



NEW YORK CITY COMPTROLLER
SCOTT M. STRINGER

Bureau of Budget

Q4 FY2018

April - June 2018

Quarterly Cash Report

September 2018

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Summary

Cash Balances¹

4Q18 Results

At the close of 4Q18, the City's unrestricted cash balance stood at \$9.394 billion, virtually unchanged from the closing balance at the end of 4Q17. The 4Q18 average cash balance of \$9.035 billion fell below the 4Q17 average by \$363 million. As typical for this time of the year, expenditures exceeded receipts during the quarter, reducing the cash balance by \$559 million.

FY18 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 \$4.576 billion, compared to \$4.169 billion at the end of FY17. The prepayment consisted of \$1.902 billion of General Obligation (GO) debt service, \$2.174 billion of Transitional Finance Authority (TFA) debt service, a \$300 payment to the Retiree Health Benefits Trust Fund (RHBT) against retiree health costs for FY19, and \$200 million of advance subsidy to Health + Hospitals (H + H). In addition to the prepayment, the City deposited \$100 million into the RHBT above the amount required to cover retiree healthcare costs in FY19. Without prepayments, the City would have ended FY18 with \$14.070 billion in cash-on-hand.

FY18 Results

FY18 was a volatile year for cash balances. The year began with \$9.341 billion of cash-on-hand, \$2.378 billion below last year's figure. This was the lowest opening balance for the fiscal year since FY14. From mid-July through early December, cash balances fell precipitously, reaching \$1.022 billion on December 4, 2017 – the lowest cash balance since FY10. However, cash balances recovered quickly at the end of December due to incoming real property and income tax receipts as New Yorkers rushed to prepay their taxes to beat the federal tax overhaul. Receipts remained strong for the remainder of FY18, rising 12.5% in 3Q18 and 6.5% in 4Q18. Overall, receipts exceeded expenditures by \$52.7 million in FY18. In FY17, expenditures topped receipts by \$2.378 billion. FY18 finished strong with \$9.394 billion in cash. Once again, as in FY05-FY17, there was no need for the City to borrow short-term for operations.

Cash Receipts

4Q18 Results

Total receipts in 4Q18 were the highest 4Q inflows on record, up 6.5% versus a year ago, with capital reimbursements largely responsible for the increase. Net of reimbursements for capital expenditures, 4Q18 cash receipts rose 1.6% versus a year ago. Capital transfers in 4Q18 totaled \$3.016 billion, versus \$1.612 billion in 4Q17.

The City collected \$17.2 billion in tax revenues for 4Q18, compared to \$16.7 billion at the same time last year. During the quarter, general corporation tax and personal income tax increased 17.4% and 14.3%,

¹ 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.

respectively. Meanwhile, the real property tax, the City's largest source of revenue, declined 1.9% and the unincorporated business tax fell 13.1%.

During 4Q18, the City received \$5.8 billion in Federal and State aid, down 6.5% compared to 4Q17. The State delayed funding for Senior Colleges, and the payment originally scheduled to be remitted in June arrived in July, and was not counted in the 4Q18 total.

FY18 Results

During FY18, total cash receipts measured \$101.796 billion, an increase of \$5.7 billion from the previous year. Net of reimbursements for capital expenditures, FY18 cash receipts increased 3.8% versus a year ago.

The five largest sources of cash in FY18 accounted for 61% percent of total receipts in FY18. These sources were real property tax collections of \$26.5 billion, or 26.1% of total receipts; personal income tax of \$13.4 billion, or 13.2% of total receipts; NYS education aid of \$10.2 billion, or 10% of total receipts; sales tax of \$7.4 billion, or 7.3% of total receipts; and general corporation tax of \$4.5 billion, or 4.4% of total receipts.

Tax collections for FY18 totaled \$60.137 billion, an increase of 6.9% from the previous year. The largest percentage gains were in personal income tax (up 21.3%), and banking corporations tax revenues (up 20.5%). Real property tax receipts rose 3.4% or \$866 million. Sales tax was up 6.3%. Mortgage and real property transfer taxes declined 4.6%, reflecting the slowdown in NYC's housing market.

During FY18, the City received \$20.3 billion in Federal and State aid, compared to \$21.4 billion in FY17, primarily due to timing in receipts. In FY18, Federal education aid was down 16.6% and NYS welfare aid was down 17.7%, on a year-over-year basis. NYS higher education aid declined a whopping 61.8%, because the State failed to send almost \$800 million in Senior College funding to NYC in June.

Cash Expenditures

4Q18 Results

At \$30.053 billion, 4Q18 cash expenditures appear virtually unchanged compared to 4Q17. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, totaled \$13.9 billion in 4Q18. Embedded in this number is the City's FY18 payment to the RHBT. This year's payment to the RHBT equaled \$1.995 billion, versus \$2.258 billion in FY17 and \$2.160 billion in FY16. For the fifth year in a row, the City also added funds into the RHBT above the amount required for FY18 pay-as-you-go retiree health benefits. This year's additional contribution was \$100 million, the same as last year. Medical assistance and public assistance were the fastest growing 4Q18 expenses, up 18.8% and 18.4%, respectively. All other social services spending, taken altogether, dropped 22.4%.

FY18 Results

Total expenditures, including capital expenditures, rose 3.4% versus a year ago, to a new record high of \$101.744 billion. Net cash expenditures (which exclude capital expenditures) rose 3% in FY18. Personal service expenditures increased 2.7% versus a year ago. Gross payroll increased 3.6% and spending on fringe benefits rose 1.3%. Meanwhile, other-than-personal-service expenditures (OTPS) increased 2.4% versus a year ago, mostly due to an \$828 million increase in spending on public and medical assistance. Outlays considered "All Other" increased 7.1%, due to increased City-funded capital spending and the inflow of cash to the restricted Fund 700 account.

Capital Expenditures (CapEx) and Reimbursements²

4Q18 Results

CapEx totaled \$1.807 billion in 4Q18, up 2.6% from \$1.761 billion in 4Q17. City-funded CapEx increased 6.2% while Non-City-funded CapEx declined 21.6%.

Reimbursements for CapEx in 4Q18 exceeded reimbursable expenditures, increasing the cash balance by \$1.354 billion.

FY18 Results

Total CapEx equaled \$8.779 billion in FY18, up 7.0% from \$8.201 billion in FY17. The City-funded component increased 17.6% while the Non-City-funded component declined 44.4%.

FY18 reimbursements for CapEx totaled \$9.996 billion and accounted for 9.8% of total cash receipts. Reimbursements during the fiscal year exceeded reimbursable expenditures, increasing the cash balance by \$1.727 billion. Over time, reimbursements and CapEx should offset each other.

Financings

4Q18 Results

Two new money transactions closed in 4Q18. The first was a GO sale of \$850 million of tax-exempt fixed rate bonds and \$250 million of taxable fixed rate bonds. The second transaction was a TFA sale of \$850 million of tax-exempt fixed rate bonds, \$250 million of taxable fixed rate bonds, and \$175 million of tax-exempt variable rate bonds.

FY18 Results

In FY18, New York City and the TFA issued a combined total of \$10.8 billion in new money and refunding bonds, compared to \$8.4 billion in FY17. In FY18, the City refinanced \$3.4 billion in GO and TFA bonds, compared to \$1.7 billion in FY17.

FY18 refundings produced \$613 million in budget relief over the life of the bonds, or \$571 million on a present value basis. The refunding activity in FYs 2016 and 2018 was the most efficient during the last decade when the City achieved 18% budget savings, as a percentage of the refunding par.

Notes

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 any debt service funding.

Note that totals may not equal sum of components due to rounding.

² 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. Capital expenditures are initially paid from the General Fund and then reimbursed from various capital accounts and State sources.

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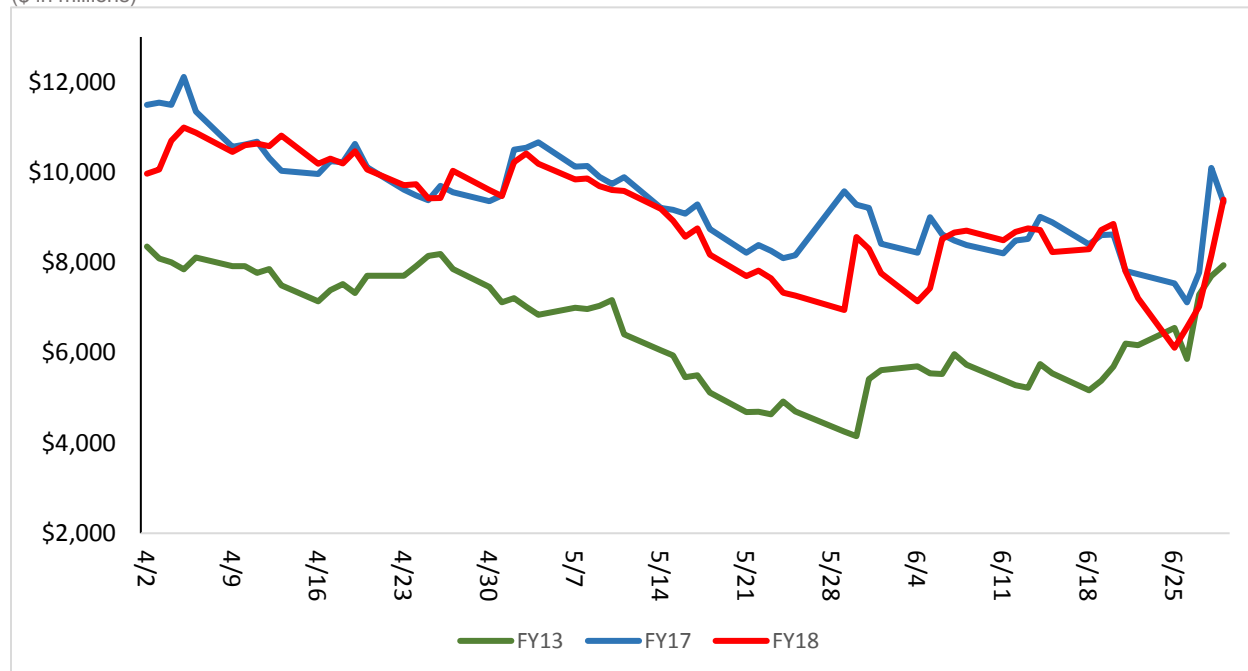
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Cash Balances

April 2018 – June 2018 (4Q18)

Chart 1. Daily Cash Balances of the NYC Central Treasury, 4Q13, 4Q17, and 4Q18

(\$ in millions)



At the close of 4Q18, the City's unrestricted cash balance stood at \$9.394 billion, virtually unchanged from the closing balance at the end of 4Q17. The 4Q18 average cash balance of \$9.035 billion fell below the 4Q17 average by \$363 million. As typical for this time of the year, expenditures exceeded receipts during the quarter, reducing the cash balance by \$559 million.

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 \$4.576 billion, compared to \$4.169 billion at the end of FY17. The prepayment consisted of \$1.902 billion of General Obligation (GO) debt service, \$2.174 billion of Transitional Finance Authority (TFA) debt service, a \$300 payment to the Retiree Health Benefits Trust Fund (RHBT) against retiree health costs for FY19, and \$200 million of advance subsidy to Health + Hospitals (H + H). In addition to the prepayment, the City deposited \$100 million into the RHBT above the amount required to cover retiree healthcare costs in FY19. Without prepayments, the City would have ended FY18 with \$14.070 billion in cash-on-hand.

Table 1. Cash Position of the NYC Central Treasury, 4Q, FY09 - FY18

(\$ in millions)	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17	4Q18
Opening Balance ^a	\$7,762	\$6,188	\$8,101	\$7,742	\$8,754	\$11,448	\$12,368	\$13,716	\$11,803	\$9,953
Total Receipts	20,119	21,738	20,671	22,081	22,752	23,539	24,587	27,016	27,682	29,494
Total Expenditures ^b	22,042	23,322	23,731	23,526	23,562	25,129	27,452	29,013	30,144	30,053
Closing Balance ^a	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	\$9,341	\$9,394
Avg. Daily Balance	\$6,273	\$5,506	\$6,362	\$5,534	\$6,520	\$9,586	\$10,911	\$12,061	\$9,398	\$9,035

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

July 2017 – June 2018 (FY18)

Chart 2. Daily Cash Balances of the NYC Central Treasury, FY13, FY17, and FY18

(\$ in millions)

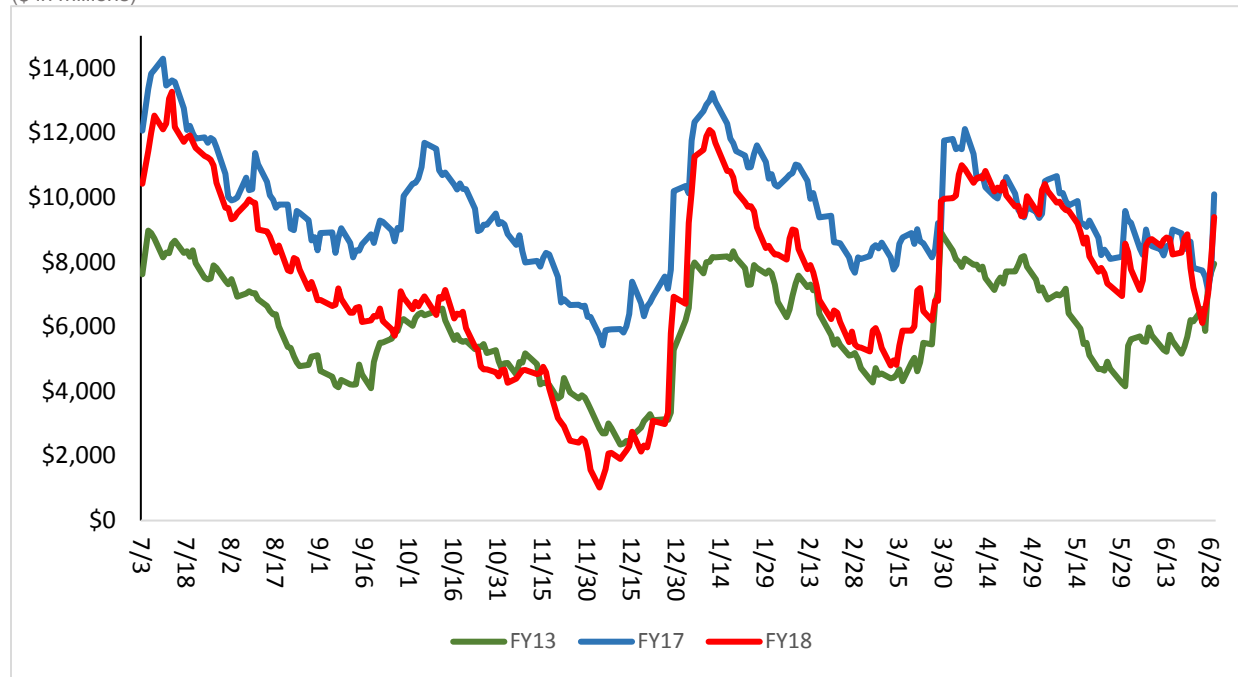


Table 2. Cash Position of the NYC Central Treasury, FY09 - FY18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Opening Balance ^a	\$4,988	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	\$9,341
Total Receipts	77,422	76,742	80,310	81,152	82,877	87,578	90,653	98,245	96,066	101,797
Total Expenditures ^b	76,571	77,977	79,874	79,895	81,231	85,664	91,008	96,028	98,444	101,744
Closing Balance ^a	\$5,839	\$4,604	\$5,041	\$6,297	\$7,944	\$9,858	\$9,502	\$11,719	\$9,341	\$9,394
Avg. Daily Balance	\$5,663	\$5,102	\$5,053	\$5,146	\$5,959	\$7,779	\$9,460	\$10,684	\$9,512	\$7,521

a. Opening and closing balances are before City audits.

b. Total expenditures include capital expenditures.

FY18 was a volatile year for cash balances. The year began with \$9.341 billion of cash-on-hand, \$2.378 billion below last year's figure. This was the lowest opening balance for the fiscal year since FY14. From mid-July through early December, cash balances fell precipitously, reaching \$1.022 billion on December 4, 2017 – the lowest cash balance since FY10. However, cash balances recovered quickly at the end of December due to incoming real property and income tax receipts as New Yorkers rushed to prepay their taxes to beat the federal tax overhaul. Receipts remained strong for the remainder of FY18, rising 12.5% in 3Q18 and 6.5% in 4Q18. Overall, receipts exceeded expenditures by \$52.7 million in FY18. In FY17, expenditures topped receipts by \$2.378 billion. FY18 finished strong with \$9.394 billion in cash. Once again, as in FY05-FY17, there was no need for the City to borrow short-term for operations.

Cash Receipts

April 2018 – June 2018 (4Q18)

Receipts at a Glance

Table 3. Cash Receipts by Category, 4Q, FY09 - FY18

(\$ in millions)	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17	4Q18
Real Property Tax	\$4,807	\$4,747	\$4,850	\$5,443	\$5,708	\$6,228	\$7,058	\$7,261	\$8,507	\$8,348
Other Taxes	5,806	5,920	7,090	7,014	8,408	8,008	9,166	8,642	8,216	8,812
Total Taxes	10,613	10,667	11,940	12,457	14,116	14,236	16,224	15,903	16,723	17,160
Federal and State Aid	4,471	5,316	4,627	4,486	5,179	4,959	5,657	5,543	6,179	5,776
Debt Service Funding	(282)	(307)	(615)	(534)	(701)	(512)	(2,631)	(349)	(378)	(27)
Miscellaneous	1,610	2,180	1,874	2,385	804	1,714	1,621	1,788	1,889	1,949
Intergovernmental Aid	0	0	0	6	0	0	0	0	0	0
Other	3,707	3,882	2,845	3,281	3,354	3,142	3,716	4,131	3,269	4,636
4Q Total	\$20,119	\$21,738	\$20,671	\$22,081	\$22,752	\$23,539	\$24,587	\$27,016	\$27,682	\$29,494
Total, Net of CapEx Reimbursements	\$17,168	\$18,814	\$18,939	\$20,086	\$21,258	\$22,096	\$22,698	\$24,988	\$26,070	\$26,478

Total receipts in 4Q18 were the highest 4Q inflows on record, up 6.5% versus a year ago, with capital reimbursements largely responsible for the increase. Net of reimbursements for capital expenditures, 4Q18 cash receipts rose 1.6% versus a year ago. Capital transfers in 4Q18 totaled \$3.016 billion, versus \$1.612 billion in 4Q18.

The City collected \$17.2 billion in tax revenues for 4Q18, compared to \$16.7 billion at the same time last year. During the quarter, general corporation tax and personal income tax increased 17.4% and 14.3%, respectively. Meanwhile, the real property tax, the City's largest source of revenue, declined 1.9% and the unincorporated business tax fell 13.1%.

During 4Q18, the City received \$5.8 billion in Federal and State aid, down 6.5% compared to 4Q17. The State delayed funding for Senior Colleges, and the payment originally scheduled to be remitted in June arrived in July, and was not counted in the 4Q18 total.

Taxes³

Table 4. Tax Receipts, 4Q13, 4Q17, and 4Q18

(\$ in millions)	4Q13	4Q17	4Q18	% Change 4Q18/4Q13	% Change 4Q18/4Q17
Real Property Tax	\$5,708	\$8,507	\$8,348	46.3%	(1.9)%
Personal Income Tax	2,911	2,926	3,344	14.9	14.3
Sales Tax	1,695	2,021	2,149	26.8	6.3
General Corporation Tax	1,058	993	1,166	10.2	17.4
Mortgage and Real Property Transfer Taxes	448	612	678	51.3	10.8
Unincorporated Business Tax	836	734	638	(23.7)	(13.1)
PILOT	193	237	245	26.9	3.4
Commercial Rent Tax	176	241	233	32.4	(3.3)
Other Taxes	1,091	452	359	(67.1)	(20.6)
4Q Total	\$14,116	\$16,723	\$17,160	21.6%	2.6%

Selected Cash Receipts

Table 5. Selected Cash Receipts, 4Q, FY14 - FY18

(\$ in millions)	4Q14	4Q15	4Q16	4Q17	4Q18
Real Property Tax	\$6,228	\$7,058	\$7,261	\$8,507	\$8,348
Personal Income Tax	2,651	3,129	2,992	2,926	3,344
NYS Education Aid	2,404	2,808	3,052	3,244	3,091
Sales Tax	1,780	1,822	1,966	2,021	2,149
General Corporation Tax	646	978	845	993	1,166
Federal Education Aid	668	461	378	555	817
Mortgage and Real Property Transfer Taxes	565	780	699	612	678
Unincorporated Business Tax	875	910	895	734	638
Federal Welfare	695	703	536	383	427
Senior College Fees	230	314	330	425	385
Fines and Forfeitures	310	259	262	261	298
NYS Welfare	292	321	265	256	252
PILOT	170	205	195	237	245
Commercial Rent Tax	182	199	197	241	233

³ 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.

Federal and State Aid

Chart 3. Federal & State Aid to NYC, 4Q, FY14 - FY18

(\$ in billions)

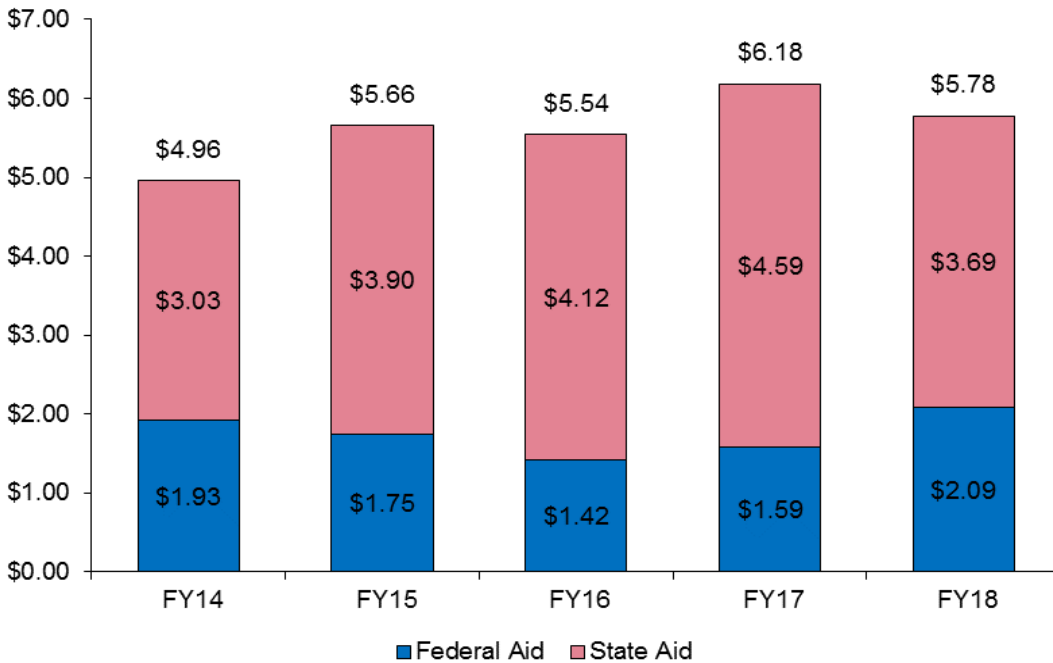


Chart 4. Federal & State Aid as % of Total Cash Receipts, 4Q, FY14 - FY18

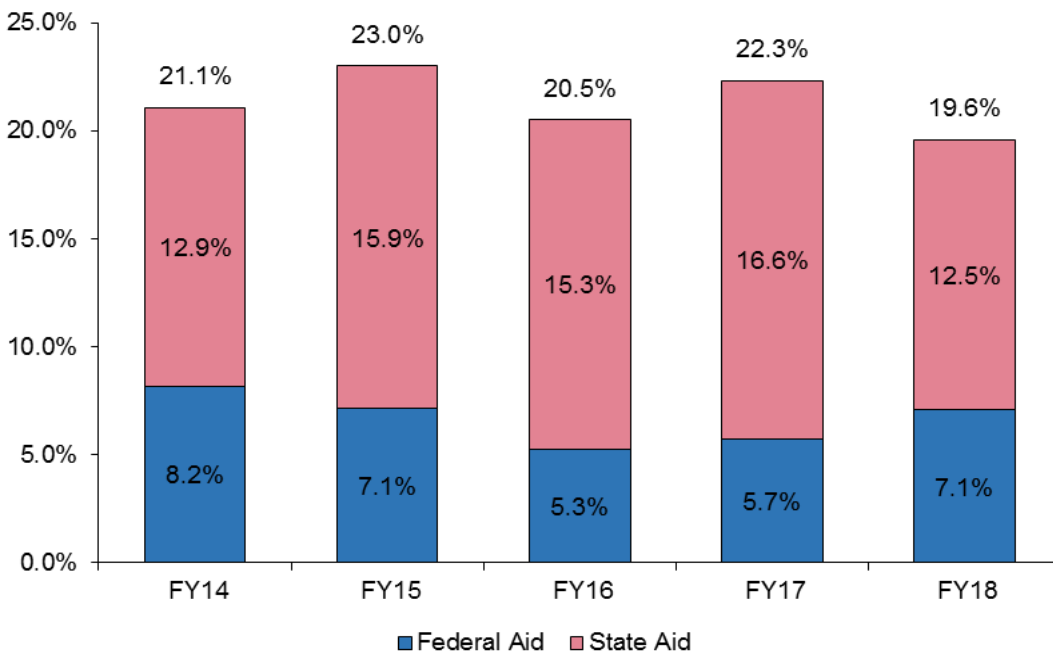


Chart 5. Components of State Aid, 4Q, FY14 - FY18

(\$ in billions)

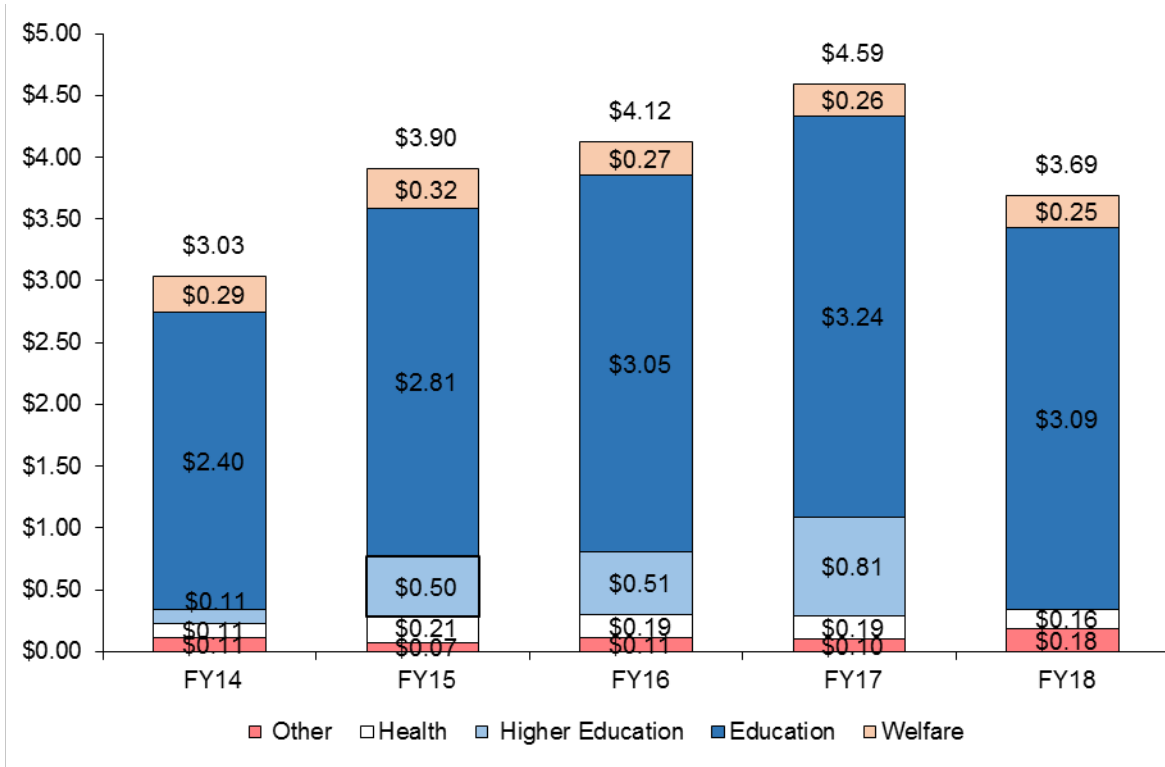
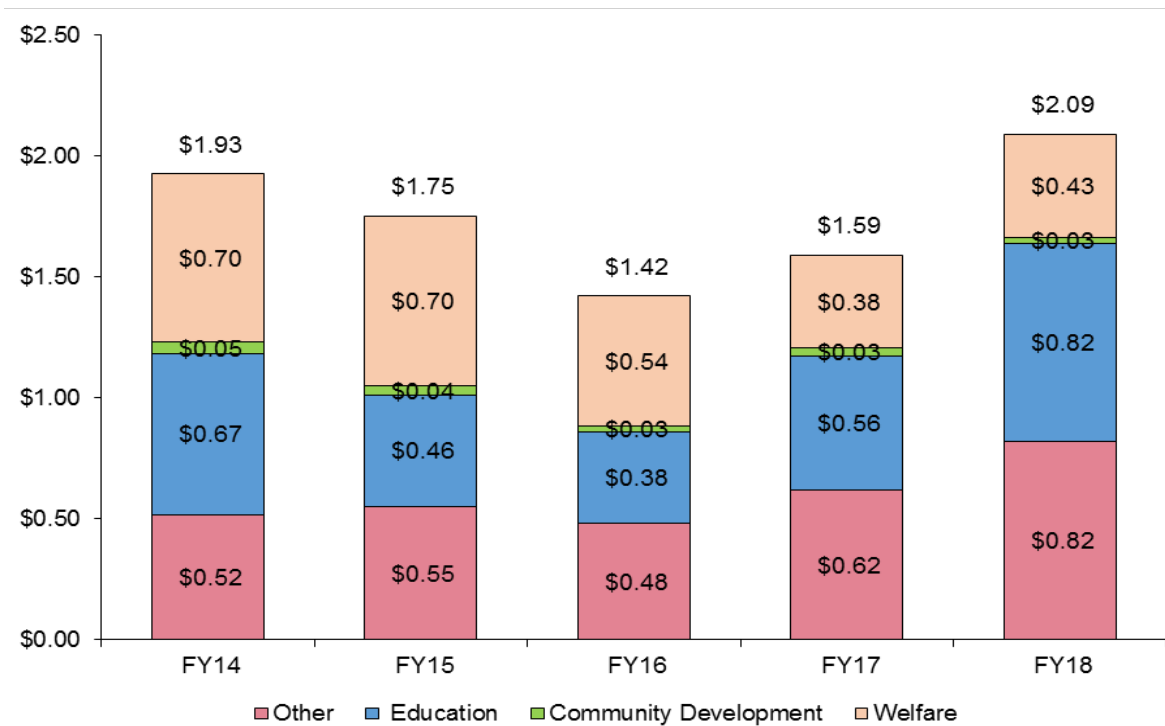


Chart 6. Components of Federal Aid, 4Q, FY14 - FY18

(\$ in billions)



July 2017 – June 2018 (FY18)

Receipts at a Glance

Table 6. Cash Receipts by Category, FY09 - FY18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Real Property Tax	\$16,427	\$16,313	\$17,272	\$18,862	\$19,252	\$20,967	\$22,210	\$23,809	\$25,669	\$26,535
Other Taxes	22,666	21,607	23,969	24,710	27,466	28,761	31,299	31,428	30,604	33,602
Total Taxes	39,093	37,920	41,241	43,572	46,718	49,728	53,509	55,237	56,273	60,137
Federal and State Aid	18,105	18,753	20,520	19,305	20,059	19,618	20,225	20,782	21,433	20,250
Debt Service Funding	(313)	(307)	(1,531)	(1,587)	(3,485)	(2,503)	(6,025)	(120)	(2,371)	(2,341)
Miscellaneous	6,007	6,901	6,486	7,123	5,779	7,053	6,832	7,149	6,719	7,202
Intergovernmental Aid	228	280	14	7	1	1	0	6	59	0
Other	14,302	13,195	13,580	12,732	13,805	13,681	16,112	15,191	13,953	16,548
FY Total	\$77,422	\$76,742	\$80,310	\$81,152	\$82,877	\$87,578	\$90,653	\$98,245	\$96,066	\$101,796
Total, Net of CapEx Reimbursements	\$66,940	\$67,416	\$70,850	\$73,098	\$75,179	\$80,053	\$83,492	\$90,444	\$88,440	\$91,801

During FY18, total cash receipts measured \$101.796 billion, an increase of \$5.7 billion from the previous year. Net of reimbursements for capital expenditures, FY18 cash receipts increased 3.8% versus a year ago.

The five largest sources of cash in FY18 accounted for 61% percent of total receipts in FY18. These sources were real property tax collections of \$26.5 billion, or 26.1% of total receipts; personal income tax of \$13.4 billion, or 13.2% of total receipts; NYS education aid of \$10.2 billion, or 10% of total receipts; sales tax of \$7.4 billion, or 7.3% of total receipts; and general corporation tax of \$4.5 billion, or 4.4% of total receipts.

Taxes⁴

Table 7. Tax Receipts, FY13, FY17, and FY18

(\$ in millions)	FY13	FY17	FY18	% Change FY18/FY13	% Change FY18/FY17
Real Property Tax	\$19,252	\$25,669	\$26,535	37.8%	3.4%
Personal Income Tax	9,200	11,078	13,434	46.0	21.3
Sales Tax	6,109	6,993	7,434	21.7	6.3
General Corporation Tax	3,756	4,251	4,481	19.3	5.4
Mortgage and Real Property Transfer Taxes	1,843	2,631	2,509	36.1	(4.6)
Unincorporated Business Tax	1,974	2,269	2,424	22.8	6.8
Commercial Rent Tax	715	880	936	30.9	6.4
Hotel Occupancy Tax	510	583	606	18.8	3.9
Banking Corporation Tax	1,595	453	546	(65.8)	20.5
Utility Taxes	414	295	389	(6.0)	31.9
PILOT	265	376	352	32.8	(6.4)
Other Taxes	1,085	795	491	(54.7)	(38.2)
Total	\$46,718	\$56,273	\$60,137	28.7%	6.9%

Tax collections for FY18 totaled \$60.137 billion, an increase of 6.9% from the previous year. The largest percentage gains were in personal income tax (up 21.3%), and banking corporations tax revenues (up 20.5%). Real property tax receipts rose 3.4% or \$866 million. Sales tax was up 6.3%. Mortgage and real property transfer taxes declined 4.6%, reflecting the slowdown in NYC's housing market.

Selected Cash Receipts

Table 8. Selected Cash Receipts, FY14 - FY18

(\$ in millions)	FY14	FY15	FY16	FY17	FY18
Real Property Tax	\$20,967	\$22,210	\$23,809	\$25,669	\$26,535
Personal Income Tax	9,566	10,601	10,830	11,078	13,434
NYS Education Aid	8,540	9,154	9,746	10,277	10,158
Sales Tax	6,454	6,732	7,288	6,993	7,434
General Corporation Tax	3,701	3,811	4,030	4,251	4,481
Federal Welfare	3,188	3,216	2,954	2,547	2,599
Mortgage and Real Property Transfer Taxes	2,359	2,965	2,979	2,631	2,509
Unincorporated Business Tax	2,077	2,207	2,223	2,269	2,424
Federal Education Aid	1,826	1,240	1,686	1,955	1,631
Water and Sewer	1,361	1,536	1,397	1,226	1,376
NYS Welfare	1,463	1,378	1,515	1,387	1,141
Fines and Forfeitures	1,012	1,010	1,137	1,057	1,098
Senior College Fees	945	982	1,045	1,058	1,057
Commercial Rent Tax	747	795	833	880	936
NYS Higher Education Aid	973	1,787	1,437	1,721	658

During FY18, the City received \$20.3 billion in Federal and State aid, compared to \$21.4 billion in FY17, primarily due to timing in receipts. In FY18, Federal education aid was down 16.6% and NYS welfare aid

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.

was down 17.7%, on a year-over-year basis. NYS higher education aid declined a whopping 61.8%, because the State failed to send almost \$800 million in Senior College funding to NYC in June.

Federal and State Aid

Chart 7. Federal & State Aid to NYC, FY14 - FY18

(\$ in billions)

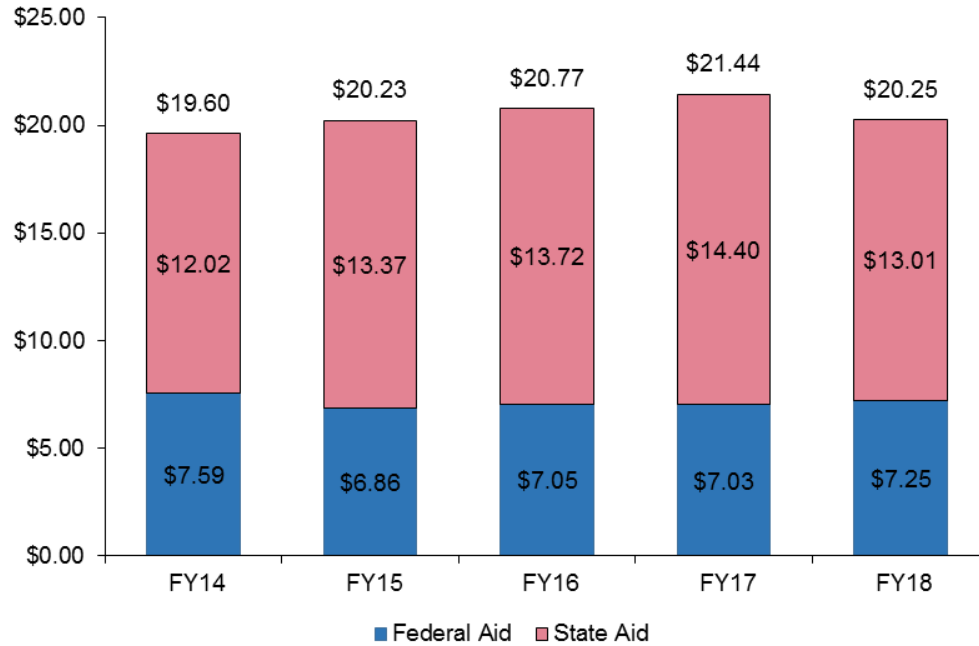


Chart 8. Federal & State Aid as % of Total Cash Receipts, FY14 - FY18

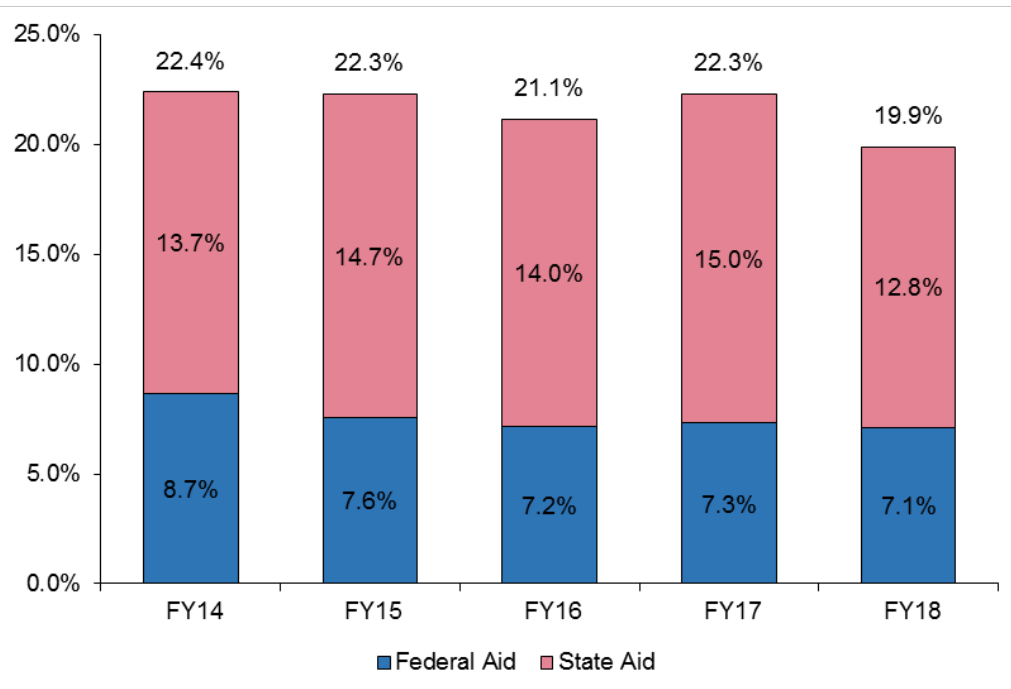


Chart 9. Components of State Aid, FY14 - FY18

(\$ in billions)

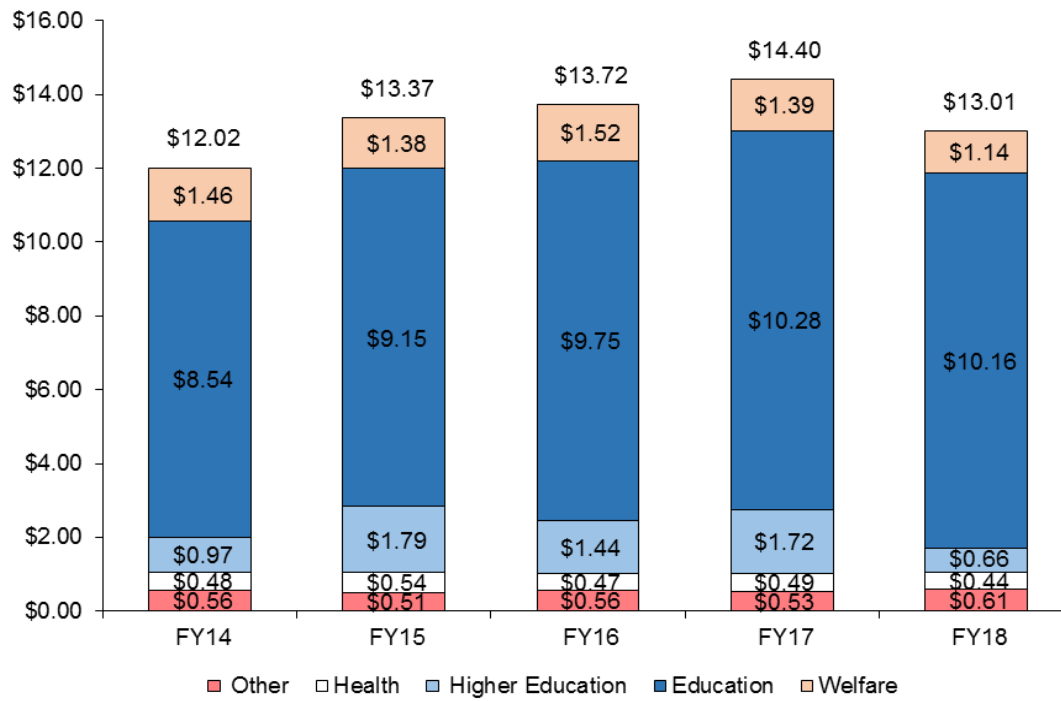
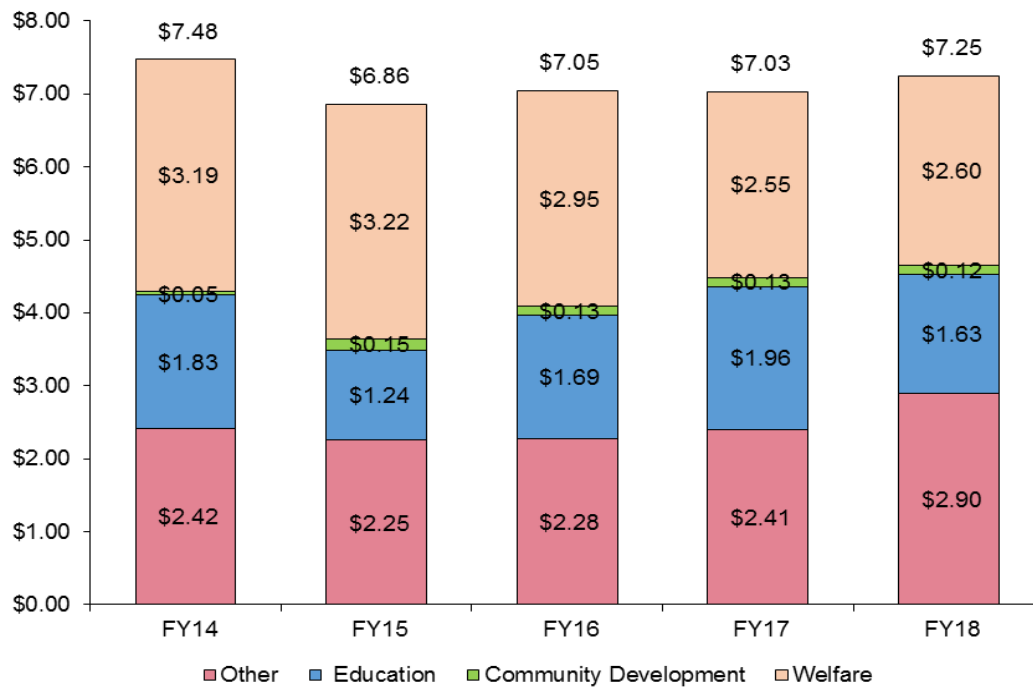


Chart 10. Components of Federal Aid, FY14 - FY18

(\$ in billions)



Cash Expenditures (Including Capital)

April 2018 – June 2018 (4Q18)

Cash Expenditures at a Glance

Table 9. PS & OTPS, 4Q, FY09 - FY18

(\$ in millions)	4Q09	4Q10	4Q11	4Q12	4Q13	4Q14	4Q15	4Q16	4Q17	4Q18
Gross Payroll	\$5,704	\$6,077	\$5,952	\$5,783	\$5,835	\$5,986	\$6,281	\$6,436	\$7,429	\$7,261
Other PS	4,201	4,509	4,737	5,271	4,904	6,637	6,996	7,173	6,701	6,649
Total PS	\$9,905	\$10,586	\$10,689	\$11,054	\$10,739	\$12,623	\$13,277	\$13,609	\$14,130	\$13,910
% of 4Q Total Exp	45%	45%	45%	47%	46%	50%	48%	47%	47%	46%
Public Assistance	568	591	584	588	599	544	604	639	712	843
Medical Assistance	971	1,177	1,340	1,537	1,660	1,514	1,734	1,194	1,233	1,465
Other Social Services	538	575	564	584	563	567	546	697	811	629
Vendor and Other	3,446	3,378	3,901	4,481	4,450	4,627	6,436	5,209	5,907	5,746
Total OTPS	\$5,523	\$5,721	\$6,389	\$7,190	\$7,272	\$7,252	\$9,320	\$7,739	\$8,663	\$8,683
% of 4Q Total Exp	25%	25%	27%	31%	31%	29%	34%	27%	29%	29%
All Other	\$6,614	\$7,015	\$6,653	\$5,282	\$5,551	\$5,254	\$4,855	\$7,665	\$7,351	\$7,460
% of Total Exp	30%	30%	28%	22%	23%	21%	18%	26%	24%	25%
Total Expenditures	\$22,042	\$23,322	\$23,731	\$23,526	\$23,562	\$25,129	\$27,452	\$29,013	\$30,144	\$30,053
Total Expenditures, Net of CapEx	\$19,317	\$20,763	\$21,892	\$21,561	\$21,716	\$23,583	\$25,898	\$27,276	\$28,383	\$28,246

At \$30.053 billion, 4Q18 cash expenditures appear virtually unchanged compared to 4Q17. PS spending, which includes payroll, pensions, health plan, social security, and supplemental (union-related) welfare benefits, totaled \$13.9 billion in 4Q18. Embedded in this number is the City's FY18 payment to the NYC Retiree Health Benefits Trust (RHBT). This year's payment to the RHBT equaled \$1.995 billion, versus \$2.258 billion in FY17 and \$2.160 billion in FY16. For the fifth year in a row, the City also added funds into the RHBT above the amount required for FY18 pay-as-you-go retiree health benefits. This year's additional contribution was \$100 million, the same as last year. Medical assistance and public assistance were the fastest growing 4Q18 expenses, up 18.8% and 18.4%, respectively. All other social services spending, taken altogether, dropped 22.4%.

"All Other" Spending

Table 10. Major Components of "All Other" Spending, 4Q17 and 4Q18

(\$ in millions)	4Q17	4Q18	Difference
Transit Authority	\$74	\$16	\$(58)
Housing Authority	19	22	3
Lump Sum Payments	600	734	134
H+H	355	422	67
Refunds	355	345	(10)
City-Funded Capital	1,534	1,629	95
Non-City-funded Capital	227	178	(49)
Fund 700 Adjustment	65	(106)	(171)
Prepayment of expenses for next FY	4,169	4,576	407

Table 11. Cash Payments of Future Years' Expenditures, 4Q, FY14 - FY18

(\$ in millions)	4Q14	4Q15	4Q16	4Q17	4Q18
General Obligation Debt Service	\$621	\$1,953	\$1,760	\$1,560	\$1,902
NYC TFA Debt Service	1,362	1,578	1,734	1,909	2,174
Lease Payments	0	0	100	0	0
Payments to the Libraries	0	0	0	0	0
Defeasance or Redemption of Debt	0	23	0	0	0
Payments to HHC	0	0	400	300	200
Retiree Health Benefits Trust	0	0	0	400	300
Total	\$1,983	\$3,554	\$3,994	\$4,169	\$4,576

This year's prepayment totaled \$4.576 billion, compared to \$4.169 billion last year.

July 2017 – June 2018 (FY18)

Cash Expenditures at a Glance

Table 12. PS and OTPS, FY09 - FY18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Gross Payroll	\$23,813	\$23,510	\$23,820	\$23,693	\$23,894	\$24,227	\$25,879	\$27,548	\$28,288	\$29,296
Other PS	12,756	13,821	14,346	15,230	15,349	17,445	18,389	19,025	19,358	19,615
FY Total PS	\$36,569	\$37,331	\$38,166	\$38,923	\$39,243	\$41,672	\$44,268	\$46,573	\$47,646	\$48,911
% of Total FY Exp	48%	48%	48%	49%	48%	49%	49%	49%	48%	48%
Public Assistance	2,337	2,594	2,496	2,394	2,392	2,411	2,568	2,745	3,069	3,504
Medical Assistance	4,660	4,652	4,912	5,936	5,987	5,831	6,081	5,716	5,285	5,678
Other Social Services	2,415	2,456	2,426	2,359	2,404	2,368	2,404	2,664	2,878	2,570
Vendor and Other	13,977	13,668	15,157	15,973	16,577	17,559	20,430	19,917	21,927	22,187
FY Total OTPS	\$23,389	\$23,370	\$24,991	\$26,662	\$27,360	\$28,169	\$31,483	\$31,042	\$33,159	\$33,939
% of Total FY Exp	30%	30%	31%	33%	34%	33%	34%	32%	34%	33%
All Other	\$16,613	\$17,276	\$16,715	\$14,310	\$14,627	\$15,822	\$15,257	\$18,413	\$17,639	\$18,894
% of Total FY Exp	22%	22%	21%	18%	18%	18%	17%	19%	18%	19%
FY Total Expenditures	\$76,571	\$77,977	\$79,874	\$79,895	\$81,231	\$85,663	\$91,008	\$96,028	\$98,444	\$101,744
Total Expenditures, Net of CapEx	\$67,138	\$67,930	\$70,705	\$71,653	\$73,230	\$77,776	\$83,843	\$88,091	\$90,243	\$92,963

Total expenditures, including capital expenditures, rose 3.4% versus a year ago, to a new record high of \$101.744 billion. Net cash expenditures (which exclude capital expenditures) rose 3% in FY18. Personal service expenditures increased 2.7% versus a year ago. Gross payroll increased 3.6% and spending on fringe benefits rose 1.3%. Meanwhile, other-than-personal-service expenditures (OTPS) increased 2.4% versus a year ago, mostly due to an \$828 million increase in spending on public and medical assistance. Outlays considered "All Other" increased 7.1%, due to increased City-funded capital spending and the inflow of cash to the restricted Fund 700 account.

Certain bookkeeping procedures within the City's financial management system serve as a mechanism through which City agencies give notice of upcoming expenditures or of funds held in trust on behalf of non-City entities. Such entries are collectively captured in the Fund 700 adjustment and are deducted from our calculation of the unrestricted cash balance. As the City's business proceeds throughout the year, the Fund 700 adjustment may be reflected as a positive expense (more cash excluded from the unrestricted balance)

or as a negative expense (as previously disclosed Fund 700 obligations are satisfied). In FY18 the Fund 700 adjustment was reflected as a positive expense, and it reduced the unrestricted cash balance by \$113 million.

Meanwhile, in FY17, the Fund 700 adjustment was reflected as a negative expense, and it increased the unrestricted cash balance by \$469 million.

“All Other” Spending

Table 13. Major Components of “All Other” Spending, FY17 and FY18

(\$ in millions)	FY17	FY18	Difference
Transit Authority	\$325	\$273	\$(52)
Housing Authority	113	147	34
Lump Sum Payments	2,841	2,806	(35)
H+H	1,716	1,086	(630)
Refunds	1,075	1,117	42
City-Funded Capital	6,806	8,004	1,198
Non-City-funded Capital	1,395	775	(620)
Fund 700 Adjustment	(469)	113	582
Prepayment of expenses for next FY	4,169	4,576	407

Capital Expenditures

April – June 2018 (4Q18)

CapEx totaled \$1.807 billion in 4Q18, up 2.6% from \$1.761 billion in 4Q17. City-funded CapEx increased 6.2% while Non-City-funded CapEx declined 21.6%.

Chart 11. Total CapEx, 4Q, FY09 - FY18

(\$ in millions)

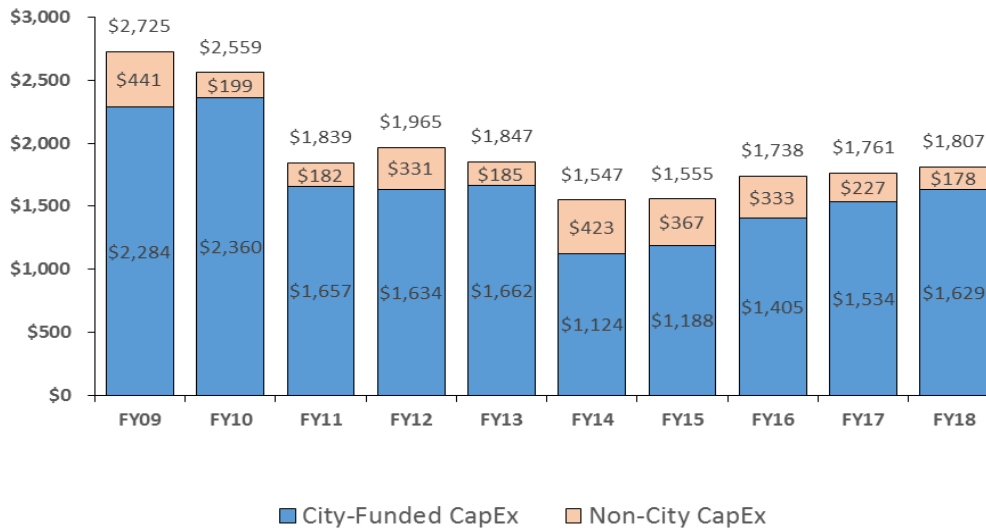


Chart 12. Total CapEx as % of Total Expenditures, 4Q, FY09 - FY18

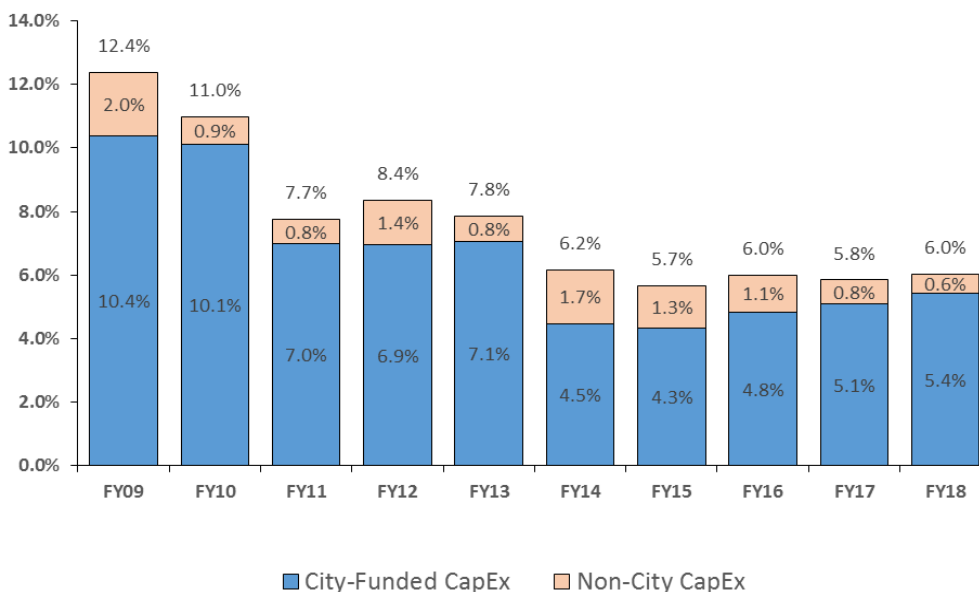
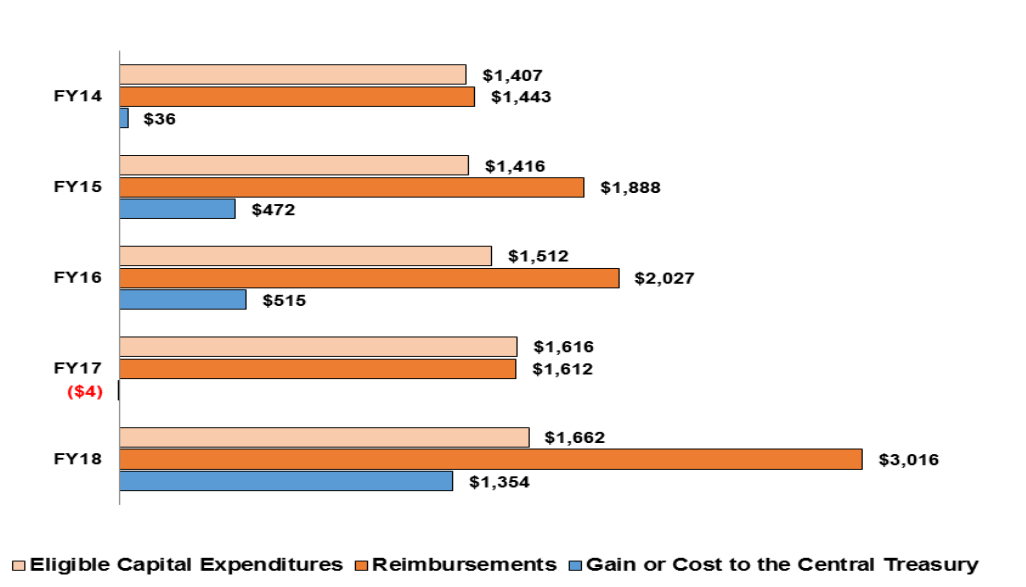


Table 14. Reimbursements to the NYC Central Treasury for CapEx, 4Q, FY09 - FY18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Total
GO	\$1,745	\$1,049	\$228	\$914	\$689	\$595	\$507	\$0	\$0	\$1,508	\$7,235
NY Water	581	670	687	577	420	401	323	341	383	422	4,806
TFA	0	1,205	817	478	385	447	1,058	834	1,229	1,086	7,539
Sub-total	2,326	2,924	1,732	1,969	1,494	1,443	1,888	1,175	1,612	3,016	19,579
TFA Building Aid	622	0	0	26	0	0	0	852	0	0	1,500
DASNY	3	0	0	0	0	0	0	0	0	0	3
Sub-total	625	0	0	26	0	0	0	852	0	0	1,503
Total	\$2,951	\$2,924	\$1,732	\$1,995	\$1,494	\$1,443	\$1,888	\$2,027	\$1,612	\$3,016	\$21,082
4Q Reimbursable Capital Expenditures	\$2,551	\$2,368	\$1,653	\$1,764	\$1,659	\$1,407	\$1,416	\$1,512	\$1,616	\$1,662	\$17,608
4Q Reimbursements Less 4Q Reimbursable Capital Expenditures	\$400	\$556	\$79	\$231	(\$165)	\$36	\$472	\$515	(\$4)	\$1,354	\$3,474
4Q Reimbursements as a % of 4Q Reimbursable Capital Expenditures	115.7%	123.5%	104.8%	113.1%	90.1%	102.6%	133.3%	134.1%	99.8%	181.5%	119.7%
4Q Reimbursements as a % of 4Q Total Receipts	14.7%	13.5%	8.4%	9.0%	6.6%	6.1%	7.7%	7.5%	5.8%	10.2%	8.8%

Chart 13. Bond-Funded Reimbursements for Eligible CapEx, 4Q, FY14 - FY18

(\$ in millions)



Reimbursements for CapEx in 4Q18 exceeded reimbursable expenditures, increasing the cash balance by \$1.354 billion.

July 2017 – June 2018 (FY18)

Chart 14. Total CapEx, FY09 - FY18

(\$ in millions)

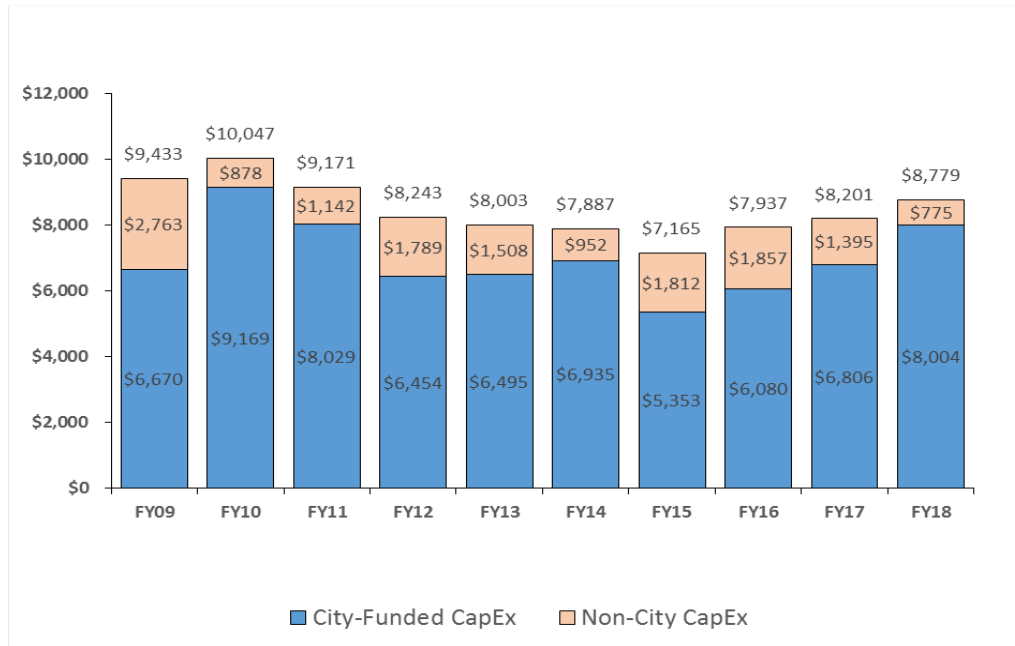
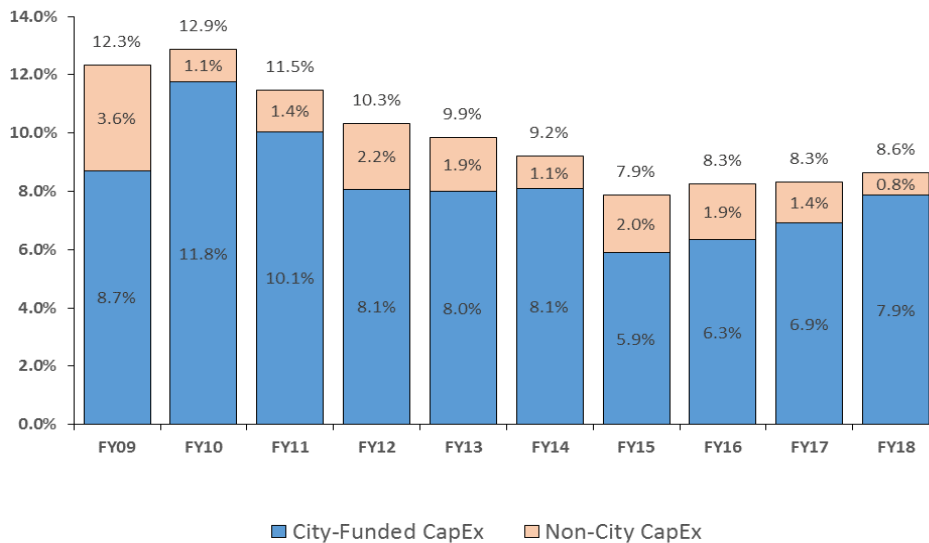


Chart 15. Total CapEx as % of Total Expenditures, FY09 - FY18



Total CapEx equaled \$8.779 billion in FY18, up 7.0% from \$8.201 billion in FY17. The City-funded component increased 17.6% while the Non-City-funded component declined 44.4%.

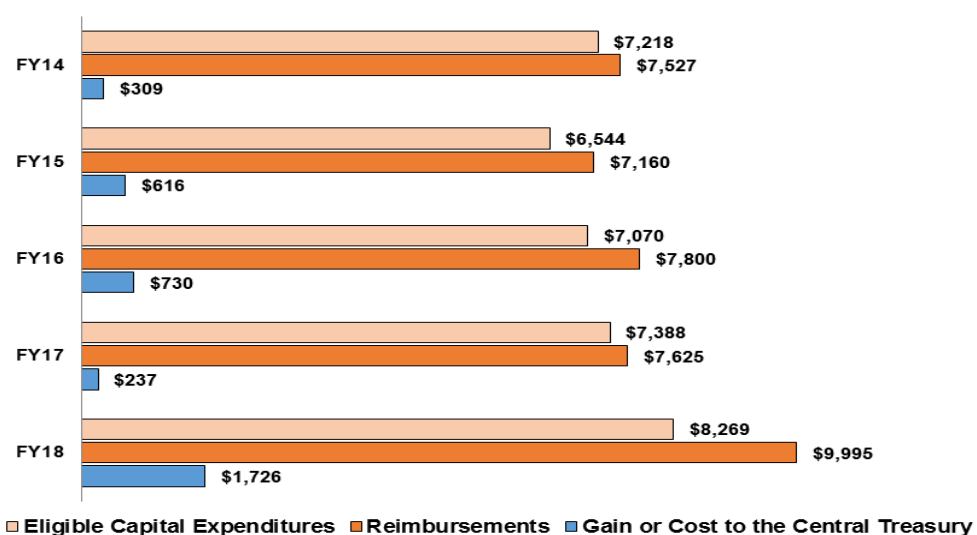
Table 15. Reimbursements to the NYC Central Treasury for CapEx, FY09 - FY18

(\$ in millions)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	Total
GO	\$5,255	\$3,304	\$2,799	\$2,635	\$1,587	\$2,307	\$889	\$609	\$2,468	\$3,502	\$25,355
NY Water	2,571	2,689	2,965	2,268	1,858	1,644	1,397	1,371	1,478	1,645	19,886
TFA	14	3,145	3,344	2,148	3,294	3,576	3,991	4136	3,679	4,848	32,175
Sub-total	7,840	9,138	9,108	7,051	6,739	7,527	6,277	6,116	7,625	9,995	77,416
TFA Building Aid	2,271	182	352	1,005	957	0	883	1,684	0	0	7,334
DASNY	371	6	0	0	0	0	0	0	0	0	377
Sub-total	2,642	188	352	1,005	957	0	883	1,684	0	0	7,711
Total	\$10,482	\$9,326	\$9,460	\$8,056	\$7,696	\$7,527	\$7,160	\$7,800	\$7,625	\$9,995	\$85,127
FY Reimbursable Capital Expenditures	\$8,826	\$9,316	\$8,516	\$7,469	\$7,321	\$7,218	\$6,544	\$7,070	\$7,388	\$8,269	\$77,937
FY Reimbursements Less FY Reimbursable Capital Expenditures	\$1,656	\$10	\$944	\$587	\$375	\$309	\$616	\$730	\$237	\$1,726	\$7,190
FY Reimbursements as a % of FY Reimbursable Capital Expenditures	118.8%	100.1%	111.1%	107.9%	105.1%	104.3%	109.4%	110.3%	103.2%	120.9%	109.2%
FY Reimbursements as a % of FY Total Receipts	13.5%	12.2%	11.8%	9.9%	9.3%	8.6%	7.9%	7.9%	7.9%	9.8%	9.8%

FY18 reimbursements for CapEx totaled \$9.996 billion and accounted for 9.8% of total cash receipts. Reimbursements during the fiscal year exceeded reimbursable expenditures, increasing the cash balance by \$1.727 billion. Over time, reimbursements and CapEx should offset each other.

Chart 16. Bond-Funded Reimbursements for Eligible CapEx, FY14 - FY18

(\$ in millions)



Financings

Table 16. GO TFA FTS, and TFA BARBs Bond Issuance, FY18

(\$ in millions)

Closing Date	Deal	Purpose	TE Fixed	TX Fixed*	TE Variable	Total Par
7/20/2017	TFA BARBs 2018 S-1 and S-2	Refunding	\$1,008	\$0	\$0	\$1,008
8/10/2017	GO 2018 A	Refunding	\$899	\$0	\$0	\$899
8/17/2017	TFA FTS 2018 A	New Money	\$1,000	\$350	\$0	\$1,350
10/3/2017	GO 2018 B	New Money	\$550	\$250	\$200	\$1,000
10/26/2017	TFA FTS 2018 B	New Money	\$850	\$140	\$0	\$990
12/20/2017	GO 2018 C and D	Refunding	\$944	\$0	\$0	\$944
3/13/2018	GO 2018 E	New Money	\$700	\$250	\$50	\$1,200
3/22/2018	TFA BARBs 2018 S-3 and S-4	New Money/Refunding	\$1,002	\$73	\$0	\$1,076
4/19/2018	GO 2018 F	New Money	\$850	\$250	\$0	\$1,100
5/30/2018	TFA FTS 2018 C	New Money	\$850*	\$250	\$175*	\$1,275

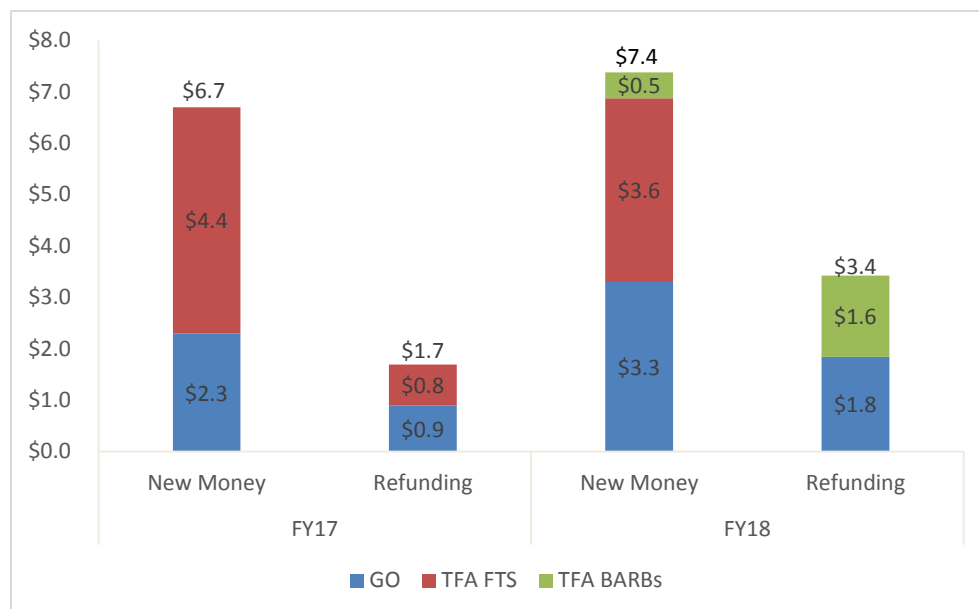
The table excludes conversions and re-offerings.

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

Two new money transactions closed in 4Q18. The first was a GO sale of \$850 million of tax-exempt fixed rate bonds and \$250 million of taxable fixed rate bonds. The second transaction was a TFA sale of \$850 million of tax-exempt fixed rate bonds, \$250 million of taxable fixed rate bonds, and \$175 million of tax-exempt variable rate bonds.

Chart 17. GO, TFA FTS, and TFA BARBs Issues, FY17 and FY18

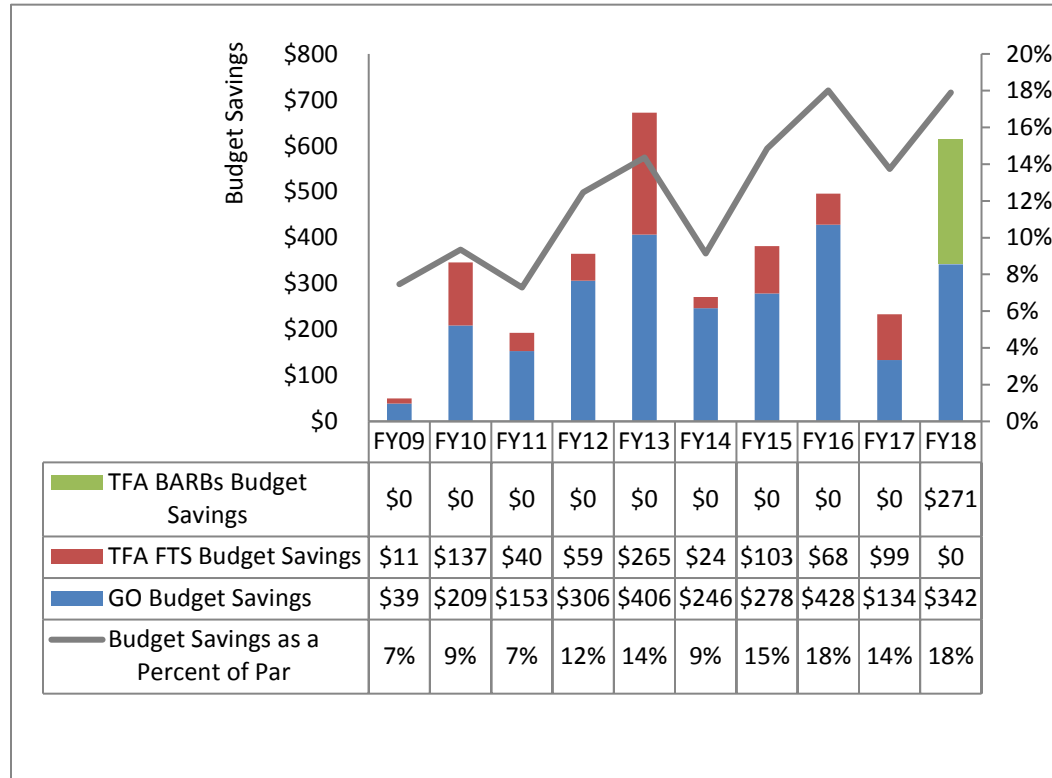
(\$ in billions)



As shown in Chart 17, in FY18 New York City and the TFA issued a combined total of \$10.8 billion in new money and refunding bonds, compared to \$8.4 billion in FY17. In FY18 the City refinanced \$3.4 billion in GO and TFA bonds, compared to \$1.7 billion in FY17.

Chart 18. Budget Savings from GO and TFA FTS Refundings, FY09 - FY18

(\$ in millions)



FY18 refundings produced \$613 million in budget relief over the life of the bonds, or \$571 million on a present value basis. The refunding activity in FYs 2016 and 2018 was the most efficient during the last decade when the City achieved 18% budget savings, as a percentage of the refunding par.

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