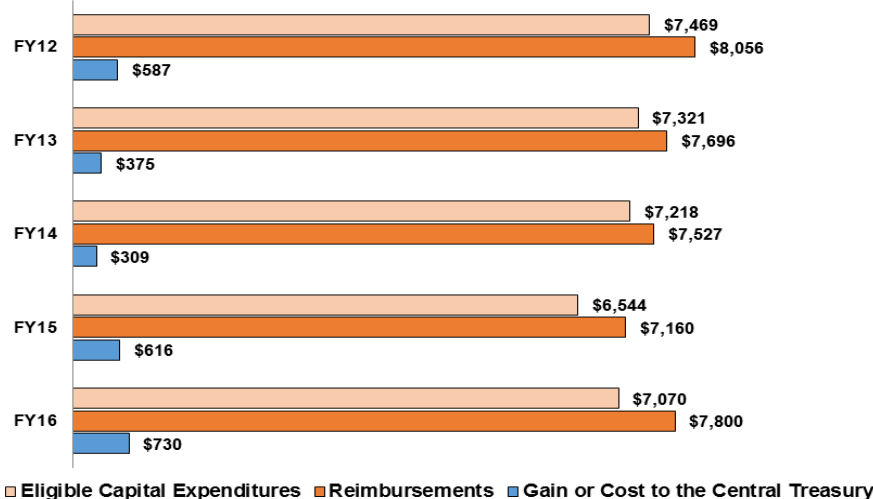
(\$ in millions)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	Total
GO	\$1,060	\$3,339	\$5,255	\$3,304	\$2,799	\$2,560	\$1,587	\$2,307	\$889	\$609	\$23,709
NY Water	1,865	2,150	2,571	2,689	2,965	2,268	1,858	1,644	1,397	1,371	20,778
TFA	1,512	531	14	3,145	3,344	2,223	3,294	3,576	3,991	4136	25,766
<i>Sub-total</i>	<i>4,437</i>	<i>6,020</i>	<i>7,840</i>	<i>9,138</i>	<i>9,108</i>	<i>7,051</i>	<i>6,739</i>	<i>7,527</i>	<i>6,277</i>	<i>6,116</i>	<i>70,253</i>
TFA Building Aid	620	1,229	2,271	182	352	1,005	957	0	883	1,684	9,183
DASNY	470	952	371	6	0	0	0	0	0	0	1,799
<i>Sub-total</i>	<i>1,090</i>	<i>2,181</i>	<i>2,642</i>	<i>188</i>	<i>352</i>	<i>1,005</i>	<i>957</i>	<i>0</i>	<i>883</i>	<i>1,684</i>	<i>10,982</i>
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$5,527</b>	<b>\$8,201</b>	<b>\$10,482</b>	<b>\$9,326</b>	<b>\$9,460</b>	<b>\$8,056</b>	<b>\$7,696</b>	<b>\$7,527</b>	<b>\$7,160</b>	<b>\$7,800</b>	<b>\$81,235</b>
FY Reimbursable Capital Expenditures	\$5,967	\$7,868	\$8,826	\$9,316	\$8,516	\$7,469	\$7,321	\$7,218	\$6,544	\$7,070	\$76,115
FY Reimbursements Less FY Reimbursable Capital Expenditures	(\$440)	\$333	\$1,656	\$10	\$944	\$587	\$375	\$309	\$616	\$730	\$5,120
FY Reimbursements as a % of FY Reimbursable Capital Expenditures	92.6%	104.2%	118.8%	100.1%	111.1%	107.9%	105.1%	104.3%	109.4%	110.3%	106.7%
FY Reimbursements as a % of FY Total Receipts	7.8%	10.7%	13.5%	12.2%	11.8%	9.9%	9.3%	8.6%	7.9%	7.9%	9.9%

FY16 reimbursements for CapEx totaled \$7.8 billion and accounted for 7.9% of total cash receipts. Reimbursements exceeded reimbursable expenditures, increasing the cash balance by \$730 million. Over time, reimbursements and CapEx should offset each other.

**Chart 16. Bond-Funded Reimbursements for Eligible CapEx, FY12 - FY16**

(\$ in millions)



## V. Financings

**Table 16. GO, TFA PIT, and TFA BARBs Bond Issuance, 4Q16**

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	Total Par
4/21/2016	TFA PIT 2016 F	New Money	\$500	\$250	\$0	\$750
5/27/2016	GO 2016 EF	Refunding	\$800	\$0	\$0	\$800

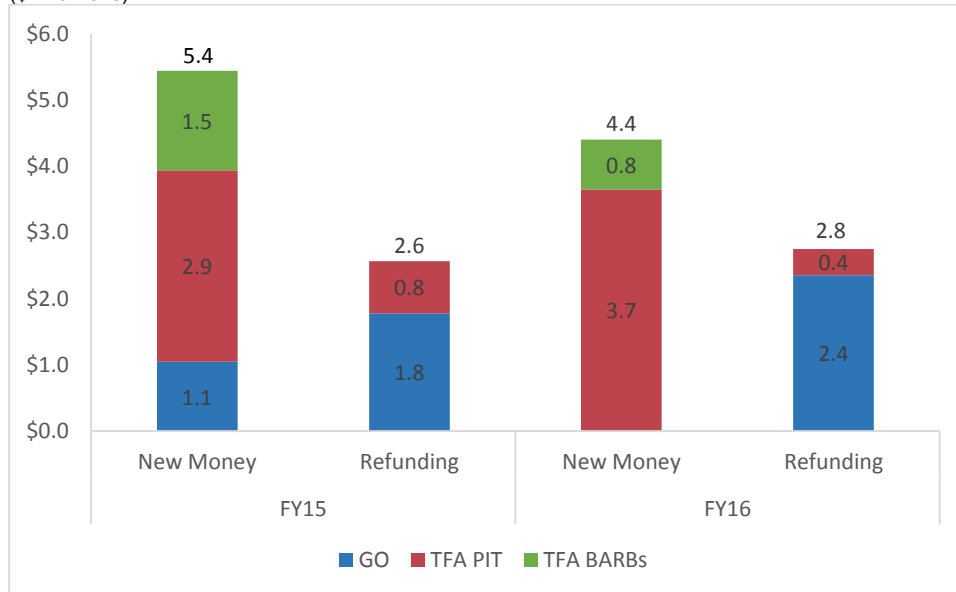
The table excludes conversions and re-offerings.

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

Two transactions closed in 4Q16. The first was a TFA PIT sale of \$750 million of new money bonds. The sale included \$500 million of tax-exempt fixed rate bonds and \$250 million of taxable fixed rate bonds. The second transaction was a GO sale of \$800 million of refunding bonds. The refunding achieved \$169 million in budget savings, or more than \$158.9 million on a present-value basis.

**Chart 17. GO, TFA PIT, and TFA BARBs Issues, FY15 and FY16**

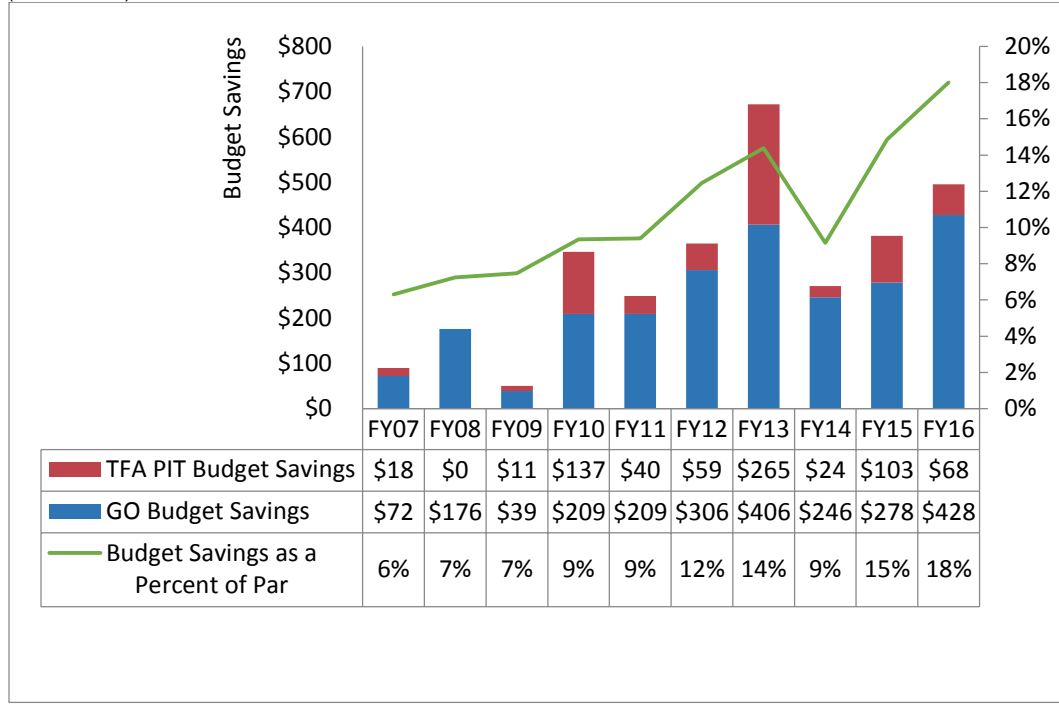
(\$ in billions)



As shown in Chart 17, in FY16 New York City and TFA issued a combined total of \$7.2 billion in new money and refunding bonds, compared to \$8.0 billion in FY15. In FY16 the City refinanced \$2.8 billion in GO and TFA bonds, compared to \$2.6 billion in FY15.

**Chart 18. Budget Savings from GO and TFA PIT Refundings, FY07 - FY16**

(\$ in millions)



FY16 refundings produced \$495 million in budget relief over the life of the bonds, or \$460 million on a present value basis. As shown in the chart above, in FY16 the City achieved 18% budget savings, as a percentage of the refunding par. In other words, the refunding activity in FY16 was the most efficient during the last decade.

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