

THE CITY OF NEW YORK

SINGLE AUDIT REPORT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2022

THE CITY OF NEW YORK SINGLE AUDIT REPORT

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The People of The City of New York:

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The City of New York ("The City"), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise The City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The City as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of those entities disclosed in Note E.1 which represent the following portions of The City for June 30 in the respective years noted:

	Governmental Activities		Business-Type Activities		Aggregate Discretely Presented Component Units		Aggregate Remaining Funds	
	2022	2021	2022	2021	2022	2021	2022	2021
Assets	5%	6%	100%	100%	46%	43%	12%	10%
Net Position (Deficit)/Fund Balance	(2)%	(3)%	100%	100%	100%	100%	12%	10%
Revenue	5%	6%	100%	100%	26%	27%	100%	100%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities disclosed in Note E.1, are based solely on the reports of the other auditors.

Basis for opinions

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our

report. We are required to be independent of The City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Hudson Yards Development Corporation, Brooklyn Public Library, New York City School Construction Authority, New York City Housing Development Corporation, Queens Borough Public Library, Brooklyn Bridge Park Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Support Services, Inc., New York City Transitional Finance Authority, and TSASC, Inc. were not audited in accordance with *Government Auditing Standards*.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 9 through 36, Schedule of Changes in the City's Net Pension Liability and Related Ratios for Single-Employer Pension Plans at June 30th on pages 166 through 169, Schedule of the City's Proportionate Share of the Net Pension Liabilities of Cost-Sharing Multiple-Employer Pension Plans at June 30th on pages 170 and 171, Schedule of City's Contributions for all Pension Plans for Fiscal Years Ended June 30th on pages 172 and 173, and Schedule of the Net OPEB Liability at June 30th on pages 178 and 179 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise The City's basic financial statements. The consolidated Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State of New York Department of Transportation Assistance Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *Part 43 of the New York State Codification of Rules and Regulations* ("NYSCR"), respectively, are presented for purposes of additional analysis. These schedules and Exhibits 1 – 6 to the Consolidated Schedule of Expenditures of Federal Awards are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections, as listed in the foregoing table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022, except for the Consolidated Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State of New York Department of Transportation Assistance Awards, which is as of March 31, 2023, on our consideration of The City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The City's internal control over financial reporting and compliance.

Grant Thornton LLP

New York, New York

October 27, 2022, except for the Consolidated Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State of New York Department of Transportation Assistance Award Program, which is as of March 31, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Overview of the Financial Statements

The following is a narrative overview and analysis of the financial activities of The City of New York (City or primary government) for the Fiscal Years ended June 30, 2022 and 2021. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred outflows and inflows of resources. *Net position (deficit)* is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information summarizing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, including the New York State Financial Emergency Act for The City of New York (Act). The Act requires the City to operate under a "rolling" Four-Year Financial Plan (Plan). Revenues and expenditures, including transfers, of each year of the Plan are required to be balanced on a basis consistent with Generally Accepted Accounting Principles (GAAP). The Plan is broader in scope than the expense budget; it comprises General Fund revenues and expenditures, Capital Projects Fund revenues and expenditures, and all short and long-term financing.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The principal role of funds in the financial reporting model is to demonstrate fiscal accountability. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of a fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds *Balance Sheet* and the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds

Proprietary funds are utilized when a state or local government charges customers to recover its costs of providing services. Proprietary funds report on business-type activities, which include enterprise type funds and internal service type funds. The City has no internal service type funds. The City's enterprise funds are the same as the business-type activities reported in the government-wide statements. Proprietary funds statements are prepared using the economic resources measurement focus and accrual basis of accounting. In addition to a *Statement of Net Position* and a *Statement of Revenues, Expenses and Changes in Fund Net Position*, proprietary funds are also required to report a *Statement of Cash Flows*.

Fiduciary Funds

The City's fiduciary funds are divided into two separate fund types: the Pension and Other Employee Benefit Trust Funds and the Custodial Fund.

The **Pension and Other Employee Benefit Trust Funds** account for the operations of:

- Pension Trusts
 - New York City Employees’ Retirement System (NYCERS)
 - Teachers’ Retirement System of The City of New York (TRS)
 - New York City Board of Education Retirement System (BERS)
 - New York City Police Pension Funds (POLICE)
 - New York City Fire Pension Funds (FIRE)
- Deferred Compensation Plans (DCP)
- The New York City Other Postemployment Benefits Plan (the OPEB Plan)

Each of the pension trusts report all jointly administered plans including primary pension (QPPs), and/or variable supplements funds (VSFs) and/or tax deferred annuity plans (TDAs), as appropriate. VSFs and TDAs are included as part of the Fiduciary Funds Presentation for financial reporting purposes as they provide scheduled supplemental payments, in accordance with applicable statutory provisions. Although a portion of these payments are guaranteed by the City, the State has the right and power to amend, modify, or repeal VSFs and the payments they provide. However, any assets transferred to the VSFs are held in trust solely for the benefit of its members. More information is available in Note E.5.

The Deferred Compensation Plans report the various jointly administered Deferred Compensation Plans of The City of New York and related agencies and Instrumentalities and the New York City Employee Individual Retirement Account (NYCEIRA).

Note: These fiduciary funds publish separate annual financial statements, which are available at: Office of the Comptroller, Bureau of Accountancy—Room 200 South, 1 Centre Street, New York, New York 10007, or at www.comptroller.nyc.gov.

These funds use the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for benefits.

The OPEB Plan is composed of The New York City Retiree Health Benefits Trust (the Trust) and postemployment benefits other than pensions (OPEB) paid for directly by the City out of its general resources rather than through the Trust. The Trust is used to accumulate assets to pay for some of the OPEB provided by the City to its retired employees. The OPEB Plan is reported in the City’s financial statements as an Other Employee Benefit Trust Fund. The OPEB Plan was established for the exclusive benefit of the City’s retired employees and their dependents in providing the following current postemployment benefits: a health insurance program, Medicare Part B premium reimbursements, and welfare fund contributions. The City is not required to provide funding for the OPEB Plan other than the “pay-as-you-go” amounts necessary to provide current benefits to eligible retirees and their dependents. The City contributed approximately \$4.6 billion and \$3.6 billion to the OPEB Plan for Fiscal Years 2022 and 2021 respectively.

The **Custodial Fund** accounts for miscellaneous assets held by the City. School fundraiser monies for scholarships, collections from prevailing wage violators, and special assessments held for Business Improvement Districts, are the major miscellaneous assets accounted for in this fund. There are no actions, approvals or conditions required to be fulfilled by the beneficiary prior to the release of the assets.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential for a more complete understanding of the information provided in the government-wide and fund financial statements.

Financial Reporting Entity

The financial reporting entity consists of the City government and its component units, which are legally separate organizations for which the City is financially accountable.

The City is financially accountable for the organizations that make up its legal entity. The City is also financially accountable for a legally separate organization (component units) if City officials appoint a voting majority of that organization’s governing body, and the City is able to either impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the City.

The City may also be financially accountable for organizations that are fiscally dependent on the City if there is a potential for the organizations to provide specific financial benefits to the City, or impose specific financial burdens on the City, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards.

Blended Component Units

Certain component units, despite being legally separate from the City, are reported as if they were part of the City, because in addition to the City being financially accountable for them, they provide services exclusively to the City. The blended component units, which are all reported as Nonmajor Governmental Funds, comprise the following:

- Hudson Yards Development Corporation (HYDC)
- Hudson Yards Infrastructure Corporation (HYIC)
- New York City Educational Construction Fund (ECF)
- New York City School Bus Umbrella Services, Inc. (NYCSBUS)
- New York City School Construction Authority (SCA)
- New York City School Support Services, Inc. (NYCSSS)
- New York City Transitional Finance Authority (TFA)
- TSASC, Inc. (TSASC)

Business-Type Activities

Additionally, other component units are classified as business-type activities.

Although legally separate from the City, the City has financial accountability for entities under this classification, and as such they are reported as if they are a part of the City. These entities were established to provide services to third parties, and intended to operate with limited or no public subsidy.

The following entities are presented as business-type activities in the City's financial statements:

- Brooklyn Bridge Park Corporation (BBPC)
- The Trust for Governors Island (TGI)
- New York City Tax Lien Trusts (NYCTL Trusts):
 - NYCTL 1998-2 Trust
 - NYCTL 2019-A Trust
 - NYCTL 2021-A Trust
- WTC Captive Insurance Company, Inc. (WTC Captive)

Discretely Presented Component Units

Certain component units are discretely presented, because while the City is financially accountable for them, they do not provide services exclusively to the government itself.

The following entities are presented discretely in the City's financial statements as major component units:

- New York City Economic Development Corporation (EDC)
- New York City Health and Hospitals Corporation (NYC Health + Hospitals)
- New York City Housing Authority (NYCHA)
- New York City Housing Development Corporation (HDC)
- New York City Water and Sewer System (the System):
 - New York City Water Board (Water Board)
 - New York City Municipal Water Finance Authority (Water Authority)

The following entities are presented discretely in the City's financial statements as nonmajor component units:

- Brooklyn Navy Yard Development Corporation (BNYDC)
- Brooklyn Public Library (BPL)
- Build NYC Resource Corporation (Build NYC)
- New York City Business Assistance Corporation (NYBAC)
- New York City Industrial Development Agency (IDA)
- New York City Land Development Corporation (LDC)
- New York City Neighborhood Capital Corporation (NYCNCC)
- Public Realm Improvement Fund Governing Group, Inc. (Governing Group)
- The Mayor's Fund to Advance New York City (the Fund)
- The Queens Borough Public Library and Affiliate (QBPL)

**Financial Analysis of the
Government-Wide
Financial Statements**

In the government-wide financial statements all of the activities of the City, aside from its discretely presented component units and business-type activities, are reported as governmental activities. Fiscal year 2022 beginning net position was restated by \$8.2 billion, which caused the ending position of Fiscal Year 2021 to increase by 4.2%. Additional information on the restatement can be found in Note A.2 of the Basic Financial Statements. Similarly, the beginning net position for fiscal year 2022, for the City’s business-type activities was restated by \$5.8 million, which caused the ending position of fiscal year 2021 to increase by 0.69%.

During Fiscal Year 2022, governmental activities increased the City’s net position by \$10.1 billion or 5.1%. During Fiscal Year 2021 and 2020 net position increased by \$9.4 billion and decreased by \$3.9 billion, respectively. The basic financial statements include a reconciliation between the Fiscal Year 2022 governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities, which reports a decrease of \$147.4 million for all governmental fund balances. A similar reconciliation is provided for Fiscal Year 2021. For the City’s business-type activities, net position changed by \$44.1 million, or 5.3% for Fiscal Year 2022. During Fiscal Year 2021 and 2020, net position decreased by \$42.5 million, and \$65.1 million respectively.

Key elements of these changes are as follows:

	Changes in Net Position (in thousands) Governmental Activities		
	2022	2021	2020
Revenues:			
Program revenues:			
Charges for services	\$ 5,258,758	\$ 5,664,655	\$ 5,729,258
Operating grants and contributions . . .	31,596,825	28,092,836	25,692,929
Capital grants and contributions	633,649	660,768	681,694
General revenues:			
Taxes	68,413,277	67,065,451	62,314,994
Investment income	36,530	33,375	184,695
Other Federal and State aid	549,261	107,522	258,951
Loss on in-substance defeasance	—	(9,041)	—
Other	709,634	2,403,168	775,250
Total revenues	<u>107,197,934</u>	<u>104,018,734</u>	<u>95,637,771</u>
Expenses:			
General government	6,095,409	8,196,762	6,840,460
Public safety and judicial	21,422,599	17,797,609	19,768,697
Education	32,363,168	30,760,255	36,607,460
City University	774,972	1,142,211	1,275,426
Social Services	15,449,841	16,353,658	16,690,111
Environmental protection	4,382,879	4,796,434	4,715,122
Transportation services	3,009,324	2,871,049	2,763,111
Parks, recreation and cultural activities	1,083,292	1,231,136	1,257,151
Housing	2,745,893	2,665,949	2,597,792
Health (including payments to NYC Health + Hospitals)	6,439,698	5,463,861	3,474,850
Libraries	468,869	449,072	412,829
Debt service interest	2,880,778	2,922,974	3,154,438
Brooklyn Bridge Park Corp.	—	—	—
The Trust for Governor’s Island	—	—	—
WTC Captive Insurance Co.	—	—	—
New York City Tax Lien Trusts	—	—	—
Total expenses	<u>97,116,722</u>	<u>94,650,970</u>	<u>99,557,447</u>
Change in net position	10,081,212	9,367,764	(3,919,676)
Net position (deficit)—beginning	(196,468,072)	(205,835,836)	(201,916,160)
Restatement of beginning net position (deficit)	(8,249,710)	—	—
Net position (deficit)—ending	<u><u>\$(194,636,570)</u></u>	<u><u>\$(196,468,072)</u></u>	<u><u>\$(205,835,836)</u></u>

Changes in Net Position (Continued)

(in thousands)

	Business-type Activities			Total Primary Government		
	2022	2021	2020	2022	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 6,931	\$ 4,575	\$ 5,169	\$ 5,265,689	\$ 5,669,230	\$ 5,734,427
Operating grants and contributions . . .	160,171	15,749	142,761	31,756,996	28,108,585	25,835,690
Capital grants and contributions	22,244	14,347	17,200	655,893	675,115	698,894
General revenues:						
Taxes	18,439	19,871	19,853	68,431,716	67,085,322	62,334,847
Investment income	114,022	192,155	110,766	150,552	225,530	295,461
Other Federal and State aid	—	—	—	549,261	107,522	258,951
Loss on in-substance defeasance	—	—	—	—	(9,041)	—
Other	15,120	(89,459)	(11,821)	724,754	2,313,709	763,429
Total revenues	<u>336,927</u>	<u>157,238</u>	<u>283,928</u>	<u>107,534,861</u>	<u>104,175,972</u>	<u>95,921,699</u>
Expenses:						
General government	—	—	—	6,095,409	8,196,762	6,840,460
Public safety and judicial	—	—	—	21,422,599	17,797,609	19,768,697
Education	—	—	—	32,363,168	30,760,255	36,607,460
City University	—	—	—	774,972	1,142,211	1,275,426
Social Services	—	—	—	15,449,841	16,353,658	16,690,111
Environmental protection	—	—	—	4,382,879	4,796,434	4,715,122
Transportation services	—	—	—	3,009,324	2,871,049	2,763,111
Parks, recreation and cultural activities	—	—	—	1,083,292	1,231,136	1,257,151
Housing	—	—	—	2,745,893	2,665,949	2,597,792
Health (including payments to NYC Health + Hospitals)	—	—	—	6,439,698	5,463,861	3,474,850
Libraries	—	—	—	468,869	449,072	412,829
Debt service interest	—	—	—	2,880,778	2,922,974	3,154,438
Brooklyn Bridge Park Corp.	33,494	31,878	28,994	33,494	31,878	28,994
The Trust for Governor's Island	46,497	43,797	41,461	46,497	43,797	41,461
WTC Captive Insurance Co.	1,707	1,696	1,742	1,707	1,696	1,742
New York City Tax Lien Trusts	211,160	122,372	276,816	211,160	122,372	276,816
Total expenses	<u>292,858</u>	<u>199,743</u>	<u>349,013</u>	<u>97,409,580</u>	<u>94,850,713</u>	<u>99,906,460</u>
Change in net position	44,069	(42,505)	(65,085)	10,125,281	9,325,259	(3,984,761)
Net position (deficit)—beginning	833,111	875,616	940,701	(195,634,961)	(204,960,220)	(200,975,459)
Restatement of beginning net position (deficit)	5,789	—	—	(8,243,921)	—	—
Net position (deficit)—ending	<u>\$ 882,969</u>	<u>\$ 833,111</u>	<u>\$ 875,616</u>	<u>\$ (193,753,601)</u>	<u>\$ (195,634,961)</u>	<u>\$ (204,960,220)</u>

In Fiscal Year 2022, the governmental activities revenues increased from Fiscal Year 2021 by approximately \$3.2 billion and expense increased by approximately \$2.5 billion.

The major components of the governmental activities increase in revenues were:

- Tax revenues, net of refunds, increased overall.
 - The increases in tax revenues were a result of the following:
 - The increase in sales and use taxes was primarily driven by an increase in general sales due to relaxed business and travel restrictions as COVID-19 concerns subsided, allowing the economy to steadily return to normal activity. Additionally, this growth reflects improved local consumption and tourism over the low levels experienced in the prior year due to the economic restrictions related to COVID-19. Lastly, the increase in mortgage taxes reflects increased mortgage originations due to increased purchase and refinancing activities stemming from lower interest rates.
 - For all other taxes, the increase in hotel room occupancy taxes was due to tourism rebounding as travel restrictions loosened. The increase in conveyance of real property taxes was due to an increase in the transfer of residential and commercial properties. The increases were slightly offset by a decrease in Payment in Lieu of Taxes resulting from the City's decision to postpone FY 2022 payments of \$100 million from Hudson Yards Infrastructure Corporation to FY 2023.
 - The decreases in tax revenues were a result of the following:
 - The decrease in real estate taxes resulted from decrease in property valuations due to the pandemic.
- Operating grants and contributions increased due to Elementary and Secondary School Emergency Relief funding from the Federal government to address the immediate impacts of the pandemic on the education system. This consisted of funding under the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act.

The major components of the changes in governmental activities expenses were:

- Public safety and judicial expenses increased due to an increase in pension expenses and fringe benefits. The increase was slightly offset by decreased expenditures in the OPEB Plan.
- Education expenses increased due to an increase in pension expenses. The increase was slightly offset by decreased expenditures in OPEB expenses. Additionally, expenditures increased due to spending in stimulus-related activities to run schools, pay salaries, address learning loss, purchase supplies and communication equipment for emergency connectivity, and maintain and operate infrastructure.
- Health expenses increased due to an increase in Department of Health and Mental expenditures as a result of City initiatives, such as vaccinations efforts, to respond to COVID-19.
- Transportation expenses increased due to an increase in pensions, judgments and claims, and fringe benefits. The increase was slightly offset by decreased expenditures in OPEB.

In Fiscal Year 2021, the governmental activities revenue increased from Fiscal Year 2020 by approximately \$8.4 billion and expense decreased by approximately \$4.9 billion.

The major components of the governmental activities increase in revenues were:

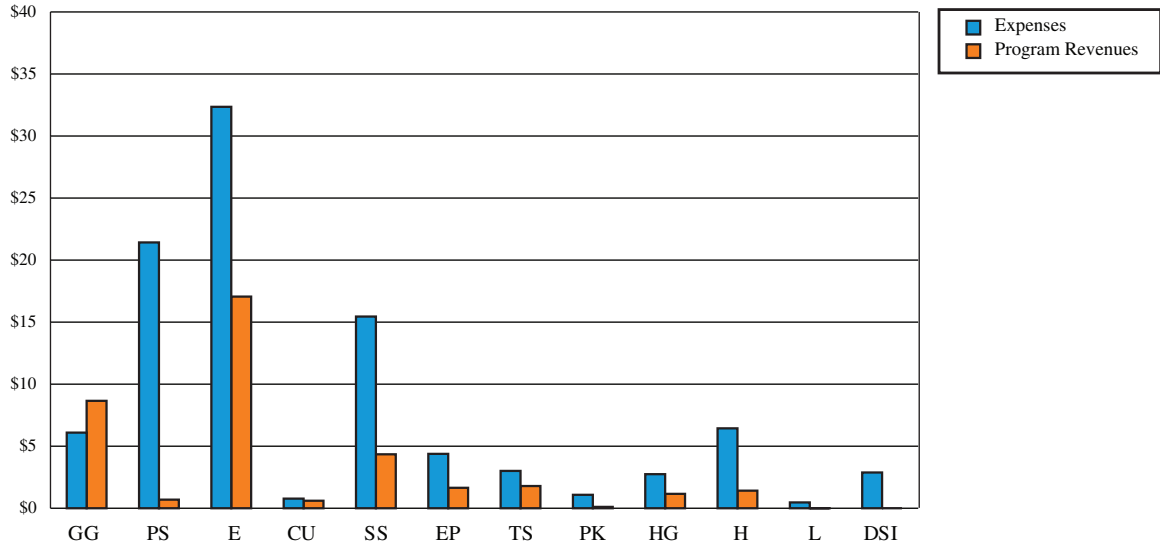
- Tax revenues, net of refunds, increased overall.
 - The increases in tax revenues were a result of the following:
 - The increase in real estate taxes resulted from growth in billable assessed value during the fiscal year.
 - Personal income taxes increased due to an increase in taxable non-wage income, resulting from fiscal initiatives, such as enhancements to unemployment insurance benefits, taken in response to COVID-19.
 - Other income taxes increased due to an increase in general corporation, financial corporation, and unincorporated business income taxes. The increase in general corporation taxes was due to record high profits in the financial industry. There was a significant increase in financial corporation taxes due to a significant increase in audits.
 - The decreases in tax revenues were a result of the following:
 - The decrease in sales and use taxes was primarily driven by a decrease in general sales due to the substantial impact of COVID-19 on taxable sales, including the retail and service sectors. Tourist spending also continued to decline due to COVID-19. Additionally, mortgage taxes decreased due to lower residential and commercial sales activity. The decreases were slightly offset by an increase in auto use taxes resulting from collections of prior year liabilities after the expiration of COVID-19 related extensions.
 - For all other taxes, the decrease in conveyance of real property taxes was due to lower residential and commercial sales activity. The decrease in hotel room occupancy taxes resulted from a decline in tax payments due to the impact of the COVID-19 pandemic; hotel inventory, occupancy, and room rates are still lower than pre-pandemic levels. The decrease in Payment in Lieu of Taxes resulted from decreased payments from Hudson Yards Infrastructure Corporation.
- Operating grants and contributions increased due to funding from the Federal government provided to aid the City's COVID-19 response and relief efforts and economic recovery.

The major components of the changes in governmental activities expenses were:

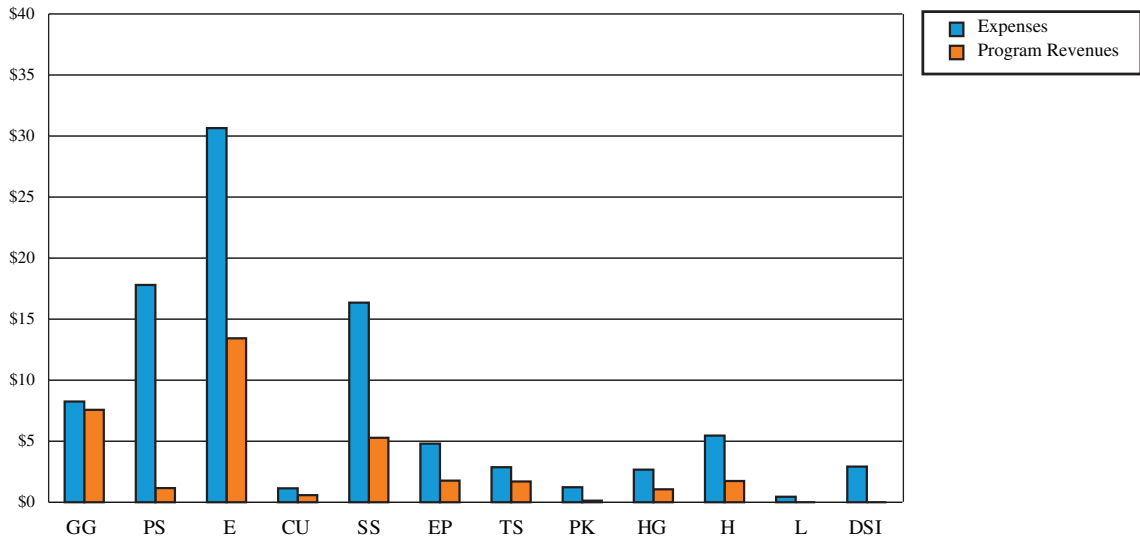
- Education expenses decreased primarily due to a decrease in pension expenses.
- Public safety and judicial expenses decreased due to a decrease in pension expenses. The decrease was slightly offset by increased expenditures in Other Postemployment Benefits and fringe benefits.
- City University of New York ("CUNY") expenses decreased due to a decrease in community college expenditures, driven by the effect of the COVID-19 pandemic, including State aid cuts, decreased enrollment, decreased need for part-time workers, and reduced other than personnel services expenditures due to fewer students and faculty in CUNY buildings.
- Social Services expenses decreased due to a decrease in Department for the Aging expenditures resulting from the closure of senior centers during the pandemic. Additionally, Department of Social Services expenses decreased due to less spending on Medicaid, the Home Energy Assistance Program, rental assistance programs, housing and shelter programs, and food assistance programs.
- Transportation services expenses increased due to an increase in Department of Transportation spending for the traffic enforcement camera program and for the maintenance and operation of infrastructure.
- Health expenses increased due to an increase in Department of Health and Mental Hygiene ("DOHMH") and Health + Hospitals Corporation ("H+H") expenditures as a result of City initiatives to respond to COVID-19. DOHMH initiatives included testing and vaccination efforts and H+H initiatives included the operation of the Test & Trace Corps.

The following charts compare the amounts of expenses and program revenues for Fiscal Years 2022 and 2021:

**Expenses and Program Revenues — Governmental Activities
for the Fiscal Year ended June 30, 2022
(in billions)**



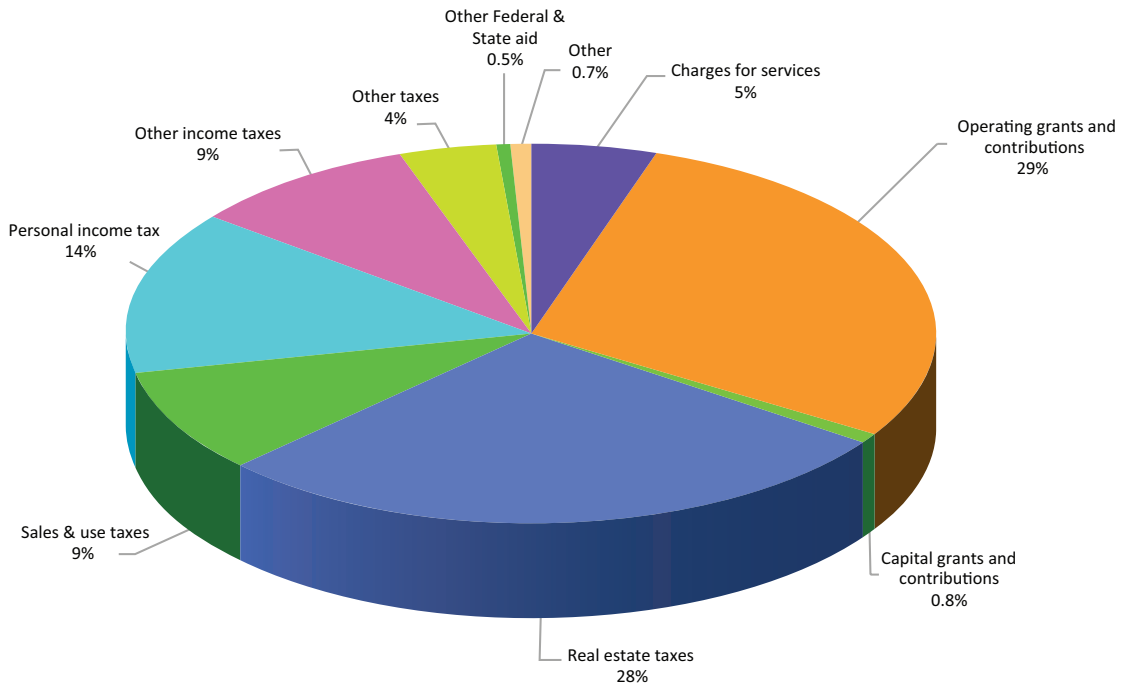
**Expenses and Program Revenues — Governmental Activities
for the Fiscal Year ended June 30, 2021
(in billions)**



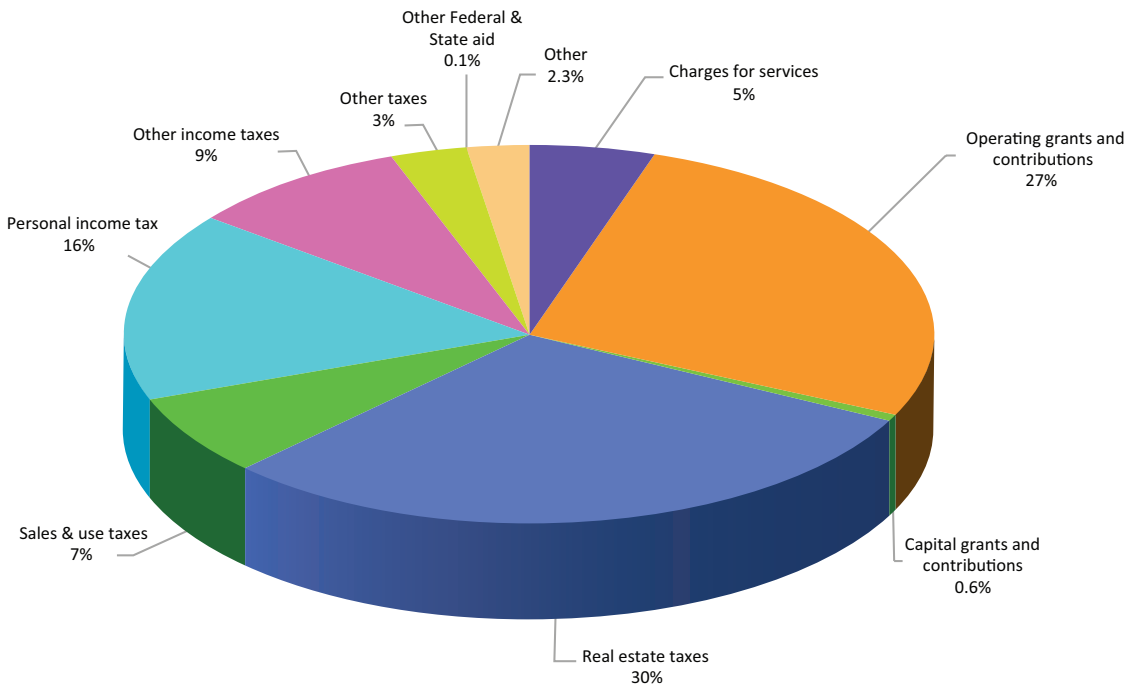
Functions/Programs	
GG	General government
PS	Public safety and judicial
E	Education (Primary and Secondary)
CU	City University
SS	Social services
EP	Environmental protection
TS	Transportation services
PK	Parks, recreation, and cultural activities
HG	Housing
H	Health, including payments to NYC Health + Hospitals
L	Libraries
DSI	Debt service interest

The following charts compare the amounts of program and general revenues for Fiscal Years 2022 and 2021:

**Revenues by Source — Governmental Activities
for the Fiscal Year ended June 30, 2022**



**Revenues by Source — Governmental Activities
for the Fiscal Year ended June 30, 2021**



Increases and decreases of net position may over time serve as a useful indicator of changes in a government’s financial position. In the case of the City’s governmental activities for Fiscal Year 2022, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$194.6 billion, a decrease in the net deficit of \$1.8 billion from June 30, 2021, which in turn compares with a decrease to the net deficit of \$9.4 billion over the prior Fiscal Year 2020.

The increase in total assets is due to the City’s implementation of Governmental Accounting Standards Board Statement No. 87 (“Statement No. 87”) – Leases, which also effects the increase to the corresponding long-term liabilities (See Note D.2 and D.5 of the Basic Financials). Statement No. 87 requires the City as the lessee to recognize a lease liability and an intangible right-to-use lease asset (a capital asset here in after referred to as the lease asset), and a lease receivable and deferred inflow of resources as the lessor. Another component contributing to the increase in the long-term liabilities is the increase of the net pension liability, which is due to the decrease of the related net investment income. The reduction in the OPEB liability is due to changes in assumptions. See Notes to the Financial Statements (Note E.4) for further details. The increase in total assets is also attributable to the increase of receivables of federal aid related to the City’s continued response to the COVID-19 Pandemic.

See table below for further details.

	Net Position		
	(in thousands)		
	Governmental Activities		
	2022	2021	2020
Current and other assets	\$ 64,748,631	\$ 60,255,122	\$ 51,574,029
Capital assets (net of depreciation).	78,673,758	64,756,815	62,901,585
Total assets	<u>143,422,389</u>	<u>125,011,937</u>	<u>114,475,614</u>
Deferred outflows of resources.	19,051,689	15,969,514	15,897,383
Long-term liabilities outstanding	266,729,855	246,611,973	274,256,331
Other liabilities	37,094,789	36,905,854	30,575,133
Total liabilities.	<u>303,824,644</u>	<u>283,517,827</u>	<u>304,831,464</u>
Deferred inflows of resources.	53,286,004	53,931,696	31,377,369
Net position:			
Net investment in capital assets	(13,033,877)	(12,779,784)	(13,577,571)
Restricted	4,662,885	5,214,522	5,278,271
Unrestricted (deficit).	<u>(186,265,578)</u>	<u>(188,902,810)</u>	<u>(197,536,536)</u>
Total net position (deficit).	<u><u>\$(194,636,570)</u></u>	<u><u>\$(196,468,072)</u></u>	<u><u>\$(205,835,836)</u></u>

Net Position - (continued)
(in thousands)

	Business-Type Activities			Total Primary Government		
	2022	2021	2020	2022	2021	2020
Current and other assets	\$ 933,257	\$ 698,149	\$ 778,125	\$ 65,681,888	\$ 60,953,271	\$ 52,352,154
Capital assets (net of depreciation)	617,076	591,992	566,584	79,290,834	65,348,807	63,468,169
Total assets	<u>1,550,333</u>	<u>1,290,141</u>	<u>1,344,709</u>	<u>144,972,722</u>	<u>126,302,078</u>	<u>115,820,323</u>
Deferred outflows of resources	—	—	—	19,051,689	15,969,514	15,897,383
Long-term liabilities outstanding	457,431	404,657	436,557	267,187,286	247,016,630	274,692,888
Other liabilities	53,757	52,373	32,536	37,148,546	36,958,227	30,607,669
Total liabilities	<u>511,188</u>	<u>457,030</u>	<u>469,093</u>	<u>304,335,832</u>	<u>283,974,857</u>	<u>305,300,557</u>
Deferred inflows of resources	156,176	—	—	53,442,180	53,931,696	31,377,369
Net position:						
Net investment in capital assets	617,076	591,992	566,584	(12,416,801)	(12,187,792)	(13,010,987)
Restricted	265,893	241,119	311,295	4,928,778	5,455,641	5,589,566
Unrestricted (deficit)	—	—	(2,263)	(186,265,578)	(188,902,810)	(197,538,799)
Total net position (deficit)	<u>\$ 882,969</u>	<u>\$ 833,111</u>	<u>\$ 875,616</u>	<u>\$(193,753,601)</u>	<u>\$(195,634,961)</u>	<u>\$(204,960,220)</u>

The excess of liabilities and deferred inflows of resources over assets and deferred outflows of resources reported for governmental activities on the government-wide Statement of Net Position is a result of several factors. The largest components of the net position (deficit) are the result of the City having long-term debt with no corresponding capital assets and the City's Pension and Post-retirement benefits liability. The following summarizes the main components of the net deficit as of June 30, 2022 and 2021:

	<u>Components of Net Position (Deficit)</u>	
	<u>2022</u>	<u>2021</u>
	(in billions)	
Net Investment in Capital Assets		
Some City-owned assets have a depreciable life used for financial reporting that is different from the period over which the related debt principal is being repaid. Schools and related education assets depreciate more quickly than their related debt is paid, and they comprise one of the largest components of this difference.	\$ (13.0)	\$ (12.8)
Net Position Restricted for:		
Capital Projects	0.5	0.7
Debt Service	2.0	2.2
Operations	<u>2.2</u>	<u>2.3</u>
Total restricted net position	<u>4.7</u>	<u>5.2</u>
Unrestricted Net Position		
TFA issued debt to finance costs related to the recovery from the September 11, 2001 World Trade Center disaster, which are operating expenses of the City . . .	(0.1)	(0.3)
The City has issued debt for the acquisition and construction of public purpose capital assets which are not reported as City-owned assets on the Statement of Net Position. This includes assets of the NYC Transit Authority, the System, NYC Health + Hospitals, and certain public libraries and cultural institutions. This is the debt outstanding for non-City owned assets at year end.	(43.5)	(41.3)
Certain long-term obligations do not require funding in the current period:		
Net OPEB liability	(89.5)	(118.0)
Judgments and claims	(7.2)	(6.9)
Vacation and sick leave.	(6.1)	(6.4)
Net Pension liability	(42.4)	(9.6)
Landfill closure and postclosure care costs.	(1.1)	(1.2)
Lease liability	(14.0)	—
Deferred outflows of resources	19.1	16.0
Other:	<u>(1.5)</u>	<u>(21.2)</u>
Total unrestricted net position	<u>(186.3)</u>	<u>(188.9)</u>
Total net position (deficit).	<u><u>\$(194.6)</u></u>	<u><u>\$(196.5)</u></u>

The following table provides Fiscal Year ended June 30, 2022, pension statistics by pension system as of the dates of the most recent actuarial valuations:

	Summary of City Pension Information Fiscal Year 2022					
	<u>NYCERS*</u>	<u>TRS**</u>	<u>BERS**</u>	<u>POLICE*</u>	<u>FIRE*</u>	<u>Total</u>
City Membership (active, inactive and retired) as of 6/30/21.	221,288	224,694	57,874	90,407	27,435	621,698
			(in billions, except %)			
Total Pension Liability (TPL)	\$ 57.6	\$ 76.3	\$ 6.0	\$ 61.5	\$ 25.7	\$ 227.1
Less Plan Fiduciary Net Position (PFNP)	<u>46.8</u>	<u>62.0</u>	<u>5.9</u>	<u>51.8</u>	<u>18.3</u>	<u>184.8</u>
Net Pension Liability (NPL)	<u>\$ 10.8</u>	<u>\$ 14.3</u>	<u>\$ 0.1</u>	<u>\$ 9.7</u>	<u>\$ 7.4</u>	<u>\$ 42.3</u>
PFNP as a % of TPL***	81.3%	81.3%	98.3%	84.2%	71.2%	81.4%
Pension Expense	\$ 1.5	\$ 1.8	\$ 0.2	\$ 1.3	\$ 1.1	\$ 5.9

* Includes QPP and VSFs

** QPP only

*** Calculated based on whole dollar unrounded amounts.

The following table provides Fiscal Year ended June 30, 2021 pension statistics by pension system as of the dates of the most recent actuarial valuations:

	Summary of City Pension Information Fiscal Year 2021					
	<u>NYCERS*</u>	<u>TRS**</u>	<u>BERS**</u>	<u>POLICE*</u>	<u>FIRE*</u>	<u>Total</u>
City Membership (active, inactive and retired) as of 6/30/20.	221,884	226,745	58,076	89,657	27,767	624,129
			(in billions, except %)			
Total Pension Liability (TPL)	\$ 55.1	\$ 76.0	\$ 5.8	\$ 59.3	\$ 24.9	\$ 221.1
Less Plan Fiduciary Net Position (PFNP)	<u>51.4</u>	<u>75.9</u>	<u>7.0</u>	<u>57.3</u>	<u>19.9</u>	<u>211.5</u>
Net Pension Liability (NPL)	<u>\$ 3.7</u>	<u>\$ 0.1</u>	<u>\$(1.2)</u>	<u>\$ 2.0</u>	<u>\$ 5.0</u>	<u>\$ 9.6</u>
PFNP as a % of TPL***	93.2%	99.9%	122.0%	96.6%	79.9%	95.7%
Pension Expense	\$ 0.1	\$ (1.0)	\$(0.5)	\$ (0.2)	\$ 0.6	\$ (1.0)

* Includes QPP and VSFs

** QPP only

*** Calculated based on whole dollar unrounded amounts.

More information about pensions is available in Note E.5.

**Financial Analysis of the
Governmental Funds**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the changes in the fund balances of the City's governmental funds.

	Governmental Funds					Total
	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustment/ Eliminations	
	(in thousands)					
Fund Balances (deficit), June 30, 2020 . .	\$ 3,245,101	\$ (2,514,832)	\$ 1,277,482	\$ 5,000,680	\$ —	\$ 7,008,431
Revenues	99,182,509	2,463,163	60,755	5,840,557	(3,395,840)	104,151,144
Expenditures	(91,103,926)	(9,431,236)	(3,585,099)	(13,152,308)	3,119,828	(114,152,741)
Other financing sources (uses)	(8,492,182)	6,415,215	5,252,007	7,282,460	276,012	10,733,512
Fund Balances (deficit), June 30, 2021 . .	<u>2,831,502</u>	<u>(3,067,690)</u>	<u>3,005,145</u>	<u>4,971,389</u>	<u>—</u>	<u>7,740,346</u>
Revenues	106,795,525	2,241,653	51,394	4,881,134	(4,225,505)	109,744,201
Expenditures	(98,933,172)	(10,529,999)	(3,716,494)	(11,486,736)	4,050,851	(120,615,550)
Other financing sources (uses)	(6,558,536)	6,899,387	3,992,273	6,216,216	174,654	10,723,994
Restatement of beginning net position . .	—	—	—	1,561	—	1,561
Fund Balances (deficit), June 30, 2022 . .	<u>\$ 4,135,319</u>	<u>\$ (4,456,649)</u>	<u>\$ 3,332,318</u>	<u>\$ 4,583,564</u>	<u>\$ —</u>	<u>\$ 7,594,552</u>

The City's General Fund is required to adopt an annual budget prepared on a basis generally consistent with Generally Accepted Accounting Principles (GAAP). Surpluses from any fiscal year cannot be appropriated in future fiscal years.

If the City anticipates that the General Fund will have an operating surplus, the City will make discretionary transfers to the General Debt Service Fund and other payments that reduce the amount of the General Fund surplus for financial reporting purposes and reduce the need for expenditures in the succeeding fiscal year or years. The General Fund had an operating surplus of \$6.1 billion and \$6.1 billion before these expenditures and transfers (discretionary and other) for Fiscal Years 2022 and 2021, respectively. After these certain expenditures and transfers, the General Fund reported an operating surplus of \$5 million, not including restricted fund activities. Additional information on the exclusion of restricted fund activities can be found in Note A.20 of the Basic Financial Statements.

The General Debt Service Fund receives transfers (discretionary and other) from the General Fund from which it pays the City's debt service requirements. Its fund balance at June 30, 2022 can be attributed principally to transfers (discretionary transfer and other) from the General Fund totaling \$3.3 billion in Fiscal Year 2022 for Fiscal Year 2023 debt service. Similar transfers in Fiscal Year 2021 of \$3.0 billion for Fiscal Year 2022 debt service also primarily account for the General Debt Service Fund balance at June 30, 2021.

The Capital Projects Fund accounts for the financing of the City's capital program. The primary source of funding is the issuance of City and TFA debt. Capital-related expenditures are first paid from the General Fund, which is reimbursed for these expenditures by the Capital Projects Fund. To the extent that capital expenditures exceed proceeds from bond issuances, and other revenues and financing sources, the Capital Projects Fund will have a deficit. The deficit fund balances at June 30, 2022 and 2021 represent the amounts expected to be financed from future bond issues or intergovernmental reimbursements. To the extent the deficits will not be financed or reimbursed, transfers from the General Fund will be required.

**General Fund
Pollution Remediation**

GAAP requires recognition of pollution remediation obligations and generally precludes costs incurred for pollution remediation from being reported as capital expenditures. Thus, the City’s Fiscal Year 2022 General Fund expenditures include approximately \$151.6 million of pollution remediation expenditures associated with projects which were originally included in the City’s capital program. The City also reported \$147.7 million of City bond proceeds and \$4.0 million of other revenues (New York City Municipal Water Finance Authority bond proceeds transferred to the City) supporting the \$151.6 million of pollution remediation expenditures in the General Fund for Fiscal Year 2022. In Fiscal Year 2021, \$96.4 million of City bond proceeds and \$4.5 million of other revenues supported the \$101.0 million of pollution remediation expenditures reported in the General Fund. For additional information on the City’s pollution remediation obligations, see Note D.5 of the basic financials.

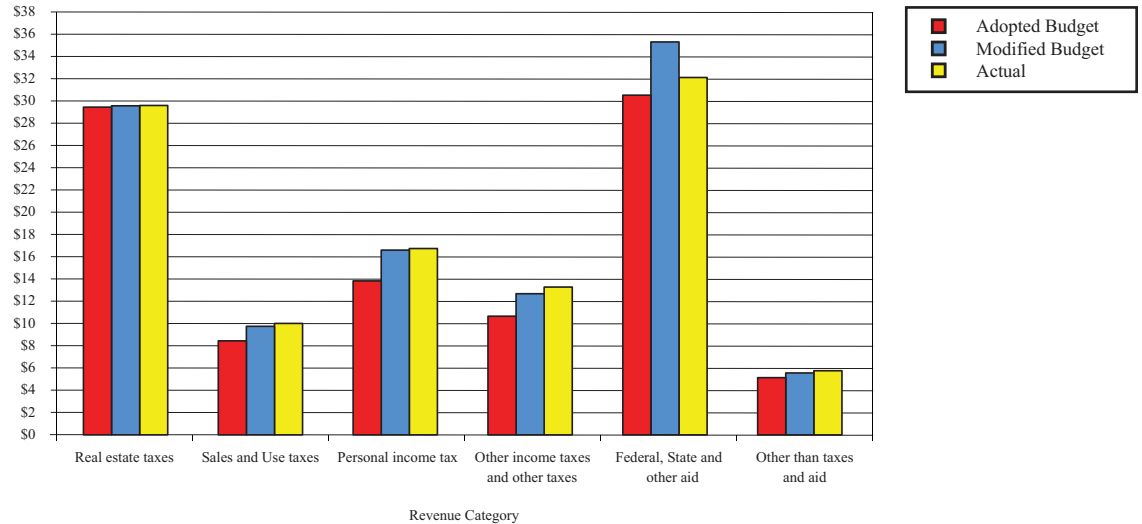
Although amounts were not established in the Adopted Budget, a modification to the budget was made to accommodate the amount of pollution remediation expenditure charge in the General Fund. These pollution remediation expenditures were incurred by various agencies, as follows:

	General Fund Pollution Remediation Expenditures	
	2022	2021
	(in thousands)	
General government	\$ 38,976	\$ 9,144
Public safety and judicial	1,657	1,727
Education	87,624	57,950
Social services	717	364
Environmental protection	8,006	5,968
Transportation services	12,376	23,561
Parks, recreation, and cultural activities	683	1,195
Housing	1	256
Health, including NYC Health + Hospitals	781	772
Libraries	806	36
Total expenditures	<u>\$ 151,627</u>	<u>\$ 100,973</u>

**General Fund Budgetary
Highlights Revenues**

The following charts and tables summarize actual revenues by category and include restricted fund activities, for Fiscal Years 2022 and 2021 and compare revenues with each fiscal year's Adopted Budget and Modified Budget. Additional information on restricted fund activities can be found in Other Supplementary Information - Schedule G7.

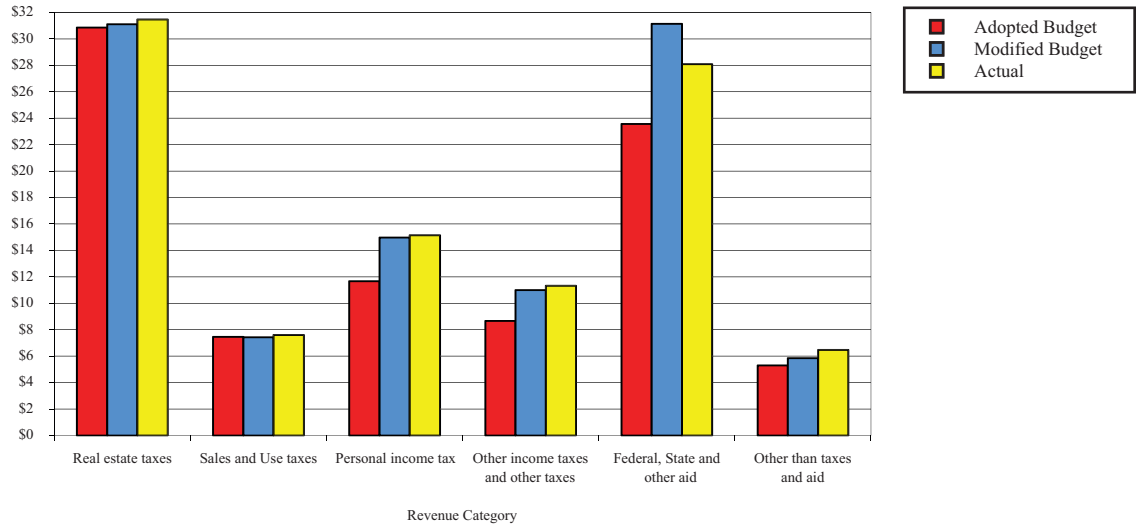
**General Fund Revenues
Fiscal Year 2022
(in billions)**



**General Fund Revenues
Fiscal Year 2022**

	<u>Adopted Budget</u>	<u>Modified Budget</u> (in millions)	<u>Actual</u>
Taxes (net of refunds):			
Real estate taxes	\$29,432	\$ 29,553	\$ 29,582
Sales and use taxes	8,441	9,747	10,008
Personal income tax	13,827	16,592	16,734
Other income taxes	6,937	9,077	9,523
Other taxes	3,719	3,598	3,750
Taxes (net of refunds)	<u>62,356</u>	<u>68,567</u>	<u>69,597</u>
Federal, State and other aid:			
Categorical	30,507	34,495	31,597
Unrestricted	—	792	498
Federal, State and other aid	<u>30,507</u>	<u>35,287</u>	<u>32,095</u>
Other than taxes and aid:			
Charges for services	2,905	2,783	2,697
Other revenues	1,957	2,342	2,185
Restricted fund activity	—	—	222
Bond proceeds	—	148	147
Transfers from Nonmajor Debt Service Fund	223	234	234
Transfers from General Debt Service Fund	51	51	51
Other than taxes and aid	<u>5,136</u>	<u>5,558</u>	<u>5,536</u>
Total revenues	<u>\$97,999</u>	<u>\$109,412</u>	<u>\$107,228</u>

**General Fund Revenues
Fiscal Year 2021
(in billions)**



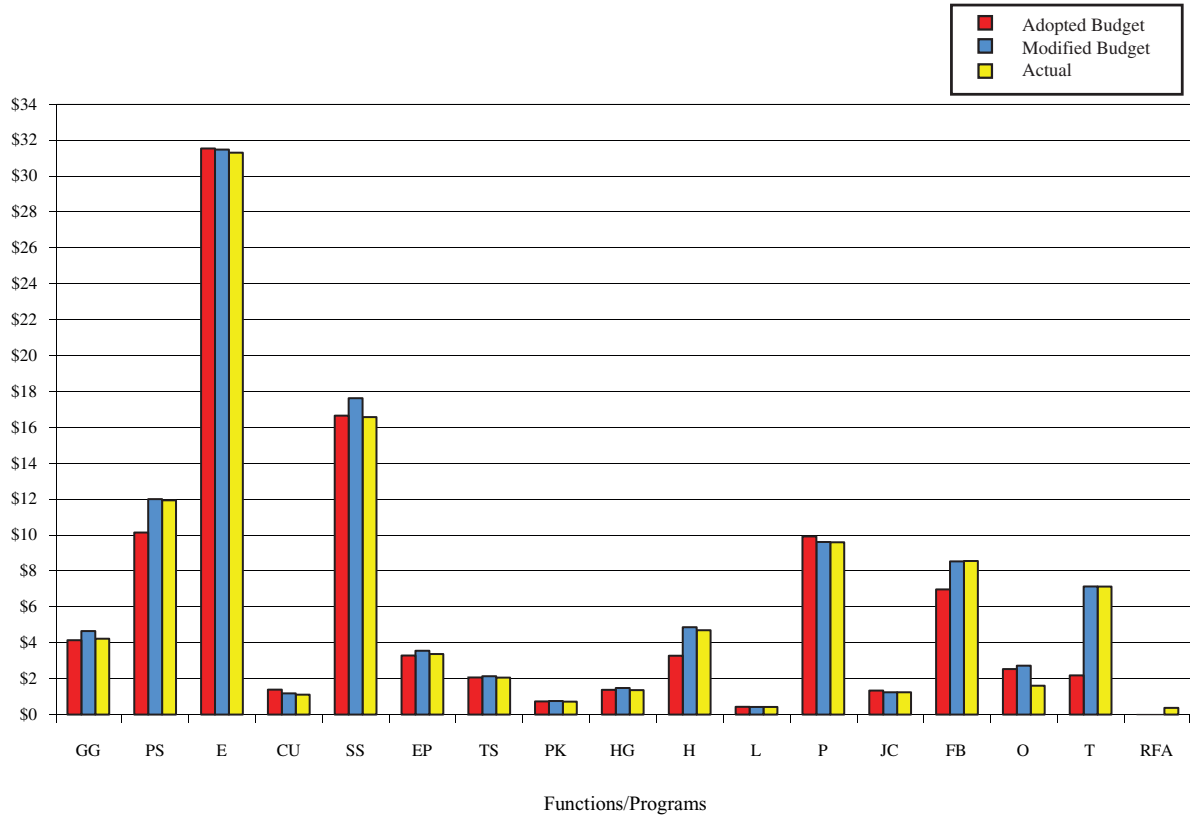
**General Fund Revenues
Fiscal Year 2021**

	<u>Adopted Budget</u>	<u>Modified Budget</u> (in millions)	<u>Actual</u>
Taxes (net of refunds):			
Real estate taxes	\$30,852	\$ 31,108	\$31,464
Sales and use taxes	7,459	7,463	7,603
Personal income tax	11,671	15,023	15,140
Other income taxes	5,361	8,311	8,594
Other taxes	3,299	2,600	2,732
Taxes (net of refunds)	<u>58,642</u>	<u>64,505</u>	<u>65,533</u>
Federal, State and other aid:			
Categorical	23,570	31,134	28,093
Unrestricted	—	1	1
Federal, State and other aid	<u>23,570</u>	<u>31,135</u>	<u>28,094</u>
Other than taxes and aid:			
Charges for services	2,985	2,869	2,798
Other revenues	2,013	2,567	2,242
Restricted fund activity	—	—	515
Bond proceeds	—	96	96
Transfers from Nonmajor Debt Service Fund	235	248	248
Transfers from General Debt Service Fund	70	61	61
Other than taxes and aid	<u>5,303</u>	<u>5,841</u>	<u>5,960</u>
Total revenues	<u>\$87,515</u>	<u>\$101,481</u>	<u>\$99,587</u>

**General Fund Budgetary
Highlights Expenditures**

The following charts and tables summarize actual expenditures by function/program and include restricted fund activities for Fiscal Years 2022 and 2021, and compare expenditures with each fiscal year's Adopted Budget and Modified Budget. Additional information on restricted fund activities can be found in Other Supplementary Information - Schedule G7.

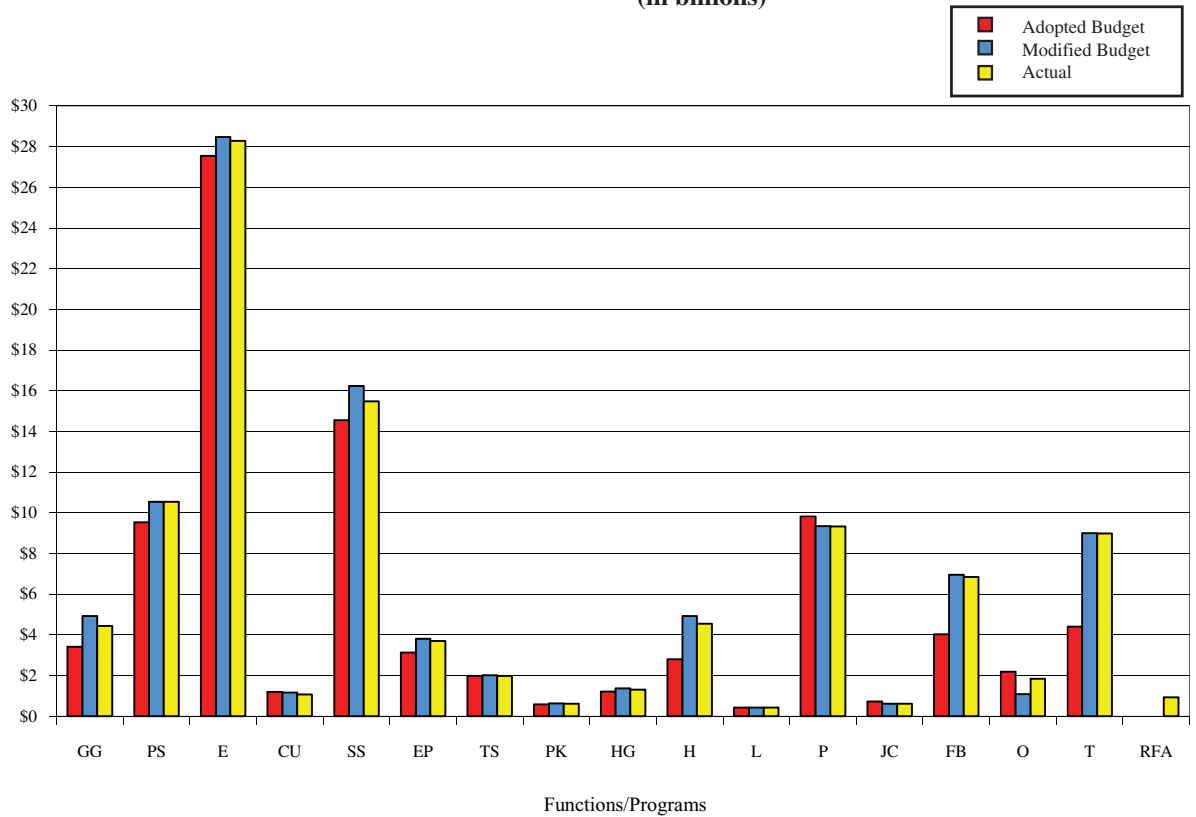
**General Fund Expenditures
Fiscal Year 2022
(in billions)**



**General Fund Expenditures
Fiscal Year 2022**

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>
		(in millions)	
General government (GG)	\$ 4,143	\$ 4,652	\$ 4,226
Public safety and judicial (PS)	10,142	12,004	11,937
Education (E)	31,540	31,479	31,306
City university (CU)	1,389	1,181	1,109
Social services (SS)	16,655	17,627	16,574
Environmental protection (EP)	3,290	3,555	3,373
Transportation services (TS)	2,067	2,136	2,059
Parks, recreation and cultural activities (PK)	733	755	720
Housing (HG)	1,378	1,480	1,362
Health, including NYC Health + Hospitals (H)	3,278	4,867	4,699
Libraries (L)	432	424	424
Pensions (P)	9,924	9,615	9,599
Judgments and claims (JC)	1,337	1,242	1,242
Fringe benefits and other benefit payments (FB)	6,973	8,534	8,556
Other (O)	2,535	2,724	1,235
Transfers and other payments for debt service (T)	2,183	7,137	7,131
Restricted fund activity (RFA)	—	—	373
Total expenditures	<u>\$97,999</u>	<u>\$109,412</u>	<u>\$105,925</u>

**General Fund Expenditures
Fiscal Year 2021
(in billions)**



**General Fund Expenditures
Fiscal Year 2021**

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>
		<i>(in millions)</i>	
General government (GG)	\$ 3,406	\$ 4,918	\$ 4,429
Public safety and judicial (PS)	9,537	10,536	10,548
Education (E)	27,550	28,481	28,288
City university (CU)	1,196	1,162	1,060
Social services (SS)	14,551	16,232	15,475
Environmental protection (EP)	3,123	3,806	3,697
Transportation services (TS)	1,976	1,999	1,971
Parks, recreation and cultural activities (PK)	579	634	619
Housing (HG)	1,213	1,366	1,298
Health, including NYC Health + Hospitals (H)	2,793	4,915	4,554
Libraries (L)	426	423	423
Pensions (P)	9,820	9,353	9,334
Judgments and claims (JC)	727	618	618
Fringe benefits and other benefit payments (FB)	4,027	6,949	6,846
Other (O)	2,187	1,082	914
Transfers and other payments for debt service (T)	4,404	9,006	8,994
Restricted fund activity (RFA)	—	—	933
Total expenditures	<u>\$87,515</u>	<u>\$101,480</u>	<u>\$100,001</u>

General Fund Surplus

The City had General Fund surpluses of \$6.1 billion, \$6.1 billion and \$3.8 billion before certain expenditures and transfers (discretionary and other), and without regard to the restricted fund balance for Fiscal Years 2022, 2021 and 2020, respectively. For Fiscal Years 2022, 2021 and 2020, the General Fund surplus was \$5 million after expenditures and transfers (discretionary and other).

The expenditures and transfers (discretionary and other) made by the City after the adoption of its Fiscal Years 2022, 2021 and 2020 budgets follow:

	General Fund		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
	(in millions)		
Transfer, as required by law, to the General Debt Service Fund of real estate taxes collected in excess of the amount needed to finance debt service.	\$ 112	\$ 569	\$ 176
Discretionary transfers to the General Debt Service Fund	3,206	2,431	1,093
Debt service prepayments for lease purchase debt service due in the subsequent fiscal year. . . .	40	—	—
Grant to TFA	1,965	2,682	2,550
Payment to the Retiree Health Benefits Trust.	792	425	—
Total expenditures and transfers (discretionary and other)	6,115	6,107	3,819
Reported surplus*	5	5	5
Total surplus.	<u>\$ 6,120</u>	<u>\$ 6,112</u>	<u>\$ 3,824</u>

* The calculation of the reported surplus excludes restricted fund activities and contributions to the revenue stabilization fund. See Note A.20 of the Basic Financial Statements.

Final results for any given fiscal year may differ greatly from that year’s Adopted Budget. The following table shows the variance between actuals and amounts for the Fiscal Year ended 2022 Adopted Budget:

	<u>2022</u>
	(in millions)
Additional Resources:	
Higher than expected personal income tax collections	\$ 2,894
Lower than expected all other personal services costs	1,542
Greater than expected Federal categorical aid	1,505
Lower than expected all other administrative costs	1,211
Higher than expected general corporation tax collections	1,197
Greater than expected sales tax collections	1,113
Higher than expected real property transfer tax collections	757
Greater than expected unincorporated business tax collections	595
Greater than expected unrestricted aid	498
Higher than expected mortgage tax collections	442
Lower than expected debt service costs (net of prepayment)	329
Lower than expected pension costs	325
Reallocation of general reserve	300
Greater than expected revenues from fines and forfeitures	163
Greater than expected real estate tax collections	150
Greater than expected pollution remediation bond proceeds	148
Lower than expected medicaid spending	139
Higher than expected all other tax collections	109
Lower than expected supplies and materials costs (excluding fuel costs)	95
Lower than expected judgments & claims costs	89
Greater than expected all other miscellaneous revenue collections	83
Lower than expected public assistance spending	74
Greater than expected commercial rent tax collections	55
Lower than expected payments to NYCHA	28
Higher than expected housing revenue	23
Total	<u>13,864</u>
Enabled the City to provide for:	
Prepayments for certain debt service and discretionary transfers due in Fiscal Year 2023	6,115
Greater than expected contractual services costs	2,601
Higher than expected payments to NYC Health + Hospitals	1,043
Higher than expected overtime costs	1,043
Higher than expected revenue stabilization fund deposit*	950
Higher than expected health insurance costs	552
Greater than expected all other fixed and miscellaneous charges	322
Lower than expected non-governmental grants	289
Higher than expected property and equipment costs	183
Lower than expected revenue from general government charges	170
Higher than expected pollution remediation costs	152
Greater than expected energy costs	107
Lower than expected State categorical aid	105
Lower than expected banking corporation tax collections	70
Lower than expected capital fund reimbursements for interfund agreements associated with underspending	70
Lower than expected revenue from water and sewer charges	62
Higher than expected provisions for disallowance reserve	20
All other net overspending or revenues below budget	5
Total	<u>13,859</u>
Reported Surplus – Net of Restricted Fund Activities	<u>\$ 5</u>

* Additional information on the revenue stabilization fund can be found in Note A20 of the Basic Financial Statements.

Final results for any given fiscal year may differ greatly from that year's Adopted Budget. The following table shows the variance between actuals and amounts for the Fiscal Year ended 2021 Adopted Budget:

	<u>2021</u>
	(in millions)
Additional Resources:	
Higher than expected federal categorical aid	\$ 5,250
Greater than expected personal income tax collections	3,432
Higher than expected general corporation tax collections	1,684
Lower than expected all other personal services costs	1,324
Lower than expected debt service (net of prepayment)	991
Higher than expected all other miscellaneous revenue collections	801
Higher than expected real estate tax collections	613
Lower than expected pension costs	487
Greater than expected unincorporated business tax collections	457
Restricted Fund Activity adjustment*	419
Higher than expected mortgage tax collections	333
Lower than expected health insurance costs (net of prepayment)	325
Higher than expected banking corporation tax collections	279
Greater than expected real property transfer tax collections	258
Higher than expected commercial rent tax collections	151
Lower than expected judgments & claims costs	113
Higher than expected non-governmental grants	105
Lower than expected energy costs	104
Reallocation of general reserve	100
Higher than expected pollution remediation bond proceeds	97
Lower than expected Public Assistance spending	78
Lower than expected all other administrative costs	77
Higher than expected housing revenue	14
Higher than expected revenue from fines and forfeitures	8
Greater than expected unrestricted aid	1
Total	<u>17,501</u>
Enabled the City to provide for:	
Prepayments for certain debt service and discretionary transfers due in Fiscal Year 2022	6,107
Greater than expected contractual services costs	2,385
Rescindment of Retiree Health Benefit Trust Fund savings	1,600
Greater than expected payments to NYC Health + Hospitals	1,359
Higher than expected all other fixed and miscellaneous charges	1,215
Elimination of unspecified labor savings	1,000
Lower than expected state categorical aid	828
Higher than expected supplies and materials costs (excluding fuel costs)	789
Greater than expected overtime costs	680
Higher than expected Medical Assistance spending	574
Lower than expected sales tax collections	201
Lower than expected revenue from general government charges	151
Higher than expected all other social services costs (excluding Medical and public assistance)	125
Lower than expected all other taxes	114
Higher than expected pollution remediation costs	101
Higher than expected property and equipment costs	88
Lower than expected revenue from licenses, permits and privileges	69
Lower than expected Capital Fund reimbursements for Interfund Agreements associated with underspending	43
Lower than expected revenue from water and sewer charges	39
Greater than expected payments to NYCHA	19
Higher than expected provisions for disallowance reserve	9
Total	<u>17,496</u>
Reported Surplus – Net of Restricted Fund Activities	<u>\$ 5</u>

* Additional information on the Restricted Fund activity adjustment can be found in Note A20 of the Basic Financial Statements.

Capital Assets

The City’s investment in capital assets (net of accumulated depreciation/amortization), is detailed as follows:

Governmental Activities

	<u>2022</u>	<u>2021</u>	<u>2020</u>
		(in millions)	
Land*	\$ 2,523	\$ 2,466	\$ 2,435
Buildings	35,364	36,920	36,723
Equipment (including software)	3,484	3,579	3,380
Infrastructure**	18,173	17,380	16,602
Lease assets	13,087	—	—
Construction work-in-progress*	6,043	4,412	3,761
Total	<u>\$78,674</u>	<u>\$64,757</u>	<u>\$62,901</u>

* Not depreciable/amortizable

** Infrastructure elements include the roads, bridges, curbs and gutters, streets and sidewalks, park land and improvements, piers, bulkheads and tunnels.

The net increase in the City’s governmental activities capital assets during Fiscal Year 2022 was \$13.92 billion, a 21.5% increase. The predominant reason for the increase is a direct result of the City’s adoption of Statement No. 87 which added \$13.1 billion of lease assets. Additional details on the effects of the City’s implementation and its impact to capital assets can be found in Note D-2 of the Basic Financial Statements. Capital assets additions in Fiscal Year 2022 were \$36.06 billion, an increase of \$27 million from Fiscal Year 2021.

In 2022, construction work-in-progress was \$6.04 billion, representing a 37% net increase. Construction work-in-progress increased predominantly due to an increase of capital eligible expenditures, related to pollution remediation liquidations in the current year. Additionally, the City saw an uptick in equipment as a direct result of the change in the City capitalization policy which allowed for more IT software and hardware to be funded by the Capital Projects Fund. The 2022 addition to work-in-progress was \$4.07 billion, a 23.2% increase from prior year. In 2022 building additions (work-in-progress deletions) were \$2.44 billion, representing a 8% decrease from Fiscal Year 2021.

The net increase in the City’s governmental activities capital assets during Fiscal Year 2021 was \$1.86 billion, a 2.9% increase. Capital assets additions in Fiscal Year 2021 were \$9.08 billion, a decrease of \$160 million from Fiscal Year 2020.

In 2021, construction work-in-progress was \$4.41 billion, representing a 17.3% net increase. The 2021 addition to work-in-progress was \$3.31 billion, a 1.6% decrease from prior year. In 2021 building additions (work-in-progress deletions) were \$2.66 billion, representing a 5.1% decrease from Fiscal Year 2020.

Additional information on the City’s capital assets can be found in Note D.2 of the Basic Financial Statements and in schedule CA1 through CA3 of other supplementary information.

Business-Type Activities

	<u>2022</u>	<u>2021</u>	<u>2020</u>
		(in millions)	
Buildings	\$ 32	\$ 33	\$ 35
Equipment (including software)	10	12	14
Infrastructure**	468	430	448
Construction work-in-progress*	107	117	70
Total	<u>\$ 617</u>	<u>\$ 592</u>	<u>\$ 567</u>

* Not depreciable/amortizable

** Infrastructure elements include the roads, bridges, curbs and gutters, streets and sidewalks, park land and improvements, piers, and bulkheads.

The net increase in the City’s business-type activities Capital assets during Fiscal Year 2022 was \$25.08 million, a 4.2% increase. Capital asset additions net of depreciation in Fiscal Year 2022 were \$98.86 million, an increase of \$55.62 million, from Fiscal Year 2021.

In 2022, construction work-in-progress was \$107.31 million, representing a 8.5% net decrease. The 2022 addition to work-in-progress was \$64.45 million, a 0.1% increase from prior year.

Debt Administration

The net increase in the City’s business-type activities capital assets during Fiscal Year 2021 was \$25.41 million, a 4.5% increase. Capital asset additions net of depreciation in Fiscal Year 2021 were \$43.23 million, an increase of \$5.13 million, from Fiscal Year 2020.

In 2021, construction work-in-progress was \$116.63 million, representing a 67.1% net increase. The 2021 addition to work-in-progress was \$64.39 million, a 46.9% increase from prior year.

The City, through the Comptroller’s Office of Public Finance, in conjunction with the Mayor’s Office of Management and Budget, is charged with issuing debt to finance the City’s capital program. The following table summarizes the debt outstanding for the City and certain City-related issuing entities at the end of Fiscal Years 2022, 2021 and 2020.

	New York City and City-Related Debt		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
	(in millions)		
Governmental activities:			
Bonds and notes payable			
General Obligation Bonds ⁽¹⁾	\$ 38,845	\$38,574	\$38,784
TFA Bonds	43,523	41,276	40,257
TFA Recovery Bonds	143	278	421
TFA BARBs	8,154	8,403	8,300
TSASC Bonds	966	993	1,023
IDA Bonds	54	57	60
STAR Bonds	—	—	1,634
HYIC Bonds	2,557	2,677	2,724
ECF Bonds	297	302	213
Total bonds and notes outstanding governmental activities	<u>94,539</u>	<u>92,560</u>	<u>93,416</u>
Business-Type Activities:			
Bonds and notes payable			
Tax Lien Collateralized Bonds	81	25	62
Total bonds and notes outstanding business-type activities	<u>81</u>	<u>25</u>	<u>62</u>
Total before premiums/discounts (net)	94,620	92,585	93,478
Premiums/discounts (net)	7,266	6,856	5,976
Total bonds and notes outstanding	<u>\$101,886</u>	<u>\$99,441</u>	<u>\$99,454</u>

⁽¹⁾ Does not include capital contractual liabilities.

The State Constitution provides that, with certain exceptions, the City may not contract indebtedness in an amount greater than 10% of the average full value of taxable real estate in the City for the most recent five years (Debt Limit). State law further provides that certain TFA debt also be counted against the Debt Limit. On June 30, 2022, the City’s outstanding General Obligation (GO) debt, including capital contract liabilities and TFA’s outstanding debt above \$13.50 billion (refer to Note D.5 for further details) totaled \$88.39 billion (compared with \$81.82 billion and \$79.20 billion as of June 30, 2021 and 2020, respectively). As of June 30, 2022, the City’s Debt Limit was \$127.35 billion (compared with \$123.02 billion and \$116.27 billion as of June 30, 2021 and 2020, respectively). The remaining debt incurring power for the City and TFA’s combined debt as of June 30, 2022, after providing for capital contract liabilities, totaled \$38.96 billion. As of July 1, 2022, the remaining debt incurring power is \$41.51 billion, based on the change in the five-year full valuation average for fiscal year 2022.

As of June 30, 2022, the City’s outstanding GO debt was \$38.85 billion, consisting of \$4.90 billion of variable rate bonds and \$33.94 billion of fixed rate bonds. In Fiscal Year 2022, a total of \$954.91 million GO bonds were issued to refund a portion of the City’s outstanding bonds at lower interest rates and \$2.58 billion of bonds were issued for new money capital purposes. The proceeds of the refunding issues were placed in irrevocable escrow accounts in amounts sufficient to pay, when due, all principal, interest, and applicable

redemption premium, if any, on the refunded bonds. These refundings produce a budgetary dissavings of \$595 thousand in Fiscal Year 2022 and budgetary savings of \$29.25 million and \$28.66 million in Fiscal Years 2023 and 2024, respectively. The refunding will generate \$114.67 million in budgetary savings over the life of the bonds or approximately \$108.40 million of savings on a net present value basis.

In Fiscal Year 2022, the City issued \$434 million of taxable fixed rate bonds.

In addition, the City converted \$89.51 million of bonds between variable to fixed rate interest modes and \$75 million between variable rate modes.

During Fiscal Year 2022, GO variable rate debt traded at the following average interest rates:

	<u>Tax Exempt</u>
Dailies ⁽¹⁾	0.20%
Weeklies ⁽¹⁾	0.22%
Auction Rate Securities—7 day	0.77%
Index Floaters	1.04%

⁽¹⁾ Remarketed with bank credit and/or liquidity support; rates do not include bank fee.

Short-Term Financing

In Fiscal Year 2022, the City had no short-term borrowings.

Transitional Finance Authority

In Fiscal Year 2022, TFA issued \$5.72 billion of Future Tax Security (FTS) Bonds. This total included \$3.65 billion issued for new money capital purposes and \$2.07 billion issued to refund certain outstanding bonds at lower interest rates. The refunding will generate \$418.03 million in budgetary savings over the life of the bonds and approximately \$392.69 million on a net present value basis.

As of June 30, 2022, the total outstanding FTS and Recovery debt has \$43.67 billion. Of the amount outstanding, variable rate debt totaled \$2.86 billion, including \$8.50 million of variable rate Recovery Bonds. During Fiscal Year 2022, TFA’s variable rate bonds traded at the following average interest rates:

	<u>Tax Exempt</u>
Dailies ⁽¹⁾	0.15%
Weeklies ⁽¹⁾	0.24%
Auction Rate Securities—7 day ⁽¹⁾	0.34%
Index Floaters	0.87%

⁽¹⁾ Remarketed with bank credit and/or liquidity support; rates do not include bank fee.

TFA is authorized to issue bonds and notes or other obligations in an amount outstanding of up to \$9.4 billion to finance a portion of the City’s educational facilities capital plan. TFA is authorized to use all or any portion of the state aid payable to the City or its school district pursuant to Section 3602.6 of the New York State Education Law (State Building Aid) as security for these Building Aid Revenue Bonds (BARBs). BARBs do not count against the FTS Bond Debt Limit.

In Fiscal Year 2022, TFA issued \$813.02 million of TFA BARBs to refund certain outstanding bonds at lower interest rates. As of June 30, 2022, TFA BARBs outstanding totaled \$8.15 billion.

<i>TSASC, Inc.</i>	In Fiscal Year 2022, TSASC had no financing activity. As of June 30, 2022, TSASC had \$965.94 million of bonds outstanding.
<i>Hudson Yards Infrastructure Corporation</i>	In Fiscal Year 2022, HYIC drew \$4.46 million from its construction loan. As of June 30, 2022, HYIC had \$2.56 billion of bonds outstanding.
<i>New York City Educational Construction Fund</i>	In Fiscal Year 2022, ECF had no financing activity. As of June 30, 2022, ECF had \$297.15 million of bonds outstanding.
<i>New York City Tax Lien Trusts</i>	In Fiscal Year 2022, the New York City Tax Lien Trusts, NYCTL 2021-A Trust, issued \$88.86 million of bonds. As of June 30, 2022, the New York City Tax Lien Trusts had in aggregate \$80.94 million of bonds outstanding.
<i>Interest Rate Exchange Agreements</i>	<p>To lower borrowing costs over the life of its bonds and to diversify its existing portfolio, the City has, from time to time, entered into interest rate exchange agreements (swaps) and sold options to enter into swaps at future dates. The City received specific authorization to enter into such agreements under Section 54.90 of the New York State Local Finance Law. No new swaps were initiated in Fiscal Year 2022. As of June 30, 2022, the outstanding notional amount on the City’s swap agreements in connection with General Obligation debt and City-related debt of the Dormitory Authority of the State of New York was \$530.35 million and the mark to fair value was approximately negative \$35.89 million.</p> <p>The Water Authority has also entered into interest rate exchange agreements from time to time in order to lower its borrowing costs over the life of its bonds and to diversify its existing portfolio. In Fiscal Year 2022, the Authority did not initiate or terminate any swaps. As of June 30, 2022, the outstanding notional amount on the Water Authority’s various swap agreements was \$401 million and the mark to fair value was approximately negative \$63.62 million.</p> <p>Additional information on the City’s long-term liabilities can be found in Note D.5 of the Basic Financial Statements.</p>

Subsequent Events

Subsequent to June 30, 2022, TFA and the City completed the following long-term financings and termination of an interest rate exchange agreement:

TFA Debt On July 28, 2022, the New York City Transitional Finance Authority issued \$563,750,000 of Fiscal 2023 Series S-1 Building Aid Revenue Bonds to refund a portion of its outstanding bonds at lower interest rates.

On August 2, 2022, the New York City Transitional Finance Authority issued \$1,250,000,000 of Fiscal 2023 Series A Future Tax Secured Subordinate Bonds for capital purposes.

On September 7, 2022, the New York City Transitional Finance Authority issued \$934,965,000 of Fiscal 2023 Series B and C Future Tax Secured Subordinate Bonds to refund a portion of its outstanding bonds at lower interest rates.

City Debt On September 8, 2022, the City of New York issued \$1,375,000,000 of Fiscal 2023 Series A General Obligation bonds for capital purposes.

Effective October 13, 2022, the City of New York terminated Investment Derivative H. The total Notional Amount was \$350 million, and the City paid a \$5.0 million termination payment to the interest rate exchange agreement (swap) counterparty. Following the termination, no other payments will be required by the City or the swap counterparty.

On October 18, 2022, the City of New York issued \$1,350,000,000 of Fiscal 2023 Series B General Obligation bonds for capital purposes.

Commitments

At June 30, 2022, the outstanding commitments relating to projects of the New York City's Capital Projects Fund amounted to approximately \$24.5 billion.

To address the need for significant infrastructure and public facility capital investments, the City has prepared a ten-year capital spending program which contemplates New York City Capital Projects Fund expenditures of \$133.7 billion over Fiscal Years 2022 through 2031. To help meet the financing needs for its capital spending program, the City and TFA borrowed \$6.23 billion in the public credit market in Fiscal Year 2022. The City and TFA plan to borrow \$9.13 billion in the public credit market in Fiscal Year 2023.

On January 31, 2019, NYCHA, the City and the U.S. Department of Housing and Urban Development ("HUD") entered into an agreement (the "HUD Agreement") relating to lead-based paint and other health and safety concerns in NYCHA's properties. Pursuant to the HUD Agreement, a federal monitor, with access to NYCHA information and personnel, has been appointed to oversee NYCHA's compliance with the terms of the agreement and federal regulations. Also pursuant to the HUD Agreement, the City committed \$1.7 billion in additional capital funds in the Capital Commitment Plan for fiscal years 2022-2026, with an additional \$1.1 billion in City capital funds reflected in the remaining years of the Ten-Year Capital Strategy for fiscal years 2027 through 2031. NYCHA subsequently announced that it may be out of compliance with a number of federal regulations beyond the regulations concerning lead-based paint and other health and safety concerns that were the subject of the HUD Agreement and is working to assess the extent of any such noncompliance. NYCHA's 2017 Physical Needs Assessment estimated its projected capital costs at approximately \$32 billion over the next five years. In January 2020, NYCHA's Chairman and Chief Executive Officer stated that such costs were \$40 billion. NYCHA is in the process of recapitalizing roughly 62,000 of its units through the Permanent Affordability Commitment Together program, which leverages project-based Section 8 subsidy and partnerships with private and non-profit development partners to make repairs. As of February 2022, approximately 35,000 units are in some stage of the conversion process. In June 2022, the State enacted legislation creating the New York City Housing Preservation Trust, which will leverage federal funding to borrow money for the improvement of an additional approximately 25,000 public housing units. The New York City Housing Preservation Trust is not funded by the City and is not reflected in the Financial Plan.

Request for Information

This annual comprehensive financial report is designed to provide a general overview of the City's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The City of New York, Office of the Comptroller, Bureau of Accountancy, 1 Centre Street—Room 200 South, New York, New York 10007, or at Accountancy@comptroller.nyc.gov.

The City of New York

Annual Comprehensive
Financial Report
of the
Comptroller

Part II-A

BASIC
FINANCIAL STATEMENTS

Fiscal Years Ended June 30, 2022 and 2021



THE CITY OF NEW YORK
STATEMENT OF NET POSITION

JUNE 30, 2022
(in thousands)

	Primary Government (PG)			Component Units (CU)
	Governmental Activities	Business – Type Activities	Total – (PG)	
ASSETS:				
Cash and cash equivalents	\$ 11,426,057	\$ 51,656	\$ 11,477,713	\$ 2,589,896
Investments	2,884,027	334,409	3,218,436	1,334,661
Receivables:				
Real estate taxes (less allowance for uncollectible amounts of \$216,979)	343,161	—	343,161	—
Federal, State and other aid	21,369,271	6,206	21,375,477	—
Taxes other than real estate	7,028,001	—	7,028,001	—
Leases	4,073,376	168,303	4,241,679	2,902,474
Other	3,357,886	316,904	3,674,790	6,001,938
Mortgage loans and interest receivable, net	—	—	—	18,175,315
Inventories	532,629	—	532,629	8,409
Due from PG, net	—	—	—	127,978
Due from CU's	5,155,846	—	5,155,846	—
Restricted cash, cash equivalents and investments	7,780,828	55,503	7,836,331	8,874,364
Other	797,549	276	797,825	948,911
Capital assets:				
Land and construction work-in-progress	8,566,121	107,313	8,673,434	10,991,823
Other capital assets (net of depreciation/amortization):				
Property, plant and equipment (including software)	38,847,876	42,227	38,890,103	36,114,574
Infrastructure	18,172,490	467,536	18,640,026	—
Lease asset	13,087,271	—	13,087,271	431,150
Total assets	143,422,389	1,550,333	144,972,722	88,501,493
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows from pensions	9,129,671	—	9,129,671	1,746,499
Deferred outflows from OPEB	9,639,344	—	9,639,344	999,504
Other deferred outflows of resources	282,674	—	282,674	194,835
Total deferred outflows of resources	19,051,689	—	19,051,689	2,940,838
LIABILITIES:				
Accounts payable and accrued liabilities	25,466,723	49,558	25,516,281	4,487,659
Accrued interest payable	1,207,515	285	1,207,800	222,387
Unearned revenue	—	2,455	2,455	1,014,049
Due to PG, net	—	—	—	5,155,846
Due to CU, net	127,978	—	127,978	—
Estimated disallowance of Federal, State and other aid	317,611	—	317,611	—
Other	9,974,962	1,459	9,976,421	166,862
Derivative instruments—interest rate swaps	—	—	—	60,991
Noncurrent liabilities:				
Due within one year	8,179,931	109,370	8,289,301	2,517,974
Due in more than one year:				
Bonds & notes payable	97,534,055	—	97,534,055	48,776,067
Net pension liability	42,349,466	—	42,349,466	2,171,473
Net OPEB liability	89,525,858	—	89,525,858	7,102,934
Lease liability	13,126,915	—	13,126,915	467,446
Other	16,013,630	348,061	16,361,691	5,822,487
Total liabilities	303,824,644	511,188	304,335,832	77,966,175
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows from pensions	3,629,613	—	3,629,613	2,016,534
Deferred real estate taxes	9,308,024	—	9,308,024	—
Deferred inflows from OPEB	35,531,508	—	35,531,508	2,411,077
Deferred inflows from leases	4,073,377	156,176	4,229,553	2,808,317
Other deferred inflows of resources	743,482	—	743,482	129,580
Total deferred inflows of resources	53,286,004	156,176	53,442,180	7,365,508
NET POSITION:				
Net investment in capital assets	(13,033,877)	617,076	(12,416,801)	13,021,788
Restricted for:				
Capital projects	495,029	—	495,029	82,142
Debt service	2,010,229	—	2,010,229	4,643,613
Loans/security deposits	—	—	—	61,198
Donor/statutory restrictions	—	—	—	556,745
Operations	2,157,627	265,893	2,423,520	489,017
Unrestricted (deficit)	(186,265,578)	—	(186,265,578)	(12,743,855)
Total net position (deficit)	\$ (194,636,570)	\$ 882,969	\$ (193,753,601)	\$ 6,110,648

See accompanying notes to the financial statements.

THE CITY OF NEW YORK
STATEMENT OF NET POSITION

JUNE 30, 2021
(in thousands)

	Primary Government (PG)			Component Units (CU)
	Governmental Activities	Business – Type Activities	Total – (PG)	
ASSETS:				
Cash and cash equivalents	\$ 5,452,360	\$ 51,256	\$ 5,503,616	\$ 2,322,461
Investments	9,521,423	333,051	9,854,474	1,365,836
Receivables:				
Real estate taxes (less allowance for uncollectible amounts of \$260,393)	412,173	—	412,173	—
Federal, State and other aid	19,081,549	3,653	19,085,202	—
Taxes other than real estate	9,064,592	—	9,064,592	—
Other	2,964,586	226,575	3,191,161	5,834,887
Mortgage loans and interest receivable, net	—	—	—	16,057,816
Inventories	513,384	—	513,384	9,040
Due from PG, net	—	—	—	50,727
Due from CU's	4,817,617	—	4,817,617	—
Restricted cash, cash equivalents and investments	7,422,685	83,401	7,506,086	8,308,478
Other	1,004,753	213	1,004,966	816,271
Capital assets:				
Land and construction work-in-progress	6,878,094	116,631	6,994,725	9,873,046
Other capital assets (net of depreciation/amortization):				
Property, plant and equipment (including software)	40,498,744	45,331	40,544,075	36,137,211
Infrastructure	17,379,977	430,030	17,810,007	—
Total assets	<u>125,011,937</u>	<u>1,290,141</u>	<u>126,302,078</u>	<u>80,775,773</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows from pensions	3,096,775	—	3,096,775	665,923
Deferred outflows from OPEB	12,519,054	—	12,519,054	1,379,121
Other deferred outflows of resources	353,685	—	353,685	325,413
Total deferred outflows of resources	<u>15,969,514</u>	<u>—</u>	<u>15,969,514</u>	<u>2,370,457</u>
LIABILITIES:				
Accounts payable and accrued liabilities	23,399,404	44,961	23,444,365	4,353,103
Accrued interest payable	1,204,911	89	1,205,000	213,483
Unearned revenue	—	6,223	6,223	1,242,900
Due to PG, net	—	—	—	4,817,617
Due to CU, net	50,727	—	50,727	—
Estimated disallowance of Federal, State and other aid	298,458	—	298,458	—
Other	11,952,354	1,100	11,953,454	448,161
Derivative instruments—interest rate swaps	—	—	—	120,682
Noncurrent liabilities:				
Due within one year	6,544,322	51,755	6,596,077	2,094,678
Due in more than one year:				
Bonds & notes payable	95,913,543	—	95,913,543	47,116,392
Net pension liability	9,598,353	—	9,598,353	1,284,797
Net OPEB liability	117,979,233	—	117,979,233	8,590,641
Other	16,576,522	352,902	16,929,424	4,988,648
Total liabilities	<u>283,517,827</u>	<u>457,030</u>	<u>283,974,857</u>	<u>75,271,102</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows from pensions	34,240,169	—	34,240,169	2,139,246
Deferred real estate taxes	8,684,392	—	8,684,392	—
Deferred inflows from OPEB	10,749,662	—	10,749,662	1,566,358
Other deferred inflows of resources	257,473	—	257,473	48,449
Total deferred inflows of resources	<u>53,931,696</u>	<u>—</u>	<u>53,931,696</u>	<u>3,754,053</u>
NET POSITION:				
Net investment in capital assets	(12,779,784)	591,992	(12,187,792)	12,141,055
Restricted for:				
Capital projects	694,637	46,312	740,949	79,469
Debt service	2,186,933	—	2,186,933	4,246,265
Loans/security deposits	—	—	—	53,926
Donor/statutory restrictions	—	—	—	491,839
Operations	2,332,952	194,807	2,527,759	435,920
Unrestricted (deficit)	<u>(188,902,810)</u>	<u>—</u>	<u>(188,902,810)</u>	<u>(13,327,399)</u>
Total net position (deficit)	<u>\$ (196,468,072)</u>	<u>\$ 833,111</u>	<u>\$ (195,634,961)</u>	<u>\$ 4,121,075</u>

See accompanying notes to the financial statements.

THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government (PG)			Component Units (CU)
					Governmental Activities	Business-Type Activities	Total – (PG)	
Primary Government (PG):								
Governmental Activities:								
General government	\$ 6,095,409	\$ 1,067,625	\$ 7,389,270	\$ 200,459	\$ 2,561,945	\$ —	\$ 2,561,945	\$ —
Public safety and judicial	21,422,599	305,006	382,769	4,728	(20,730,096)	—	(20,730,096)	—
Education	32,363,168	51,082	16,995,885	11,438	(15,304,763)	—	(15,304,763)	—
City University	774,972	237,414	367,513	—	(170,045)	—	(170,045)	—
Social services	15,449,841	63,070	4,268,640	16,601	(11,101,530)	—	(11,101,530)	—
Environmental protection	4,382,879	1,619,315	26,948	1,970	(2,734,646)	—	(2,734,646)	—
Transportation services	3,009,324	1,241,107	366,718	182,709	(1,218,790)	—	(1,218,790)	—
Parks, recreation and cultural activities	1,083,292	65,453	13,358	31,342	(973,139)	—	(973,139)	—
Housing	2,745,893	491,449	639,114	29,168	(1,586,162)	—	(1,586,162)	—
Health (including payments to NYC Health + Hospitals)	6,439,698	117,237	1,146,473	153,091	(5,022,897)	—	(5,022,897)	—
Libraries	468,869	—	137	2,143	(466,589)	—	(466,589)	—
Debt service interest	2,880,778	—	—	—	(2,880,778)	—	(2,880,778)	—
Total governmental activities	<u>97,116,722</u>	<u>5,258,758</u>	<u>31,596,825</u>	<u>633,649</u>	<u>(59,627,490)</u>	<u>—</u>	<u>(59,627,490)</u>	<u>—</u>
Business-Type Activities:								
Brooklyn Bridge Park Corp	33,494	1,987	—	3,236	—	(28,271)	(28,271)	—
The Trust for Governor's Island	46,497	4,944	17,867	19,008	—	(4,678)	(4,678)	—
WTC Captive Insurance Co	1,707	—	—	—	—	(1,707)	(1,707)	—
New York City Tax Lien Trusts	211,160	—	142,304	—	—	(68,856)	(68,856)	—
Total business-type activities	<u>292,858</u>	<u>6,931</u>	<u>160,171</u>	<u>22,244</u>	<u>—</u>	<u>(103,512)</u>	<u>(103,512)</u>	<u>—</u>
Total Primary Government (PG)	<u>\$ 97,409,580</u>	<u>\$ 5,265,689</u>	<u>\$ 31,756,996</u>	<u>\$ 655,893</u>	<u>(59,627,490)</u>	<u>(103,512)</u>	<u>(59,731,002)</u>	<u>—</u>
Component Units	<u>\$ 24,809,226</u>	<u>\$ 17,517,080</u>	<u>\$ 5,737,709</u>	<u>\$ 2,105,490</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ 551,053</u>
General Revenues:								
Taxes (net of refunds):								
Real estate taxes					29,507,123	—	29,507,123	—
Sales and use taxes					10,105,942	—	10,105,942	—
Personal income tax					15,520,563	—	15,520,563	—
Income taxes, other					9,521,327	—	9,521,327	—
Other taxes:								
Commercial rent					956,614	—	956,614	—
Conveyance of real property					1,918,387	—	1,918,387	—
Hotel room occupancy					354,711	—	354,711	—
Payments in lieu of taxes					455,375	18,439	473,814	—
Taxes, penalties and refunds					69,728	—	69,728	—
Other					3,507	—	3,507	—
Investment income (loss)					36,530	114,022	150,552	(40,326)
Unrestricted federal and state aid					549,261	—	549,261	5,926
Gain on in-substance defeasance					—	—	—	9,244
Tax equivalency and PILOT—HYIC					299,560	—	299,560	—
Tobacco settlement—TSASC					212,096	—	212,096	—
Interest income from leases—BBP and TGI					—	10,082	10,082	—
Transfer from (to) residual liability—WTC Captive					—	4,180	4,180	—
Other revenue					197,978	858	198,836	1,455,089
Total general revenues					<u>69,708,702</u>	<u>147,581</u>	<u>69,856,283</u>	<u>1,429,933</u>
Change in net position					10,081,212	44,069	10,125,281	1,980,986
Net position (deficit)—beginning					(196,468,072)	833,111	(195,634,961)	4,121,075
Restatement of beginning net position					(8,249,710)	5,789	(8,243,921)	8,587
Net position (deficit)—ending					<u>\$(194,636,570)</u>	<u>\$882,969</u>	<u>\$(193,753,601)</u>	<u>\$6,110,648</u>

See accompanying notes to the financial statements.

THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government (PG)			Component Units (CU)
					Governmental Activities	Business-Type Activities	Total – (PG)	
Primary Government (PG):								
Governmental Activities:								
General government	\$ 8,196,762	\$ 1,442,838	\$ 6,106,439	\$ 16,992	\$ (630,493)	\$ —	\$ (630,493)	\$ —
Public safety and judicial	17,797,609	408,953	716,684	29,656	(16,642,316)	—	(16,642,316)	—
Education	30,760,255	25,892	13,317,860	85,342	(17,331,161)	—	(17,331,161)	—
City University	1,142,211	304,052	275,858	—	(562,301)	—	(562,301)	—
Social services	16,353,658	87,581	5,188,719	5,571	(11,071,787)	—	(11,071,787)	—
Environmental protection	4,796,434	1,733,303	17,386	17,143	(3,028,602)	—	(3,028,602)	—
Transportation services	2,871,049	1,111,958	330,163	262,837	(1,166,091)	—	(1,166,091)	—
Parks, recreation and cultural activities	1,231,136	33,332	12,726	86,684	(1,098,394)	—	(1,098,394)	—
Housing	2,665,949	421,070	603,642	31,409	(1,609,828)	—	(1,609,828)	—
Health (including payments to NYC Health + Hospitals)	5,463,861	95,676	1,523,359	125,134	(3,719,692)	—	(3,719,692)	—
Libraries	449,072	—	—	—	(449,072)	—	(449,072)	—
Debt service interest	2,922,974	—	—	—	(2,922,974)	—	(2,922,974)	—
Total governmental activities ..	<u>94,650,970</u>	<u>5,664,655</u>	<u>28,092,836</u>	<u>660,768</u>	<u>(60,232,711)</u>	<u>—</u>	<u>(60,232,711)</u>	<u>—</u>
Business-Type Activities:								
Brooklyn Bridge Park Corp.	31,878	902	—	4,282	—	(26,694)	(26,694)	—
The Trust for Governor's Island.	43,797	3,673	15,749	10,065	—	(14,310)	(14,310)	—
WTC Captive Insurance Co.	1,696	—	—	—	—	(1,696)	(1,696)	—
New York City Tax Lien Trusts.	122,372	—	—	—	—	(122,372)	(122,372)	—
Total business-type activities	<u>199,743</u>	<u>4,575</u>	<u>15,749</u>	<u>14,347</u>	<u>—</u>	<u>(165,072)</u>	<u>(165,072)</u>	<u>—</u>
Total Primary Government (PG)	<u>\$ 94,850,713</u>	<u>\$ 5,669,230</u>	<u>\$ 28,108,585</u>	<u>\$ 675,115</u>	<u>(60,232,711)</u>	<u>(165,072)</u>	<u>(60,397,783)</u>	<u>—</u>
Component Units	<u>\$ 23,166,301</u>	<u>\$ 15,877,433</u>	<u>\$ 5,287,650</u>	<u>\$ 2,109,630</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ 108,412</u>
General Revenues:								
Taxes (net of refunds):								
Real estate taxes					31,421,372	—	31,421,372	—
Sales and use taxes					7,613,744	—	7,613,744	—
Personal income tax					15,795,380	—	15,795,380	—
Other income taxes					9,499,422	—	9,499,422	—
Other taxes:								
Commercial rent					941,341	—	941,341	—
Conveyance of real property					1,058,480	—	1,058,480	—
Hotel room occupancy					106,424	—	106,424	—
Payments in lieu of taxes					550,063	19,871	569,934	—
Taxes, penalties and refunds					71,250	—	71,250	—
Other					7,975	—	7,975	—
Investment income					33,375	192,155	225,530	128,970
Unrestricted federal and state aid					107,522	—	107,522	5,275
Gain (Loss) on in-substance defeasance					(9,041)	—	(9,041)	11,568
STAR proceeds from Dormitory Authority State of New York								
					1,755,132	—	1,755,132	—
Tobacco settlement—TSASC					208,869	—	208,869	—
Transfer from (to) residual liability—WTC Captive					—	(90,283)	(90,283)	—
Other revenue					439,167	824	439,991	1,155,220
Total general revenues					<u>69,600,475</u>	<u>122,567</u>	<u>69,723,042</u>	<u>1,301,033</u>
Change in net position					9,367,764	(42,505)	9,325,259	1,409,445
Net position (deficit)—beginning					(205,835,836)	875,616	(204,960,220)	2,711,664
Restatement of beginning net position					—	—	—	(34)
Net position (deficit)—ending					<u>\$(196,468,072)</u>	<u>\$833,111</u>	<u>\$(195,634,961)</u>	<u>\$4,121,075</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2022
(in thousands)

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$10,716,296	\$ 363,530	\$ —	\$ 346,231	\$ —	\$ 11,426,057
Investments	873,054	—	—	2,030,403	—	2,903,457
Accounts receivable:						
Real estate taxes (less allowance for uncollectible amounts of \$216,979)	343,161	—	—	—	—	343,161
Federal, State and other aid	20,324,635	1,044,636	—	—	—	21,369,271
Taxes other than real estate	6,358,808	—	—	669,193	—	7,028,001
Other receivables, net.	2,897,249	—	—	460,413	—	3,357,662
Due from other funds	3,985,282	17	—	677,314	(677,314)	3,985,299
Due from component units, net.	4,466,886	688,960	—	—	—	5,155,846
Restricted cash and investments	2,181,470	74,493	3,332,318	2,192,547	—	7,780,828
Other assets	267,013	98,173	—	406,168	—	771,354
Total assets.	<u>\$ 52,413,854</u>	<u>\$ 2,269,809</u>	<u>\$ 3,332,318</u>	<u>\$ 6,782,269</u>	<u>\$ (677,314)</u>	<u>\$ 64,120,936</u>
LIABILITIES:						
Accounts payable and accrued liabilities	\$22,893,195	\$ 1,592,676	\$ —	\$ 980,882	\$ —	\$ 25,466,753
Accrued tax refunds:						
Real estate taxes.	164,424	—	—	—	—	164,424
Personal income tax.	88,622	—	—	—	—	88,622
Other	83,746	—	—	—	—	83,746
Accrued judgments and claims	539,815	70,477	—	—	—	610,292
Due to other funds.	—	4,546,150	—	116,463	(677,314)	3,985,299
Due to component units, net	127,978	—	—	—	—	127,978
Estimated disallowance of Federal, State and other aid	317,611	—	—	—	—	317,611
Other liabilities	8,856,145	517,155	—	1,339	—	9,374,639
Total liabilities.	<u>33,071,536</u>	<u>6,726,458</u>	<u>—</u>	<u>1,098,684</u>	<u>(677,314)</u>	<u>40,219,364</u>
DEFERRED INFLOWS OF RESOURCES:						
Prepaid real estate taxes	9,308,024	—	—	—	—	9,308,024
Grant advances	106,307	—	—	—	—	106,307
Uncollected real estate taxes	211,857	—	—	—	—	211,857
Taxes other than real estate	5,046,304	—	—	—	—	5,046,304
Other deferred inflows of resources.	534,507	—	—	1,100,021	—	1,634,528
Total deferred inflows of resources	<u>15,206,999</u>	<u>—</u>	<u>—</u>	<u>1,100,021</u>	<u>—</u>	<u>16,307,020</u>
FUND BALANCES (DEFICITS):						
Nonspendable	—	—	—	17,390	—	17,390
Spendable:						
Restricted	2,181,470	74,493	111,881	2,322,786	—	4,690,630
Committed	1,953,849	—	3,220,437	—	—	5,174,286
Assigned	—	—	—	2,271,133	—	2,271,133
Unassigned	—	(4,531,142)	—	(27,745)	—	(4,558,887)
Total fund balances (deficit)	<u>4,135,319</u>	<u>(4,456,649)</u>	<u>3,332,318</u>	<u>4,583,564</u>	<u>—</u>	<u>7,594,552</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,413,854</u>	<u>\$ 2,269,809</u>	<u>\$ 3,332,318</u>	<u>\$ 6,782,269</u>	<u>\$ (677,314)</u>	<u>\$ 64,120,936</u>

The reconciliation of the fund balances of governmental funds to the net position (deficit) of governmental activities in the Statement of Net Position is presented in an accompanying schedule.

See accompanying notes to financial statements.

THE CITY OF NEW YORK
GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2021
(in thousands)

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 4,592,507	\$ 632,406	\$ —	\$ 227,447	\$ —	\$ 5,452,360
Investments	6,752,513	—	—	2,830,259	—	9,582,772
Accounts receivable:						
Real estate taxes (less allowance for uncollectible amounts of \$260,393)	412,173	—	—	—	—	412,173
Federal, State and other aid	18,071,182	1,010,367	—	—	—	19,081,549
Taxes other than real estate	7,165,185	—	—	1,899,407	—	9,064,592
Other receivables, net.	2,856,748	—	—	107,666	—	2,964,414
Due from other funds	3,197,973	2,144	—	533,543	(533,543)	3,200,117
Due from component units, net.	4,111,472	706,145	—	—	—	4,817,617
Restricted cash and investments.	2,332,952	191,636	3,013,146	1,884,951	—	7,422,685
Other assets	467,904	96,416	—	408,520	—	972,840
Total assets.	<u>\$ 49,960,609</u>	<u>\$ 2,639,114</u>	<u>\$ 3,013,146</u>	<u>\$ 7,891,793</u>	<u>\$ (533,543)</u>	<u>\$ 62,971,119</u>
LIABILITIES:						
Accounts payable and accrued liabilities	\$20,998,129	\$ 1,551,515	\$ 8,001	\$ 842,081	\$ —	\$ 23,399,726
Accrued tax refunds:						
Real estate taxes.	91,889	—	—	—	—	91,889
Personal income tax.	76,424	—	—	—	—	76,424
Other.	117,797	—	—	—	—	117,797
Accrued judgments and claims	521,355	89,976	—	—	—	611,331
Due to other funds.	—	3,599,108	—	134,552	(533,543)	3,200,117
Due to component units, net	50,727	—	—	—	—	50,727
Estimated disallowance of Federal, State and other aid	298,458	—	—	—	—	298,458
Other liabilities	9,672,827	466,205	—	—	—	10,139,032
Total liabilities.	<u>31,827,606</u>	<u>5,706,804</u>	<u>8,001</u>	<u>976,633</u>	<u>(533,543)</u>	<u>37,985,501</u>
DEFERRED INFLOWS OF RESOURCES:						
Prepaid real estate taxes	8,684,392	—	—	—	—	8,684,392
Grant advances.	95,793	—	—	—	—	95,793
Uncollected real estate taxes	269,040	—	—	—	—	269,040
Taxes other than real estate	5,844,815	—	—	—	—	5,844,815
Other deferred inflows of resources	407,461	—	—	1,943,771	—	2,351,232
Total deferred inflows of resources	<u>15,301,501</u>	<u>—</u>	<u>—</u>	<u>1,943,771</u>	<u>—</u>	<u>17,245,272</u>
FUND BALANCES (DEFICITS):						
Nonspendable	—	—	—	337	—	337
Spendable:						
Restricted.	2,332,952	191,636	569,158	2,125,309	—	5,219,055
Committed.	498,550	—	2,435,987	—	—	2,934,537
Assigned	—	—	—	2,850,276	—	2,850,276
Unassigned.	—	(3,259,326)	—	(4,533)	—	(3,263,859)
Total fund balances (deficit)	<u>2,831,502</u>	<u>(3,067,690)</u>	<u>3,005,145</u>	<u>4,971,389</u>	<u>—</u>	<u>7,740,346</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 49,960,609</u>	<u>\$ 2,639,114</u>	<u>\$ 3,013,146</u>	<u>\$ 7,891,793</u>	<u>\$ (533,543)</u>	<u>\$ 62,971,119</u>

The reconciliation of the fund balances of governmental funds to the net position (deficit) of governmental activities in the Statement of Net Position is presented in an accompanying schedule.

See accompanying notes to financial statements.

THE CITY OF NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2022
(in thousands)

Total fund balances — governmental funds	\$ 7,594,552
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:	
Inventories recorded in the Statement of Net Position are recorded as expenditures in the governmental funds	532,629
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	78,673,758
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Deferred outflows of resources	19,051,689
Lease receivable	4,073,376
Other long-term assets.	26,419
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the funds:	
Bonds and notes payable	(101,805,671)
Net OPEB liability	(89,525,858)
Accrued interest payable	(1,207,515)
Lease liability	(13,957,955)
Accrued vacation and sick leave	(6,135,102)
Net pension liability	(42,349,466)
Landfill closure and post-closure care costs	(1,119,541)
Pollution Remediation obligations	(308,906)
Accrued judgments and claims	(6,584,719)
Other accrued tax refunds	(2,162,000)
Deferred inflows of resources	(36,978,984)
Other liabilities	(2,453,276)
Net position (deficit) of governmental activities	<u><u>\$(194,636,570)</u></u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2021
(in thousands)

Total fund balances — governmental funds	\$ 7,740,346
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:	
Inventories recorded in the Statement of Net Position are recorded as expenditures in the governmental funds	513,384
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	64,756,815
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Deferred outflows of resources	15,969,514
Other long-term assets.	32,085
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the funds:	
Bonds and notes payable	(99,416,977)
Net OPEB liability	(117,979,233)
Accrued interest payable	(1,204,911)
Capital lease obligations	(1,598,706)
Accrued vacation and sick leave	(6,372,726)
Net pension liability	(9,598,353)
Landfill closure and post-closure care costs	(1,185,463)
Pollution Remediation obligations	(222,053)
Accrued judgments and claims	(6,326,087)
Other accrued tax refunds	(1,852,000)
Deferred inflows of resources	(36,686,424)
Other liabilities	(3,037,283)
Net position (deficit) of governmental activities	<u><u>\$(196,468,072)</u></u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
REVENUES:						
Real estate taxes	\$ 29,582,214	\$ —	\$ —	\$ —	\$ —	\$ 29,582,214
Sales and use taxes	10,008,292	—	—	—	—	10,008,292
Personal income tax	16,733,563	—	—	174,654	(174,654)	16,733,563
Other income taxes	9,523,327	—	—	—	—	9,523,327
Other taxes	3,749,483	—	—	—	—	3,749,483
Federal, State and other categorical aid	31,596,825	561,514	50,861	—	—	32,209,200
Unrestricted Federal and State aid	498,400	—	—	—	—	498,400
Charges for services	2,696,770	—	—	—	—	2,696,770
Tobacco settlement	—	—	—	209,096	—	209,096
Investment income (loss)	16,022	—	483	(21,894)	—	(5,389)
Other revenues	2,390,629	1,680,139	50	4,519,278	(4,050,851)	4,539,245
Total revenues	<u>106,795,525</u>	<u>2,241,653</u>	<u>51,394</u>	<u>4,881,134</u>	<u>(4,225,505)</u>	<u>109,744,201</u>
EXPENDITURES:						
General government	4,225,605	1,062,946	—	4,477	(8,455)	5,284,573
Public safety and judicial	11,936,786	591,556	—	—	—	12,528,342
Education	31,305,761	3,079,886	—	3,155,034	(4,042,396)	33,498,285
City University	1,108,582	33,698	—	—	—	1,142,280
Social services	16,573,806	58,807	—	—	—	16,632,613
Environmental protection	3,372,612	1,960,447	—	—	—	5,333,059
Transportation services	2,059,277	1,504,288	—	—	—	3,563,565
Parks, recreation and cultural activities	719,905	561,261	—	—	—	1,281,166
Housing	1,361,881	1,017,632	—	—	—	2,379,513
Health (including payments to NYC Health + Hospitals)	4,698,680	502,228	—	—	—	5,200,908
Libraries	424,442	157,250	—	—	—	581,692
Pensions	9,599,122	—	—	—	—	9,599,122
Judgments and claims	1,241,765	—	—	—	—	1,241,765
Fringe benefits and other benefit payments	8,556,605	—	—	—	—	8,556,605
Administrative and other	1,608,437	—	41,783	988,613	—	2,638,833
Debt Service:						
Interest	—	—	1,475,306	2,229,161	—	3,704,467
Redemptions	—	—	2,199,405	5,109,451	—	7,308,856
Lease payments	139,906	—	—	—	—	139,906
Total expenditures	<u>98,933,172</u>	<u>10,529,999</u>	<u>3,716,494</u>	<u>11,486,736</u>	<u>(4,050,851)</u>	<u>120,615,550</u>
Excess (deficiency) of revenues over expenditures	<u>7,862,353</u>	<u>(8,288,346)</u>	<u>(3,665,100)</u>	<u>(6,605,602)</u>	<u>(174,654)</u>	<u>(10,871,349)</u>
OTHER FINANCING SOURCES (USES):						
Transfers from (to) General Fund	—	—	3,963,739	2,567,815	—	6,531,554
Transfers from (to) Nonmajor Capital Projects Funds	—	4,185,605	—	1,789	—	4,187,394
Transfers from (to) Nonmajor Special Revenue Funds, net	—	—	—	(41,610)	—	(41,610)
Principal amount of bonds issued	147,672	2,432,328	—	3,652,201	—	6,232,201
Bond premium	—	281,454	150,908	1,100,711	—	1,533,073
Capitalized leases	—	—	—	7,877	—	7,877
Other financing source – refunding debt issued	—	—	954,905	3,338,890	—	4,293,795
Transfers from (to) Capital Projects Fund	—	—	—	(4,185,605)	—	(4,185,605)
Transfers from (to) General Debt Service Fund	(3,963,739)	—	—	—	—	(3,963,739)
Transfers from (to) Nonmajor Debt Service Funds, net	(2,742,469)	—	—	39,821	174,654	(2,527,994)
Payments to refunded bond escrow holder	—	—	(1,077,279)	(265,673)	—	(1,342,952)
Total other financing sources (uses)	<u>(6,558,536)</u>	<u>6,899,387</u>	<u>3,992,273</u>	<u>6,216,216</u>	<u>174,654</u>	<u>10,723,994</u>
Net change in fund balances	<u>1,303,817</u>	<u>(1,388,959)</u>	<u>327,173</u>	<u>(389,386)</u>	<u>—</u>	<u>(147,355)</u>
FUND BALANCES (DEFICIT) AT BEGINNING						
OF YEAR	2,831,502	(3,067,690)	3,005,145	4,971,389	—	7,740,346
Restatement of beginning net position	—	—	—	1,561	—	1,561
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 4,135,319</u>	<u>\$ (4,456,649)</u>	<u>\$ 3,332,318</u>	<u>\$ 4,583,564</u>	<u>\$ —</u>	<u>\$ 7,594,552</u>

The reconciliation of the net change in fund balances of governmental funds to the change in net position of governmental activities in the Statement of Net Position is presented in an accompanying schedule.

See accompanying notes to financial statements.

THE CITY OF NEW YORK
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
REVENUES:						
Real estate taxes	\$ 31,464,469	\$ —	\$ —	\$ —	\$ —	\$ 31,464,469
Sales and use taxes	7,602,688	—	—	—	—	7,602,688
Personal income tax	15,140,380	—	—	276,012	(276,012)	15,140,380
Other income taxes	8,594,422	—	—	—	—	8,594,422
Other taxes	2,731,908	—	—	—	—	2,731,908
Federal, State and other categorical aid	28,092,836	655,568	60,554	—	—	28,808,958
Unrestricted Federal and State aid	968	—	—	46,000	—	46,968
Charges for services	2,797,459	—	—	—	—	2,797,459
Tobacco settlement	—	—	—	203,869	—	203,869
Investment income (loss)	14,743	—	193	(2,632)	—	12,304
Other revenues	2,742,636	1,807,595	8	5,317,308	(3,119,828)	6,747,719
Total revenues	<u>99,182,509</u>	<u>2,463,163</u>	<u>60,755</u>	<u>5,840,557</u>	<u>(3,395,840)</u>	<u>104,151,144</u>
EXPENDITURES:						
General government	4,429,366	929,742	—	7,877	(53,899)	5,313,086
Public safety and judicial	10,548,189	317,189	—	—	—	10,865,378
Education	28,288,081	2,373,756	—	2,336,206	(3,065,929)	29,932,114
City University	1,059,713	26,812	—	—	—	1,086,525
Social services	15,474,532	96,478	—	—	—	15,571,010
Environmental protection	3,696,519	2,067,857	—	—	—	5,764,376
Transportation services	1,971,496	1,266,014	—	—	—	3,237,510
Parks, recreation and cultural activities	618,505	600,311	—	—	—	1,218,816
Housing	1,297,974	1,142,519	—	—	—	2,440,493
Health (including payments to NYC Health + Hospitals)	4,553,923	498,521	—	—	—	5,052,444
Libraries	423,470	112,037	—	—	—	535,507
Pensions	9,333,663	—	—	—	—	9,333,663
Judgments and claims	617,866	—	—	—	—	617,866
Fringe benefits and other benefit payments	6,846,447	—	—	—	—	6,846,447
Administrative and other	1,847,131	—	59,252	801,894	—	2,708,277
Debt Service:						
Interest	—	—	1,428,466	2,297,806	—	3,726,272
Redemptions	—	—	2,097,381	7,708,525	—	9,805,906
Lease payments	97,051	—	—	—	—	97,051
Total expenditures	<u>91,103,926</u>	<u>9,431,236</u>	<u>3,585,099</u>	<u>13,152,308</u>	<u>(3,119,828)</u>	<u>114,152,741</u>
Excess (deficiency) of revenues over expenditures	<u>8,078,583</u>	<u>(6,968,073)</u>	<u>(3,524,344)</u>	<u>(7,311,751)</u>	<u>(276,012)</u>	<u>(10,001,597)</u>
OTHER FINANCING SOURCES (USES):						
Transfers from (to) General Fund	—	—	5,077,328	3,235,270	—	8,312,598
Transfers from (to) Nonmajor Capital Projects Funds	—	3,981,560	—	28,065	—	4,009,625
Transfers from (to) Nonmajor Special Revenue Funds, net	—	—	—	(53,212)	—	(53,212)
Principal amount of bonds issued	96,428	1,903,572	—	3,493,124	—	5,493,124
Bond premium	—	340,327	447,802	1,248,893	—	2,037,022
Capitalized leases	—	189,756	—	—	—	189,756
Other financing source – refunding debt issued	—	—	2,888,060	3,590,120	—	6,478,180
Transfers from (to) Capital Projects Fund	—	—	—	(3,981,560)	—	(3,981,560)
Transfers from (to) General Debt Service Fund	(5,077,328)	—	—	—	—	(5,077,328)
Transfers from (to) Nonmajor Debt Service Funds, net	(3,511,282)	—	—	25,147	276,012	(3,210,123)
Payments to refunded bond escrow holder	—	—	(3,161,183)	(303,387)	—	(3,464,570)
Total other financing sources (uses)	<u>(8,492,182)</u>	<u>6,415,215</u>	<u>5,252,007</u>	<u>7,282,460</u>	<u>276,012</u>	<u>10,733,512</u>
Net change in fund balances	<u>(413,599)</u>	<u>(552,858)</u>	<u>1,727,663</u>	<u>(29,291)</u>	<u>—</u>	<u>731,915</u>
FUND BALANCES (DEFICIT) AT BEGINNING						
OF YEAR	<u>3,245,101</u>	<u>(2,514,832)</u>	<u>1,277,482</u>	<u>5,000,680</u>	<u>—</u>	<u>7,008,431</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 2,831,502</u>	<u>\$ (3,067,690)</u>	<u>\$ 3,005,145</u>	<u>\$ 4,971,389</u>	<u>\$ —</u>	<u>\$ 7,740,346</u>

The reconciliation of the net change in fund balances of governmental funds to the change in net position of governmental activities in the Statement of Net Position is presented in an accompanying schedule.

See accompanying notes to financial statements.

THE CITY OF NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

Net change in fund balances — governmental funds \$ (147,355)

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Purchases of capital assets	\$ 22,337,346	
Depreciation expense	<u>(8,755,950)</u>	13,581,396

The net effect of various miscellaneous transactions involving capital assets and other (<i>i.e.</i> sales, trade-ins, and donations) is to decrease net position.		(4,405,899)
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The issuance of long-term debt (*i.e.*, bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from sales of bonds	(10,525,996)	
Principal payments of bonds	7,110,859	
Other	<u>826,339</u>	(2,588,798)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds		46,475
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		3,071,465
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Net change in deferred (inflows) and outflows of resources relating to pension liability . . .		36,643,452
Net change in deferred (inflows) and outflows of resources relating to OPEB liability . . .		(27,661,556)
Net change in deferred (inflows) and outflows of resources relating to lease receivable. . .		(4,073,377)
Change in net pension liability		(32,751,113)
Change in OPEB liability		28,453,375
Change in pollution remediation obligations		<u>(86,853)</u>
Change in net position—governmental activities		<u>\$ 10,081,212</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

Net change in fund balances — governmental funds \$ 731,915

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Purchases of capital assets.	\$ 6,419,900	
Depreciation expense	<u>(4,536,945)</u>	1,882,955

The net effect of various miscellaneous transactions involving capital assets and other (<i>i.e.</i> sales, trade-ins, and donations) is to decrease net position.		(176,728)
---	--	-----------

The issuance of long-term debt (*i.e.*, bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from sales of bonds	(11,971,304)	
Principal payments of bonds	11,233,454	
Other	<u>795,443</u>	57,593

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds		(469,503)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		1,677,587
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Net change in deferred (inflows) and outflows of resources relating to pension liability . . .		(26,455,604)
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Net change in deferred (inflows) and outflows of resources relating to OPEB liability		3,834,146
---	--	-----------

Change in net pension liability		36,778,521
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Change in OPEB liability		(8,522,315)
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Change in pollution remediation obligations		29,197
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Change in net position—governmental activities		<u>\$ 9,367,764</u>
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See accompanying notes to financial statements.

THE CITY OF NEW YORK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	Budget		Actual	Better (Worse) Than Modified Budget
	Adopted	Modified		
REVENUES:				
Real estate taxes	\$29,432,415	\$ 29,553,225	\$29,582,214	\$ 28,989
Sales and use taxes	8,441,071	9,746,691	10,008,292	261,601
Personal income tax	13,827,000	16,591,750	16,733,563	141,813
Other income taxes	6,937,000	9,077,478	9,523,327	445,849
Other taxes	3,718,813	3,598,205	3,749,483	151,278
Federal, State and other categorical aid	30,506,662	34,494,792	31,596,825	(2,897,967)
Unrestricted Federal and State aid	—	792,400	498,400	(294,000)
Charges for services	2,905,417	2,783,336	2,696,770	(86,566)
Investment income	9,100	12,680	16,022	3,342
Other revenues	1,947,919	2,328,829	2,390,629	61,800
Total revenues	97,725,397	108,979,386	106,795,525	(2,183,861)
EXPENDITURES:				
General government	4,142,738	4,651,767	4,225,605	426,162
Public safety and judicial	10,142,197	12,003,550	11,936,786	66,764
Education	31,539,832	31,478,622	31,305,761	172,861
City University	1,388,493	1,181,016	1,108,582	72,434
Social services	16,655,304	17,626,593	16,573,806	1,052,787
Environmental protection	3,290,233	3,554,720	3,372,612	182,108
Transportation services	2,066,816	2,135,920	2,059,277	76,643
Parks, recreation and cultural activities	733,020	754,989	719,905	35,084
Housing	1,377,463	1,479,579	1,361,881	117,698
Health (including payments to NYC Health + Hospitals)	3,277,806	4,866,760	4,698,680	168,080
Libraries	431,946	424,826	424,442	384
Pensions	9,924,333	9,614,721	9,599,122	15,599
Judgments and claims	1,337,290	1,241,859	1,241,765	94
Fringe benefits and other benefit payments	6,972,782	8,534,574	8,556,605	(22,031)
Lease payments for debt service	123,967	139,907	139,906	1
Other	2,535,236	2,724,691	1,608,437	1,116,254
Total expenditures	95,939,456	102,414,094	98,933,172	3,480,922
Excess of revenues over expenditures	1,785,941	6,565,292	7,862,353	1,297,061
OTHER FINANCING SOURCES (USES):				
Principal amount of bonds issued	—	147,672	147,672	—
Transfer to Nonmajor Debt Service Fund	(1,183,013)	(2,979,625)	(2,977,063)	(2,562)
Transfer from Nonmajor Debt Service Fund	222,761	233,694	234,594	(900)
Transfers and other payments for debt service, net	825,689	(3,967,033)	(3,963,739)	(3,294)
Total other financing uses	(134,563)	(6,565,292)	(6,558,536)	(6,756)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 1,651,378	\$ —	1,303,817	\$ 1,303,817
FUND BALANCE AT BEGINNING OF YEAR			2,831,502	
FUND BALANCE AT END OF YEAR			\$ 4,135,319	

See accompanying notes to financial statements.

THE CITY OF NEW YORK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	Budget		Actual	Better (Worse) Than Modified Budget
	Adopted	Modified		
REVENUES:				
Real estate taxes	\$ 30,852,000	\$ 31,107,500	\$31,464,469	\$ 356,969
Sales and use taxes	7,459,071	7,463,091	7,602,688	139,597
Personal income tax	11,671,000	15,022,750	15,140,380	117,630
Other income taxes	5,361,000	8,311,029	8,594,422	283,393
Other taxes	3,298,813	2,600,474	2,731,908	131,434
Federal, State and other categorical aid	23,570,282	31,134,226	28,092,836	(3,041,390)
Unrestricted Federal and State aid	—	827	968	141
Charges for services	2,984,717	2,868,992	2,797,459	(71,533)
Investment income	11,750	14,135	14,743	608
Other revenues	2,001,029	2,552,768	2,742,636	189,868
Total revenues	87,209,662	101,075,792	99,182,509	(1,893,283)
EXPENDITURES:				
General government	3,405,990	4,918,361	4,429,366	488,995
Public safety and judicial	9,536,955	10,535,809	10,548,189	(12,380)
Education	27,549,982	28,481,236	28,288,081	193,155
City University	1,195,556	1,161,540	1,059,713	101,827
Social services	14,551,308	16,232,196	15,474,532	757,664
Environmental protection	3,122,730	3,806,308	3,696,519	109,789
Transportation services	1,976,387	1,998,731	1,971,496	27,235
Parks, recreation and cultural activities	578,450	634,292	618,505	15,787
Housing	1,213,391	1,365,849	1,297,974	67,875
Health (including payments to NYC Health + Hospitals)	2,792,791	4,915,247	4,553,923	361,324
Libraries	425,983	423,005	423,470	(465)
Pensions	9,820,199	9,352,982	9,333,663	19,319
Judgments and claims	727,089	617,866	617,866	—
Fringe benefits and other benefit payments	4,026,770	6,948,806	6,846,447	102,359
Lease payments for debt service	125,394	97,551	97,051	500
Other	2,187,415	1,081,970	1,847,131	(765,161)
Total expenditures	83,236,390	92,571,749	91,103,926	1,467,823
Excess of revenues over expenditures	3,973,272	8,504,043	8,078,583	(425,460)
OTHER FINANCING SOURCES (USES):				
Principal amount of bonds issued	—	96,428	96,428	—
Transfer to Nonmajor Debt Service Fund	(1,536,997)	(3,769,453)	(3,759,002)	(10,451)
Transfer from Nonmajor Debt Service Fund	235,241	247,859	247,720	139
Transfers and other payments for debt service, net	(2,671,516)	(5,078,877)	(5,077,328)	(1,549)
Total other financing uses	(3,973,272)	(8,504,043)	(8,492,182)	(11,861)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	\$ —	\$ —	(413,599)	\$ (413,599)
FUND BALANCE AT BEGINNING OF YEAR			3,245,101	
FUND BALANCE AT END OF YEAR			\$ 2,831,502	

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2022
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2019-A TRUST	NYCTL 2021-A TRUST
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 44,963	\$ 3,757	\$ 542	\$ 5	\$ 76
Investments	—	4,186	—	—	—
Receivables:					
Federal, State and other aid	—	6,206	—	—	—
Accounts receivable	387	728	40,369	7,915	35,079
Restricted cash, cash equivalents	14,629	2,491	—	—	—
Restricted investments	—	—	19,975	5,865	12,034
Prepaid expenses	128	69	—	—	—
Total current assets	<u>60,107</u>	<u>17,437</u>	<u>60,886</u>	<u>13,785</u>	<u>47,189</u>
Noncurrent assets:					
Investments	27,615	—	—	—	—
Restricted cash, cash equivalents	—	509	—	—	—
Accounts receivable	—	—	137,862	25,856	56,332
Leases receivable	130,051	38,252	—	—	—
Capital assets:					
Land and construction work-in-progress	51,866	55,447	—	—	—
Other capital assets (net of depreciation/amortization):					
Property, plant and equipment (including software)	32,472	9,755	—	—	—
Infrastructure	229,858	237,678	—	—	—
Other assets	—	—	—	—	—
Total noncurrent assets	<u>471,862</u>	<u>341,641</u>	<u>137,862</u>	<u>25,856</u>	<u>56,332</u>
Total assets	<u>531,969</u>	<u>359,078</u>	<u>198,748</u>	<u>39,641</u>	<u>103,521</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	16,212	8,672	11,087	1,073	323
Accrued interest payable	—	—	—	30	255
Unearned revenue	910	1,545	—	—	—
Security deposits	708	—	—	—	—
Overage due to taxpayers	—	—	1,428	30	1
Bonds payable	—	—	—	8,249	72,693
Discount on bonds payable	—	—	—	(1)	(39)
Residual liability	—	—	10,736	16,716	—
Total current liabilities	<u>17,830</u>	<u>10,217</u>	<u>23,251</u>	<u>26,097</u>	<u>73,233</u>
Noncurrent liabilities:					
Security deposits	6,734	510	—	—	—
Residual liability	—	—	35,940	—	—
Total noncurrent liabilities	<u>6,734</u>	<u>510</u>	<u>35,940</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>24,564</u>	<u>10,727</u>	<u>59,191</u>	<u>26,097</u>	<u>73,233</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows from leases	120,726	35,450	—	—	—
Total deferred inflows of resources	<u>120,726</u>	<u>35,450</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET POSITION:					
Net investment in capital assets	314,196	302,880	—	—	—
Restricted for:					
Capital projects	—	—	—	—	—
Operations	72,483	10,021	139,557	13,544	30,288
Total net position	<u>\$ 386,679</u>	<u>\$ 312,901</u>	<u>\$ 139,557</u>	<u>\$ 13,544</u>	<u>\$ 30,288</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF NET POSITION - (Continued)
PROPRIETARY FUNDS

JUNE 30, 2022
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 2,313	\$ 51,656
Investments	533	4,719
Receivables:		
Federal, State and other aid	—	6,206
Accounts receivable	12,376	96,854
Restricted cash, cash equivalents	—	17,120
Restricted investments	—	37,874
Prepaid expenses	39	236
Total current assets	15,261	214,665
Noncurrent assets:		
Investments	302,075	329,690
Restricted cash, cash equivalents	—	509
Accounts receivable	—	220,050
Leases receivable	—	168,303
Capital assets:		
Land and construction work-in-progress	—	107,313
Other capital assets (net of depreciation/amortization):		
Property, plant and equipment (including software)	—	42,227
Infrastructure	—	467,536
Other assets	40	40
Total noncurrent assets	302,115	1,335,668
Total assets	317,376	1,550,333
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	12,191	49,558
Accrued interest payable	—	285
Unearned revenue	—	2,455
Security deposits	308	1,016
Overage due to taxpayers	—	1,459
Bonds payable	—	80,942
Discount on bonds payable	—	(40)
Residual liability	—	27,452
Total current liabilities	12,499	163,127
Noncurrent liabilities:		
Security deposits	101,616	108,860
Residual liability	203,261	239,201
Total noncurrent liabilities	304,877	348,061
Total liabilities	317,376	511,188
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from leases	—	156,176
Total deferred inflows of resources	—	156,176
NET POSITION:		
Net investment in capital assets	—	617,076
Restricted for:		
Capital projects	—	—
Operations	—	265,893
Total net position	\$ —	\$ 882,969

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2021
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 33,882	\$ 5,230	\$ 202	\$ —	\$ 14
Investments	—	2,905	—	—	—
Receivables:					
Federal, State and other aid	—	3,653	—	—	—
Accounts receivable	465	715	39,013	—	12,220
Restricted cash, cash equivalents	63,765	2,521	—	—	—
Restricted investments	—	—	10,449	—	6,176
Prepaid expenses	121	18	—	—	—
Total current assets	<u>98,233</u>	<u>15,042</u>	<u>49,664</u>	<u>—</u>	<u>18,410</u>
Noncurrent assets:					
Investments	27,638	—	—	—	—
Restricted cash, cash equivalents	—	490	—	—	—
Accounts receivable	—	—	132,485	—	34,618
Capital assets:					
Land and construction work-in-progress	72,883	43,748	—	—	—
Other capital assets (net of depreciation/amortization):					
Property, plant and equipment (including software)	33,985	11,346	—	—	—
Infrastructure	177,790	252,240	—	—	—
Other assets	—	—	—	—	—
Total noncurrent assets	<u>312,296</u>	<u>307,824</u>	<u>132,485</u>	<u>—</u>	<u>34,618</u>
Total assets	<u>410,529</u>	<u>322,866</u>	<u>182,149</u>	<u>—</u>	<u>53,028</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	14,712	6,174	13,025	—	1,140
Accrued interest payable	—	—	—	—	89
Unearned revenue	4,191	2,032	—	—	—
Security deposits	708	—	—	—	—
Overage due to taxpayers	—	—	1,081	—	19
Bonds payable	—	—	—	—	24,489
Discount on bonds payable	—	—	—	—	(1)
Residual liability	—	—	10,050	—	16,136
Total current liabilities	<u>19,611</u>	<u>8,206</u>	<u>24,156</u>	<u>—</u>	<u>41,872</u>
Noncurrent liabilities:					
Security deposits	6,658	502	—	—	—
Residual liability	—	—	33,645	—	—
Other (net of amount due within one year)	—	811	—	—	—
Total noncurrent liabilities	<u>6,658</u>	<u>1,313</u>	<u>33,645</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>26,269</u>	<u>9,519</u>	<u>57,801</u>	<u>—</u>	<u>41,872</u>
NET POSITION:					
Net investment in capital assets	284,658	307,334	—	—	—
Restricted for:					
Capital projects	46,312	—	—	—	—
Operations	53,290	6,013	124,348	—	11,156
Total net position	<u>\$ 384,260</u>	<u>\$ 313,347</u>	<u>\$ 124,348</u>	<u>\$ —</u>	<u>\$ 11,156</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF NET POSITION - (Continued)
PROPRIETARY FUNDS

JUNE 30, 2021
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 11,928	\$ 51,256
Investments	1,147	4,052
Receivables:		
Federal, State and other aid	—	3,653
Accounts receivable	7,059	59,472
Restricted cash, cash equivalents	—	66,286
Restricted investments	—	16,625
Prepaid expenses	34	173
Total current assets	<u>20,168</u>	<u>201,517</u>
Noncurrent assets:		
Investments	301,361	328,999
Restricted cash, cash equivalents	—	490
Accounts receivable	—	167,103
Capital assets:		
Land and construction work-in-progress	—	116,631
Other capital assets (net of depreciation/amortization):		
Property, plant and equipment (including software)	—	45,331
Infrastructure	—	430,030
Other assets	40	40
Total noncurrent assets	<u>301,401</u>	<u>1,088,624</u>
Total assets	<u>321,569</u>	<u>1,290,141</u>
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	9,910	44,961
Accrued interest payable	—	89
Unearned revenue	—	6,223
Security deposits	373	1,081
Overage due to taxpayers	—	1,100
Bonds payable	—	24,489
Discount on bonds payable	—	(1)
Residual liability	—	26,186
Total current liabilities	<u>10,283</u>	<u>104,128</u>
Noncurrent liabilities:		
Security deposits	103,845	111,005
Residual liability	207,441	241,086
Other (net of amount due within one year)	—	811
Total noncurrent liabilities	<u>311,286</u>	<u>352,902</u>
Total liabilities	<u>321,569</u>	<u>457,030</u>
NET POSITION:		
Net investment in capital assets	—	591,992
Restricted for:		
Capital projects	—	46,312
Operations	—	194,807
Total net position	<u>\$ —</u>	<u>\$ 833,111</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2019-A TRUST	NYCTL 2021-A TRUST
OPERATING REVENUES:					
Investment income (loss)	\$ —	\$ —	\$ 106,425	\$ 4,336	\$ 5,950
Permits and other fees	1,987	4,944	—	—	—
Interest income — leases	8,096	1,986	—	—	—
Tax liens received from the City of New York	—	—	31,223	—	111,081
Payments in lieu of taxes and ground leases rent	18,439	—	—	—	—
Operating grants and contributions	—	17,867	—	—	—
Total operating revenues	<u>28,522</u>	<u>24,797</u>	<u>137,648</u>	<u>4,336</u>	<u>117,031</u>
OPERATING EXPENSES:					
General and administrative expense	—	—	2,253	988	807
Personnel costs	6,604	7,789	—	—	—
Utilities	408	741	—	—	—
Professional fees	1,298	—	—	—	—
Repairs and maintenance	4,378	—	—	—	—
Security	1,717	—	—	—	—
Distributions to the City of New York	—	—	1,782	—	83,387
Purchase of liens	—	—	11,389	—	—
Increase (decrease) in allowance for doubtful accounts	—	—	78,730	(417)	323
Change to residual liability due to Water Board	—	—	2,981	579	—
Write-offs of uncollectible liens, net of recoveries	—	—	25,317	466	17
Depreciation and amortization	17,386	22,647	—	1	(39)
Other general, administrative and project expenses	1,703	15,320	—	—	—
Other	—	—	—	337	2,259
Total operating expenses	<u>33,494</u>	<u>46,497</u>	<u>122,452</u>	<u>1,954</u>	<u>86,754</u>
Operating income (loss)	<u>(4,972)</u>	<u>(21,700)</u>	<u>15,196</u>	<u>2,382</u>	<u>30,277</u>
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	(22)	(207)	13	—	—
Interest income	30	—	—	6	11
Other income	—	811	—	—	—
Total nonoperating revenues	<u>8</u>	<u>604</u>	<u>13</u>	<u>6</u>	<u>11</u>
Income (loss) before other revenues and transfers	<u>(4,964)</u>	<u>(21,096)</u>	<u>15,209</u>	<u>2,388</u>	<u>30,288</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:					
Capital contributions from government sources	3,236	16,650	—	—	—
Capital contributions from private sources ..	—	2,358	—	—	—
Transfer to residual liability	—	—	—	—	—
Change in net position	<u>(1,728)</u>	<u>(2,088)</u>	<u>15,209</u>	<u>2,388</u>	<u>30,288</u>
Net position-beginning	384,260	313,347	124,348	11,156	—
Restatement of beginning net position	4,147	1,642	—	—	—
Net position-ending	<u>\$ 386,679</u>	<u>\$ 312,901</u>	<u>\$ 139,557</u>	<u>\$ 13,544</u>	<u>\$ 30,288</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - (Continued)
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
OPERATING REVENUES:		
Investment income (loss)	\$ (2,473)	\$ 114,238
Permits and other fees	—	6,931
Interest income — leases	—	10,082
Tax liens received from the City of New York	—	142,304
Payments in lieu of taxes and ground leases rent	—	18,439
Operating grants and contributions	—	17,867
Total operating revenues	<u>(2,473)</u>	<u>309,861</u>
OPERATING EXPENSES:		
General and administrative expense	472	4,520
Personnel costs	611	15,004
Utilities	—	1,149
Professional fees	624	1,922
Repairs and maintenance	—	4,378
Security	—	1,717
Distributions to the City of New York	—	85,169
Purchase of liens	—	11,389
Increase (decrease) in allowance for doubtful accounts	—	78,636
Change to residual liability due to Water Board	—	3,560
Write-offs of uncollectible liens, net of recoveries	—	25,800
Depreciation and amortization	—	39,995
Other general, administrative and project expenses	—	17,023
Other	—	2,596
Total operating expenses	<u>1,707</u>	<u>292,858</u>
Operating income (loss)	<u>(4,180)</u>	<u>17,003</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income (loss)	—	(216)
Interest income	—	47
Other income	—	811
Total nonoperating revenues	—	642
Income (loss) before other revenues and transfers	<u>(4,180)</u>	<u>17,645</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
Capital contributions from government sources	—	19,886
Capital contributions from private sources ..	—	2,358
Transfer to residual liability	<u>4,180</u>	<u>4,180</u>
Change in net position	—	44,069
Net position-beginning	—	833,111
Restatement of beginning net position	—	5,789
Net position-ending	<u>\$ —</u>	<u>\$ 882,969</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST
OPERATING REVENUES:					
Investment income	\$ —	\$ —	\$ 90,966	\$ 2,915	\$ 6,215
Permits and other fees	902	3,673	—	—	—
Payments in lieu of taxes and ground leases rent	19,871	—	—	—	—
Operating grants and contributions	—	15,749	—	—	—
Total operating revenues	<u>20,773</u>	<u>19,422</u>	<u>90,966</u>	<u>2,915</u>	<u>6,215</u>
OPERATING EXPENSES:					
General and administrative expense	—	—	6,556	664	1,138
Personnel costs	6,591	5,418	—	—	—
Utilities	384	490	—	—	—
Professional fees	1,213	—	—	—	—
Repairs and maintenance	4,687	—	—	—	—
Security	1,744	—	—	—	—
Distributions to The City of New York	—	—	11,873	—	—
Increase in allowance for doubtful accounts	—	—	93,340	—	482
Change to residual liability due to Water Board	—	—	(5,471)	172	646
Write-offs of uncollectible liens, net of recoveries	—	—	10,978	981	31
Depreciation and amortization	15,887	22,251	—	7	1
Other general, administrative and project expenses	1,372	15,638	—	—	—
Other	—	—	—	205	769
Total operating expenses	<u>31,878</u>	<u>43,797</u>	<u>117,276</u>	<u>2,029</u>	<u>3,067</u>
Operating income (loss)	<u>(11,105)</u>	<u>(24,375)</u>	<u>(26,310)</u>	<u>886</u>	<u>3,148</u>
NONOPERATING REVENUES (EXPENSES):					
Investment income	47	25	3	2	3
Interest income	28	8	—	—	—
Other income	—	788	—	—	—
Total nonoperating revenues	<u>75</u>	<u>821</u>	<u>3</u>	<u>2</u>	<u>3</u>
Income (loss) before other revenues and transfers	<u>(11,030)</u>	<u>(23,554)</u>	<u>(26,307)</u>	<u>888</u>	<u>3,151</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:					
Capital contributions from government sources	4,282	8,626	—	—	—
Capital contributions from private sources —	—	1,439	—	—	—
Transfer to residual liability	—	—	—	—	—
Transfers in	—	—	20,573	—	—
Transfers out	—	—	—	(20,573)	—
Change in net position	<u>(6,748)</u>	<u>(13,489)</u>	<u>(5,734)</u>	<u>(19,685)</u>	<u>3,151</u>
Net position-beginning	391,008	326,836	130,082	19,685	8,005
Net position-ending	<u>\$ 384,260</u>	<u>\$ 313,347</u>	<u>\$ 124,348</u>	<u>\$ —</u>	<u>\$ 11,156</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - (Continued)
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
OPERATING REVENUES:		
Investment income	\$ 91,979	\$ 192,075
Permits and other fees	—	4,575
Payments in lieu of taxes and ground leases rent	—	19,871
Operating grants and contributions	—	15,749
Total operating revenues	<u>91,979</u>	<u>232,270</u>
OPERATING EXPENSES:		
General and administrative expense	436	8,794
Personnel costs	584	12,593
Utilities	—	874
Professional fees	676	1,889
Repairs and maintenance	—	4,687
Security	—	1,744
Distributions to The City of New York	—	11,873
Increase in allowance for doubtful accounts	—	93,822
Change to residual liability due to Water Board	—	(4,653)
Write-offs of uncollectible liens, net of recoveries	—	11,990
Depreciation and amortization	—	38,146
Other general, administrative and project expenses	—	17,010
Other	—	974
Total operating expenses	<u>1,696</u>	<u>199,743</u>
Operating income (loss)	<u>90,283</u>	<u>32,527</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	—	80
Interest income	—	36
Other income	—	788
Total nonoperating revenues	<u>—</u>	<u>904</u>
Income (loss) before other revenues and transfers	<u>90,283</u>	<u>33,431</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
Capital contributions from government sources	—	12,908
Capital contributions from private sources —	—	1,439
Transfer to residual liability	(90,283)	(90,283)
Transfers in	—	20,573
Transfers out	—	(20,573)
Change in net position	—	(42,505)
Net position-beginning	—	875,616
Net position-ending	<u>\$ —</u>	<u>\$ 833,111</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF CASH FLOW
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2019-A TRUST	NYCTL 2021-A TRUST
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from:					
Interest income collected	\$ —	\$ —	\$ —	\$ —	\$ —
Receipts from customers	1,807	5,572	—	—	—
Cash collections	—	—	27,215	17,639	25,281
Tenants payments	18,333	—	—	—	—
Operating grants and contributions	—	15,800	—	—	—
Other receipts	76	68	—	—	—
Cash payments for:					
Cash paid for other assets	—	—	—	—	—
Losses and loss adjustment expenses paid	—	—	—	—	—
Personnel costs	(6,646)	(7,851)	—	—	—
Distributions	—	—	(1,782)	—	(83,387)
Purchase of liens	—	—	(11,389)	—	—
Administration expenses	—	—	—	(1,724)	(2,489)
Services and supplies	(9,590)	(15,178)	(4,191)	—	—
Net cash provided by (used for) operating activities	<u>3,980</u>	<u>(1,589)</u>	<u>9,853</u>	<u>15,915</u>	<u>(60,595)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Bond issued	—	—	—	—	88,864
Bond retired	—	—	—	(16,240)	(16,171)
Net cash provided by (used for) noncapital financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(16,240)</u>	<u>72,693</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants and contributions from government sources	3,236	15,825	—	—	—
Capital grants and contributions from private sources	—	2,333	—	—	—
Capital asset expenditures	(46,924)	(16,566)	—	—	—
Net cash provided by (used for) capital and related financing activities ..	<u>(43,688)</u>	<u>1,592</u>	<u>—</u>	<u>—</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investments	(26,027)	(1,281)	(50,528)	(21,630)	(29,566)
Sales and maturities of investments	27,637	—	41,002	21,940	17,533
Interest received	43	(206)	13	6	11
Net cash provided by (used for) investing activities	<u>1,653</u>	<u>(1,487)</u>	<u>(9,513)</u>	<u>316</u>	<u>(12,022)</u>
Net increase (decrease) in cash and cash equivalents	(38,055)	(1,484)	340	(9)	76
Cash and cash equivalents July 1	97,647	8,241	202	14	—
Cash and cash equivalents June 30	<u>\$ 59,592</u>	<u>\$ 6,757</u>	<u>\$ 542</u>	<u>\$ 5</u>	<u>\$ 76</u>

THE CITY OF NEW YORK
STATEMENT OF CASH FLOW - (Continued)
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from:		
Interest income collected	\$ 3,360	\$ 3,360
Receipts from customers	—	7,379
Cash collections	—	70,135
Tenants payments	—	18,333
Operating grants and contributions	—	15,800
Other receipts	—	144
Cash payments for:		
Cash paid for other assets	(5)	(5)
Losses and loss adjustment expenses paid	(3,848)	(3,848)
Personnel costs	(611)	(15,108)
Distributions	—	(85,169)
Purchase of liens	—	(11,389)
Administration expenses	(472)	(4,685)
Services and supplies	(624)	(29,583)
Net cash provided by (used for) operating activities	(2,200)	(34,636)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Bond issued	—	88,864
Bond retired	—	(32,411)
Net cash provided by (used for) noncapital financing activities	—	56,453
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and contributions from government sources	—	19,061
Capital grants and contributions from private sources	—	2,333
Capital asset expenditures	—	(63,490)
Net cash provided by (used for) capital and related financing activities ..	—	(42,096)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(576,454)	(705,486)
Sales and maturities of investments	569,039	677,151
Interest received	—	(133)
Net cash provided by (used for) investing activities	(7,415)	(28,468)
Net increase (decrease) in cash and cash equivalents	(9,615)	(48,747)
Cash and cash equivalents July 1	11,928	118,032
Cash and cash equivalents June 30	\$ 2,313	\$ 69,285

THE CITY OF NEW YORK
STATEMENT OF CASH FLOW - (Continued)
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	<u>Brooklyn Bridge Park Corporation</u>	<u>The Trust for Governors Island</u>	<u>NYCTL 1998-2 TRUST</u>	<u>NYCTL 2019-A TRUST</u>	<u>NYCTL 2021-A TRUST</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR)					
OPERATING ACTIVITIES:					
Operating income (loss)	\$ (4,972)	\$ (21,700)	\$ 15,196	\$ 2,382	\$ 30,277
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization	17,386	22,647	—	1	(39)
Accounts receivable	(139)	149	(85,463)	13,485	(91,734)
Grants and contributions receivable from government sources	—	(1,803)	—	—	—
Change in allowance for doubtful accounts	—	—	78,730	(417)	323
Prepaid expenses	(6)	(50)	—	—	—
Lease receivable	(3,239)	(670)	—	—	—
Accounts payable and accrued expenses ..	(122)	871	1,390	464	578
Unearned revenue	(3,279)	(387)	—	—	—
Security deposits	76	7	—	—	—
Deferred inflow of resources	(1,725)	(653)	—	—	—
Realized gains on sales of investments ..	—	—	—	—	—
Change in unrealized losses (gains) on investments	—	—	—	—	—
Accrued investment income	—	—	—	—	—
Total adjustments	<u>8,952</u>	<u>20,111</u>	<u>(5,343)</u>	<u>13,533</u>	<u>(90,872)</u>
Net cash provided by (used for) operating activities	<u>\$ 3,980</u>	<u>\$ (1,589)</u>	<u>\$ 9,853</u>	<u>\$ 15,915</u>	<u>\$ (60,595)</u>
RECONCILIATION TO CASH AND CASH EQUIVALENTS, END OF YEAR:					
Unrestricted cash and cash equivalents	44,963	3,757	542	5	76
Current restricted cash and cash equivalents ..	14,629	2,491	—	—	—
Noncurrent restricted cash and cash equivalents	—	509	—	—	—
Cash and cash equivalents—end of year	<u>\$ 59,592</u>	<u>\$ 6,757</u>	<u>\$ 542</u>	<u>\$ 5</u>	<u>\$ 76</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Noncash capital and related financing transactions:					
Accrued capital asset expenditures	\$ 14,884	\$ 4,903	\$ —	\$ —	\$ —
PPL loan forgiveness	\$ —	\$ 811	\$ —	\$ —	\$ —

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF CASH FLOW - (Continued)
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES:		
Operating income (loss)	\$ (4,180)	\$ 17,003
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	—	39,995
Accounts receivable	—	(163,702)
Grants and contributions receivable from government sources	—	(1,803)
Change in allowance for doubtful accounts	—	78,636
Prepaid expenses	(5)	(61)
Lease receivable	—	(3,909)
Accounts payable and accrued expenses . .	(2,294)	887
Unearned revenue	—	(3,666)
Security deposits	—	83
Deferred inflow of resources	—	(2,378)
Realized gains on sales of investments . .	104	104
Change in unrealized losses (gains) on investments	4,061	4,061
Accrued investment income	114	114
Total adjustments	1,980	(51,639)
Net cash provided by (used for) operating activities	\$ (2,200)	\$ (34,636)
RECONCILIATION TO CASH AND CASH		
EQUIVALENTS, END OF YEAR:		
Unrestricted cash and cash equivalents	2,313	51,656
Current restricted cash and cash equivalents . .	—	17,120
Noncurrent restricted cash and cash equivalents	—	509
Cash and cash equivalents—end of year	\$ 2,313	\$ 69,285
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
INFORMATION:		
Noncash capital and related financing transactions:		
Accrued capital asset expenditures	\$ —	\$ 19,787
PPL loan forgiveness	\$ —	\$ 811

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF CASH FLOW
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from:					
Cash receipts from other assets	\$ —	\$ —	\$ —	\$ —	\$ —
Interest income collected	—	—	—	—	—
Receipts from customers	1,022	3,097	—	—	—
Cash collections	—	—	13,336	9,398	24,734
Tenants payments	22,222	—	—	—	—
Operating grants and contributions	—	12,111	—	—	—
Other receipts	59	109	—	—	—
Cash payments for:					
Losses and loss adjustment expenses paid	—	—	—	—	—
Personnel costs	(6,544)	(5,209)	—	—	—
Distributions	—	—	(11,873)	—	—
Administration expenses	—	—	—	(270)	(2,999)
Services and supplies	(9,219)	(15,185)	(2,275)	(299)	—
Net cash provided by (used for) operating activities	<u>7,540</u>	<u>(5,077)</u>	<u>(812)</u>	<u>8,829</u>	<u>21,735</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Proceeds from loan payable	—	811	—	—	—
Transfers in/ out	—	—	1,824	(1,824)	—
Bond retired	—	—	—	(11,991)	(25,836)
Bond discount	—	—	—	(7)	—
Net cash provided by (used for) noncapital financing activities	<u>—</u>	<u>811</u>	<u>1,824</u>	<u>(13,822)</u>	<u>(25,836)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants and contributions from government sources	4,282	9,497	—	—	—
Capital grants and contributions from private sources	—	1,464	—	—	—
Capital asset expenditures	(54,094)	(7,525)	—	—	—
Net cash provided by (used for) capital and related financing activities	<u>(49,812)</u>	<u>3,436</u>	<u>—</u>	<u>—</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investments	(22,911)	(763)	(31,275)	(11,717)	(30,226)
Sales and maturities of investments	52,325	—	30,330	16,674	34,318
Interest received	336	32	3	2	3
Net cash provided by (used for) investing activities	<u>29,750</u>	<u>(731)</u>	<u>(942)</u>	<u>4,959</u>	<u>4,095</u>
Net increase (decrease) in cash and cash equivalents	(12,522)	(1,561)	70	(34)	(6)
Cash and cash equivalents July 1	110,169	9,802	132	34	20
Cash and cash equivalents June 30	<u>\$ 97,647</u>	<u>\$ 8,241</u>	<u>\$ 202</u>	<u>\$ —</u>	<u>\$ 14</u>

THE CITY OF NEW YORK
STATEMENT OF CASH FLOW - (Continued)
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from:		
Cash receipts from other assets	\$ 3	\$ 3
Interest income collected	7,464	7,464
Receipts from customers	—	4,119
Cash collections	—	47,468
Tenants payments	—	22,222
Operating grants and contributions	—	12,111
Other receipts	—	168
Cash payments for:		
Losses and loss adjustment expenses paid	(507)	(507)
Personnel costs	(584)	(12,337)
Distributions	—	(11,873)
Administration expenses	(436)	(3,705)
Services and supplies	(676)	(27,654)
Net cash provided by (used for) operating activities	<u>5,264</u>	<u>37,479</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from loan payable	—	811
Transfers in/ out	—	—
Bond retired	—	(37,827)
Bond discount	—	(7)
Net cash provided by (used for) noncapital financing activities	<u>—</u>	<u>(37,023)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and contributions from government sources	—	13,779
Capital grants and contributions from private sources	—	1,464
Capital asset expenditures	—	(61,619)
Net cash provided by (used for) capital and related financing activities	<u>—</u>	<u>(46,376)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(528,380)	(625,272)
Sales and maturities of investments	529,738	663,385
Interest received	—	376
Net cash provided by (used for) investing activities	<u>1,358</u>	<u>38,489</u>
Net increase (decrease) in cash and cash equivalents	6,622	(7,431)
Cash and cash equivalents July 1	5,306	125,463
Cash and cash equivalents June 30	<u>\$ 11,928</u>	<u>\$ 118,032</u>

THE CITY OF NEW YORK
STATEMENT OF CASH FLOW - (Continued)
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR)					
OPERATING ACTIVITIES:					
Operating income (loss)	\$ (11,105)	\$ (24,375)	\$ (26,310)	\$ 886	\$ 3,148
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization	15,887	22,251	—	7	1
Accounts receivable	62	(4,205)	(66,969)	8,027	16,748
Change in allowance for doubtful accounts	—	—	93,340	—	482
Prepaid expenses	(50)	(15)	—	—	—
Accounts payable and accrued expenses ..	278	1,167	(873)	(91)	1,356
Unearned revenue	2,409	41	—	—	—
Security deposits	59	59	—	—	—
Realized losses on sales of investments ..	—	—	—	—	—
Change in unrealized losses on investments	—	—	—	—	—
Accrued investment income	—	—	—	—	—
Total adjustments	18,645	19,298	25,498	7,943	18,587
Net cash provided by (used for) operating activities	\$ 7,540	\$ (5,077)	\$ (812)	\$ 8,829	\$ 21,735
RECONCILIATION TO CASH AND CASH EQUIVALENTS, END OF YEAR:					
Unrestricted cash and cash equivalents	33,882	5,230	202	—	14
Current restricted cash and cash equivalents ..	63,765	2,521	—	—	—
Noncurrent restricted cash and cash equivalents	—	490	—	—	—
Cash and cash equivalents—end of year	\$ 97,647	\$ 8,241	\$ 202	\$ —	\$ 14
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Noncash capital and related financing transactions:					
Accrued capital asset expenditures	\$ 13,263	\$ 3,276	\$ —	\$ —	\$ —
PPL loan forgiveness	\$ —	\$ 788	\$ —	\$ —	\$ —

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF CASH FLOW - (Continued)
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES:		
Operating income (loss)	\$ 90,283	\$ 32,527
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	—	38,146
Accounts receivable	—	(46,337)
Change in allowance for doubtful accounts	—	93,822
Prepaid expenses	(6)	(71)
Accounts payable and accrued expenses . . .	(79,841)	(78,004)
Unearned revenue	—	2,450
Security deposits	—	118
Realized losses on sales of investments . . .	(5,154)	(5,154)
Change in unrealized losses on investments	(555)	(555)
Accrued investment income	537	537
Total adjustments	(85,019)	4,952
Net cash provided by (used for) operating activities	\$ 5,264	\$ 37,479
RECONCILIATION TO CASH AND CASH		
EQUIVALENTS, END OF YEAR:		
Unrestricted cash and cash equivalents	11,928	51,256
Current restricted cash and cash equivalents . .	—	66,286
Noncurrent restricted cash and cash equivalents	—	490
Cash and cash equivalents—end of year	\$ 11,928	\$ 118,032
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
INFORMATION:		
Noncash capital and related financing transactions:		
Accrued capital asset expenditures	\$ —	\$ 16,539
PPL loan forgiveness	\$ —	\$ 788

See accompanying notes to financial statements.

THE CITY OF NEW YORK
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2022
(in thousands)

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Custodial Fund</u>
ASSETS:		
Cash and cash equivalents	\$ 3,410,311	\$ 819,660
Receivables:		
Member loans	2,298,196	—
Investment securities sold	4,182,306	—
Accrued interest and dividends	1,000,415	—
Other receivables	869	—
Total receivables	<u>7,481,786</u>	<u>—</u>
Investments:		
Short-term investments	7,745,149	—
Debt securities	76,935,692	306,839
Equity securities	119,370,681	—
Alternative investments	55,544,567	—
Mutual funds	22,404,545	—
Collective trust funds	6,547,577	—
Collateral from securities lending transactions	18,625,139	—
Guaranteed investment contracts	7,615,109	—
Total investments	<u>314,788,459</u>	<u>306,839</u>
Other assets	541,612	—
Total assets	<u>326,222,168</u>	<u>1,126,499</u>
LIABILITIES:		
Accounts payable and accrued liabilities	1,001,776	686,385
Payable for investment securities purchased	6,130,889	—
Accrued benefits payable	1,411,687	—
Securities lending transactions	18,625,139	—
Other liabilities	230,510	440,114
Total liabilities	<u>27,400,001</u>	<u>1,126,499</u>
NET POSITION:		
Restricted for benefits to be provided by QPPs	211,858,365	—
Restricted for benefits to be provided by VSFs	6,369,077	—
Restricted for benefits to be provided by TDA program	44,951,297	—
Restricted for other employee benefits	35,643,428	—
Total net position	<u>\$298,822,167</u>	<u>\$ —</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021
(in thousands)

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Custodial Fund</u>
ASSETS:		
Cash and cash equivalents	\$ 1,279,286	\$ 789,634
Receivables:		
Member loans	2,315,997	—
Investment securities sold	8,609,561	—
Accrued interest and dividends	933,985	—
Other receivables	143,798	—
Total receivables	<u>12,003,341</u>	<u>—</u>
Investments:		
Short-term investments	9,156,788	—
Debt securities	88,719,274	339,514
Equity securities	152,744,010	—
Alternative investments	44,507,796	—
Mutual funds	19,009,114	—
Collective trust funds	7,873,063	—
Collateral from securities lending transactions	20,854,797	—
Guaranteed investment contracts	7,451,622	—
Total investments	<u>350,316,464</u>	<u>339,514</u>
Other assets	218,941	—
Total assets	<u>363,818,032</u>	<u>1,129,148</u>
LIABILITIES:		
Accounts payable and accrued liabilities	1,212,618	760,388
Payable for investment securities purchased	14,540,069	—
Accrued benefits payable	1,378,129	—
Securities lending transactions	20,854,797	—
Other liabilities	1,785	368,760
Total liabilities	<u>37,987,398</u>	<u>1,129,148</u>
NET POSITION:		
Restricted for benefits to be provided by QPPs	241,500,245	—
Restricted for benefits to be provided by VSFs	7,893,222	—
Restricted for benefits to be provided by TDA program	45,503,193	—
Restricted for other employee benefits	30,933,974	—
Total net position	<u>\$325,830,634</u>	<u>\$ —</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	Pension And Other Employee Benefit Trust Funds	Custodial Fund
ADDITIONS:		
Contributions:		
Member contributions	\$ 3,715,815	\$ —
Employer contributions	15,917,828	—
Other employer contributions	60,581	—
Total contributions	19,694,224	—
Investment income:		
Interest income	3,719,460	—
Dividend income	3,631,489	—
Net depreciation in fair value of investments	(28,837,856)	—
Investment expenses	(1,551,485)	—
Investment income, net	(23,038,392)	—
Securities lending transactions:		
Securities lending income	63,048	—
Securities lending fees	(7,542)	—
Securities lending income, net	55,506	—
Custodial fund additions	—	590,148
Other	(2,186)	1,129,148
Total additions	(3,290,848)	1,719,296
DEDUCTIONS:		
Benefit payments and withdrawals	23,418,454	—
Administrative expenses	288,119	—
Custodial fund payments and withdrawals	—	592,797
Other	11,046	1,126,499
Total deductions	23,717,619	1,719,296
Net decrease in net position	(27,008,467)	—
NET POSITION:		
Restricted for Benefits:		
Beginning of year	325,830,634	—
End of year	\$298,822,167	\$ —

See accompanying notes to financial statements.

THE CITY OF NEW YORK
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	<u>Pension And Other Employee Benefit Trust Funds</u>	<u>Custodial Fund</u>
ADDITIONS:		
Contributions:		
Member contributions	\$ 3,565,158	\$ —
Employer contributions	14,550,384	—
Other employer contributions	61,663	—
Total contributions	<u>18,177,205</u>	<u>—</u>
Investment income:		
Interest income	3,231,102	—
Dividend income	2,982,126	—
Net appreciation in fair value of investments	60,856,962	—
Investment expenses	(1,210,498)	—
Investment income, net	<u>65,859,692</u>	<u>—</u>
Securities lending transactions:		
Securities lending income	49,457	—
Securities lending fees	(4,906)	—
Securities lending income, net	<u>44,551</u>	<u>—</u>
Custodial fund additions	—	786,682
Other	3,066	960,943
Total additions	<u>84,084,514</u>	<u>1,747,625</u>
DEDUCTIONS:		
Benefit payments and withdrawals	21,979,357	—
Administrative expenses	253,943	—
Custodial fund payments and withdrawals	—	618,477
Other	5,671	1,129,148
Total deductions	<u>22,238,971</u>	<u>1,747,625</u>
Net increase in fiduciary net position	61,845,543	—
NET POSITION:		
Restricted for Benefits:		
Beginning of year	263,985,091	—
End of year	<u>\$325,830,634</u>	<u>\$ —</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF NET POSITION

JUNE 30, 2022
(in thousands)

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2021	New York City Housing Development Corporation October 31, 2021	New York City Water and Sewer System
ASSETS:					
Cash and cash equivalents	\$ 54,780	\$ 1,290,462	\$ 465,416	\$ 663,541	\$ —
Investments	88,085	600,030	515,492	7,829	6,132
Lease receivables	2,441,772	—	—	—	—
Other receivables	312,504	2,843,622	925,077	948,729	945,933
Mortgage loans and interest receivable, net	47,026	—	170,358	17,957,931	—
Inventories	—	—	8,409	—	—
Due from Primary Government	—	—	—	—	98,227
Restricted cash, cash equivalents and investments	348,887	386,735	657,387	4,733,937	2,619,830
Other	62,880	673,081	109,125	37,243	63,391
Capital assets:					
Land and construction work-in-progress	132,387	1,121,679	3,427,162	—	6,271,077
Other capital assets (net of depreciation/amortization):					
Property, plant and equipment (including software)	289,829	3,248,992	5,153,725	782	26,787,672
Lease asset	243,136	—	—	2,205	—
Total assets	<u>4,021,286</u>	<u>10,164,601</u>	<u>11,432,151</u>	<u>24,352,197</u>	<u>36,792,262</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflows from pensions	—	1,589,708	151,923	4,161	707
Deferred outflows from OPEB	5,884	410,521	581,329	1,138	632
Other deferred outflows of resources	—	5,137	8,116	110,433	71,149
Total deferred outflows of resources	<u>5,884</u>	<u>2,005,366</u>	<u>741,368</u>	<u>115,732</u>	<u>72,488</u>
LIABILITIES:					
Accounts payable and accrued liabilities	214,878	2,909,803	620,501	680,663	18,985
Accrued interest payable	—	9,828	10,497	148,531	53,531
Unearned revenue	36,660	—	199,908	660,765	95,636
Due to Primary Government	165,808	327,450	—	4,139,436	523,152
Other	5,469	—	41,620	106,656	—
Derivative instruments-interest rate swaps	—	—	—	—	60,991
Noncurrent liabilities:					
Due within one year	13,548	864,388	494,941	688,872	435,969
Due in more than one year:					
Bonds & notes payable	—	679,831	655,495	13,617,832	33,822,909
Net pension liability	—	1,892,385	272,514	3,840	1,014
Net OPEB liability	—	3,914,624	3,177,310	9,229	1,771
Leases liability	269,538	—	—	178	—
Other	265,517	540,775	4,026,900	690,975	71,211
Total liabilities	<u>971,418</u>	<u>11,139,084</u>	<u>9,499,686</u>	<u>20,746,977</u>	<u>35,085,169</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows from pensions	—	1,462,730	547,014	6,665	125
Deferred inflows from OPEB	8,840	1,887,339	504,838	9,028	1,032
Deferred inflows from leases	2,394,266	—	—	—	—
Other deferred inflows of resources	10,480	1,142	—	—	117,958
Total deferred inflows of resources	<u>2,413,586</u>	<u>3,351,211</u>	<u>1,051,852</u>	<u>15,693</u>	<u>119,115</u>
NET POSITION:					
Net investment in capital assets	249,879	3,487,440	7,938,775	2,987	685,990
Restricted for:					
Capital projects	57,555	—	—	—	—
Debt service	—	102,599	—	2,966,564	1,573,633
Loans/security deposits	61,198	—	—	—	—
Donor/statutory restrictions	—	495,241	—	—	—
Operations	—	—	40,102	101,092	285,656
Unrestricted (deficit)	273,534	(6,405,608)	(6,356,896)	634,616	(884,813)
Total net position (deficit)	<u>\$ 642,166</u>	<u>\$ (2,320,328)</u>	<u>\$ 1,621,981</u>	<u>\$ 3,705,259</u>	<u>\$ 1,660,466</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF NET POSITION - (Continued)

JUNE 30, 2022
(in thousands)

	Nonmajor Component Units	Total
ASSETS:		
Cash and cash equivalents	\$ 115,697	\$ 2,589,896
Investments	117,093	1,334,661
Lease receivables	460,702	2,902,474
Other receivables	26,073	6,001,938
Mortgage loans and interest receivable, net. . .	—	18,175,315
Inventories	—	8,409
Due from Primary Government	29,751	127,978
Restricted cash, cash equivalents and investments	127,588	8,874,364
Other	3,191	948,911
Capital assets:		
Land and construction work-in-progress. . .	39,518	10,991,823
Other capital assets (net of depreciation/amortization):		
Property, plant and equipment (including software)	633,574	36,114,574
Lease asset	185,809	431,150
Total assets	<u>1,738,996</u>	<u>88,501,493</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows from pensions	—	1,746,499
Deferred outflows from OPEB	—	999,504
Other deferred outflows of resources	—	194,835
Total deferred outflows of resources . . .	<u>—</u>	<u>2,940,838</u>
LIABILITIES:		
Accounts payable and accrued liabilities . . .	42,829	4,487,659
Accrued interest payable	—	222,387
Unearned revenue	21,080	1,014,049
Due to Primary Government	—	5,155,846
Other	13,117	166,862
Derivative instruments-interest rate swaps. . .	—	60,991
Noncurrent liabilities:		
Due within one year	20,256	2,517,974
Due in more than one year:		
Bonds & notes payable	—	48,776,067
Net pension liability	1,720	2,171,473
Net OPEB liability	—	7,102,934
Leases liability	197,730	467,446
Other	227,109	5,822,487
Total liabilities	<u>523,841</u>	<u>77,966,175</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pensions	—	2,016,534
Deferred inflows from OPEB	—	2,411,077
Deferred inflows from leases	414,051	2,808,317
Other deferred inflows of resources	—	129,580
Total deferred inflows of resources	<u>414,051</u>	<u>7,365,508</u>
NET POSITION:		
Net investment in capital assets	656,717	13,021,788
Restricted for:		
Capital projects	24,587	82,142
Debt service	817	4,643,613
Loans/security deposits	—	61,198
Donor/statutory restrictions	61,504	556,745
Operations	62,167	489,017
Unrestricted (deficit)	(4,688)	(12,743,855)
Total net position (deficit)	<u>\$ 801,104</u>	<u>\$ 6,110,648</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF NET POSITION

JUNE 30, 2021
(in thousands)

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2020	New York City Housing Development Corporation October 31, 2020	New York City Water and Sewer System
ASSETS:					
Cash and cash equivalents	\$ 36,618	\$ 1,100,440	\$ 436,813	\$ 609,276	\$ —
Investments	71,477	620,919	526,911	11,853	6,180
Other receivables	232,454	2,760,508	979,841	991,167	843,941
Mortgage loans and interest receivable, net . .	23,320	—	192,864	15,841,632	—
Inventories	—	—	9,040	—	—
Due from Primary Government	—	—	—	—	38,878
Restricted cash, cash equivalents and investments	310,915	399,168	783,527	4,294,481	2,375,800
Other	105,713	486,030	108,430	40,394	59,831
Capital assets:					
Land and construction work-in-progress . . .	132,387	826,917	3,086,700	—	5,769,893
Buildings and equipment	357,390	9,682,315	15,259,681	6,361	44,405,438
Accumulated depreciation	(44,978)	(6,348,942)	(10,155,250)	(5,358)	(17,649,346)
Total assets	<u>1,225,296</u>	<u>9,527,355</u>	<u>11,228,557</u>	<u>21,789,806</u>	<u>35,850,615</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflows from pensions	—	441,111	219,459	4,839	514
Deferred outflows from OPEB	2,961	596,883	777,935	928	414
Other deferred outflows of resources	—	5,468	10,795	177,333	131,817
Total deferred outflows of resources	<u>2,961</u>	<u>1,043,462</u>	<u>1,008,189</u>	<u>183,100</u>	<u>132,745</u>
LIABILITIES:					
Accounts payable and accrued liabilities . . .	222,004	2,988,851	588,980	484,991	16,094
Accrued interest payable	—	12,112	11,404	138,888	51,079
Unearned revenue	32,686	—	390,809	703,202	76,312
Due to Primary Government	140,711	529,216	—	3,582,256	565,434
Other	8,751	212,378	41,648	173,054	—
Derivative instruments-interest rate swaps . . .	—	—	—	—	120,682
Noncurrent liabilities:					
Due within one year	—	783,501	514,859	459,552	297,665
Due in more than one year:					
Bonds & notes payable	—	619,376	726,771	12,468,640	33,300,223
Net pension liability	—	356,165	913,451	11,922	342
Net OPEB liability	681	5,106,936	3,472,534	8,562	1,928
Other	268,396	536,773	3,375,504	514,688	67,489
Total liabilities	<u>673,229</u>	<u>11,145,308</u>	<u>10,035,960</u>	<u>18,545,755</u>	<u>34,497,248</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows from pensions	—	1,978,635	159,032	917	662
Deferred inflows from OPEB	3,780	1,264,481	289,211	8,296	590
Other deferred inflows of resources	4,784	1,360	—	—	42,305
Total deferred inflows of resources	<u>8,564</u>	<u>3,244,476</u>	<u>448,243</u>	<u>9,213</u>	<u>43,557</u>
NET POSITION:					
Net investment in capital assets	312,412	3,265,267	7,504,162	1,003	598,975
Restricted for:					
Capital projects	33,721	—	—	—	—
Debt service	—	109,442	—	2,602,573	1,533,139
Loans/security deposits	53,926	—	—	—	—
Donor/statutory restrictions	—	424,097	—	—	—
Operations	—	—	—	98,310	278,207
Unrestricted (deficit)	146,405	(7,617,773)	(5,751,619)	716,052	(967,766)
Total net position (deficit)	<u>\$ 546,464</u>	<u>\$ (3,818,967)</u>	<u>\$ 1,752,543</u>	<u>\$ 3,417,938</u>	<u>\$ 1,442,555</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF NET POSITION - (Continued)
JUNE 30, 2021
(in thousands)

	Nonmajor Component Units	Total
ASSETS:		
Cash and cash equivalents	\$ 139,314	\$ 2,322,461
Investments	128,496	1,365,836
Other receivables	26,976	5,834,887
Mortgage loans and interest receivable, net . . .	—	16,057,816
Inventories	—	9,040
Due from Primary Government	11,849	50,727
Restricted cash, cash equivalents and investments	144,587	8,308,478
Other	15,873	816,271
Capital assets:		
Land and construction work-in-progress . . .	57,149	9,873,046
Buildings and equipment	972,953	70,684,138
Accumulated depreciation	(343,053)	(34,546,927)
Total assets	<u>1,154,144</u>	<u>80,775,773</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows from pensions	—	665,923
Deferred outflows from OPEB	—	1,379,121
Other deferred outflows of resources	—	325,413
Total deferred outflows of resources	<u>—</u>	<u>2,370,457</u>
LIABILITIES:		
Accounts payable and accrued liabilities . . .	52,183	4,353,103
Accrued interest payable	—	213,483
Unearned revenue	39,891	1,242,900
Due to Primary Government	—	4,817,617
Other	12,330	448,161
Derivative instruments-interest rate swaps . . .	—	120,682
Noncurrent liabilities:		
Due within one year	39,101	2,094,678
Due in more than one year:		
Bonds & notes payable	1,382	47,116,392
Net pension liability	2,917	1,284,797
Net OPEB liability	—	8,590,641
Other	225,798	4,988,648
Total liabilities	<u>373,602</u>	<u>75,271,102</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pensions	—	2,139,246
Deferred inflows from OPEB	—	1,566,358
Other deferred inflows of resources	—	48,449
Total deferred inflows of resources	<u>—</u>	<u>3,754,053</u>
NET POSITION:		
Net investment in capital assets	459,236	12,141,055
Restricted for:		
Capital projects	45,748	79,469
Debt service	1,111	4,246,265
Loans/security deposits	—	53,926
Donor/statutory restrictions	67,742	491,839
Operations	59,403	435,920
Unrestricted (deficit)	147,302	(13,327,399)
Total net position (deficit)	<u>\$ 780,542</u>	<u>\$ 4,121,075</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2021	New York City Housing Development Corporation October 31, 2021	New York City Water and Sewer System
EXPENSES	\$ 1,124,685	\$ 13,858,428	\$ 5,050,080	\$ 438,253	\$ 3,849,336
PROGRAM REVENUES:					
Charges for services	335,314	11,586,177	921,655	682,678	3,889,055
Operating grants and contributions	167,552	2,127,632	3,122,095	—	—
Capital grants, contributions and other	715,229	476,693	757,882	43,051	27,204
Total program revenues	<u>1,218,095</u>	<u>14,190,502</u>	<u>4,801,632</u>	<u>725,729</u>	<u>3,916,259</u>
Net (expenses) program revenues	<u>93,410</u>	<u>332,074</u>	<u>(248,448)</u>	<u>287,476</u>	<u>66,923</u>
GENERAL REVENUES:					
Investment income (loss)	(1,855)	(25,913)	12,328	(1,194)	(5,985)
Unrestricted Federal and State aid	—	—	—	—	—
Gain on in-substance defeasance	—	—	—	—	9,244
Other	4,147	1,192,478	105,558	1,039	147,729
Total general revenue	<u>2,292</u>	<u>1,166,565</u>	<u>117,886</u>	<u>(155)</u>	<u>150,988</u>
Change in net position	95,702	1,498,639	(130,562)	287,321	217,911
Net position (deficit)—beginning	546,464	(3,818,967)	1,752,543	3,417,938	1,442,555
Restatement of beginning net position	—	—	—	—	—
Net position (deficit)—ending	<u>\$ 642,166</u>	<u>\$ (2,320,328)</u>	<u>\$ 1,621,981</u>	<u>\$ 3,705,259</u>	<u>\$ 1,660,466</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF ACTIVITIES - (Continued)
FOR THE YEAR ENDED JUNE 30, 2022
(in thousands)

	<u>Nonmajor Component Units</u>	<u>Total</u>
EXPENSES	\$ 488,444	\$24,809,226
PROGRAM REVENUES:		
Charges for services	102,201	17,517,080
Operating grants and contributions	320,430	5,737,709
Capital grants, contributions and other	<u>85,431</u>	<u>2,105,490</u>
Total program revenues	<u>508,062</u>	<u>25,360,279</u>
Net (expenses) program revenues	<u>19,618</u>	<u>551,053</u>
GENERAL REVENUES:		
Investment income (loss)	(17,707)	(40,326)
Unrestricted Federal and State aid	5,926	5,926
Gain on in-substance defeasance	—	9,244
Other	<u>4,138</u>	<u>1,455,089</u>
Total general revenue	<u>(7,643)</u>	<u>1,429,933</u>
Change in net position	11,975	1,980,986
Net position (deficit)—beginning	780,542	4,121,075
Restatement of beginning net position	<u>8,587</u>	<u>8,587</u>
Net position (deficit)—ending	<u>\$ 801,104</u>	<u>\$ 6,110,648</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2020	New York City Housing Development Corporation October 31, 2020	New York City Water and Sewer System
EXPENSES	\$ 948,219	\$13,178,255	\$ 4,137,841	\$ 429,112	\$4,019,087
PROGRAM REVENUES:					
Charges for services	269,257	10,229,440	967,456	584,543	3,737,381
Operating grants and contributions	87,214	2,177,929	2,722,702	—	—
Capital grants, contributions and other	557,283	455,441	949,982	41,379	24,463
Total program revenues	<u>913,754</u>	<u>12,862,810</u>	<u>4,640,140</u>	<u>625,922</u>	<u>3,761,844</u>
Net (expenses) program revenues	<u>(34,465)</u>	<u>(315,445)</u>	<u>502,299</u>	<u>196,810</u>	<u>(257,243)</u>
GENERAL REVENUES:					
Investment income	77	2,011	16,601	87,420	1,949
Unrestricted Federal and State aid	—	—	—	—	—
Gain on in-substance defeasance	—	—	—	—	11,568
Other	16,605	851,666	126,650	1,824	154,105
Total general revenue	<u>16,682</u>	<u>853,677</u>	<u>143,251</u>	<u>89,244</u>	<u>167,622</u>
Change in net position	(17,783)	538,232	645,550	286,054	(89,621)
Net position (deficit)—beginning	564,247	(4,357,199)	1,106,993	3,131,918	1,532,176
Restatement of beginning net position	—	—	—	(34)	—
Net position (deficit)—ending	<u>\$ 546,464</u>	<u>\$ (3,818,967)</u>	<u>\$ 1,752,543</u>	<u>\$ 3,417,938</u>	<u>\$1,442,555</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF ACTIVITIES - (Continued)
FOR THE YEAR ENDED JUNE 30, 2021
(in thousands)

	<u>Nonmajor Component Units</u>	<u>Total</u>
EXPENSES	\$ 453,787	\$23,166,301
PROGRAM REVENUES:		
Charges for services	89,356	15,877,433
Operating grants and contributions	299,805	5,287,650
Capital grants, contributions and other	<u>81,082</u>	<u>2,109,630</u>
Total program revenues	470,243	23,274,713
Net (expenses) program revenues	<u>16,456</u>	<u>108,412</u>
GENERAL REVENUES:		
Investment income	20,912	128,970
Unrestricted Federal and State aid	5,275	5,275
Gain on in-substance defeasance	—	11,568
Other	<u>4,370</u>	<u>1,155,220</u>
Total general revenue	30,557	1,301,033
Change in net position	47,013	1,409,445
Net position (deficit)—beginning	733,529	2,711,664
Restatement of beginning net position	—	(34)
Net position (deficit)—ending	<u>\$ 780,542</u>	<u>\$ 4,121,075</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of The City of New York (City or primary government) are presented in conformity with Generally Accepted Accounting Principles (GAAP) for State and local governments in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The amounts shown in the “Primary Government” and “component units” columns of the accompanying government-wide financial statements are only presented to facilitate financial analysis and are not the equivalent of consolidated financial statements.

The following is a summary of the significant accounting policies and reporting practices of the City:

1. Reporting Entity

The City is a municipal corporation governed by the Mayor and the City Council. The City’s operations also include those normally performed at the county level and, accordingly, transactions applicable to the operations of the five counties that comprise the City are included in these financial statements.

The financial reporting entity consists of the City and its component units, which are legally separate organizations for which the City is financially accountable.

The City is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of an organization’s governing body, and either the City is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent on the City if there is a potential for the organizations to provide specific financial benefits to the City or impose specific financial burdens on the City, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards. The City is financially accountable for all of its component units.

Some component units are included in the financial reporting entity by discrete presentation. Other component units, despite being legally separate from the City, are so integrated with the City that they are in substance part of the City. These component units are blended with the City.

The New York City Transit Authority is an affiliated agency of the Metropolitan Transportation Authority (MTA) of the State of New York (State), which is a component unit of the State and is thus excluded from the City’s financial reporting entity.

All of the component units publish separate annual financial statements, which are available at: Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007, or at www.comptroller.nyc.gov.

Blended Component Units

Component Units that provide service exclusively to the City, whose governing bodies are substantially the same as that of the City, whose total debts outstanding are expected to be repaid with resources of the City, or who are organized as not-for-profits and the City is the sole corporate member (business-type activities), are reported as if they were part of the City, or blended into the City’s financial statements. They include the following:

Hudson Yards Development Corporation (HYDC). HYDC is a corporation organized in 2005 under the Not-for-Profit Corporation Law of the State of New York. HYDC was formed to manage and implement its economic development initiative to redevelop the Hudson Yards area on the West Side of Manhattan. HYDC collaborates with the various City and State entities and agencies that are involved in financing, planning, development and construction. HYDC is governed by a 13-member Board of Directors.

Hudson Yards Infrastructure Corporation (HYIC). HYIC is a corporation organized in 2005 under the Not-for-Profit Corporation Law of the State of New York. HYIC was formed for the purpose of financing certain infrastructure improvements in the Hudson Yards area on the West Side of Manhattan. HYIC does not engage in development directly, but finances development spearheaded by HYDC and carried out by existing public entities. HYIC fulfills its purpose through the issuance of bonds to finance the improvements, including the operations of the Hudson Yards Development Corporation, and the collection of revenues, including payments in lieu of taxes and district improvement bonuses from private developers. HYIC is governed by a five-member Board

of Directors. HYIC does not have any employees; its affairs are administered by employees of the City and of the Water Authority, for which it pays a management fee and overhead based on its allocated share of personnel and overhead costs.

New York City Educational Construction Fund (ECF). ECF is a public benefit corporation organized in 1967 by the State of New York Legislature. It was formed to construct mixed-use real estate projects that include new school facilities, thereby increasing the number of seats for the Department of Education (DOE). ECF builds combined-occupancy structures on City-owned land conveyed to ECF by the City. ECF is self-funded, and receives no capital funding from the City. The revenues received by ECF from the non-school portions of its projects pay the debt service of ECF-issued Bonds. If revenues are insufficient, the City would be required to make rental payments on the school portions. ECF is governed by a three-member Board of Trustees.

New York City School Bus Umbrella Services Inc. (NYCSBUS). NYCSBUS was founded in 2021 under the Not-for-Profit Corporation Law of the State of New York. NYCSBUS provides school bus transportation services to New York City public and private school students, the majority of whom have special needs. NYCSBUS receives funding from the City and is governed by a five-member Board of Directors.

New York City School Construction Authority (SCA). SCA is a public benefit corporation organized in 1988 by the State of New York Legislature. SCA's responsibilities, as defined in the enabling legislation, are the design, construction, reconstruction, improvement, rehabilitation, and repair of the City's public schools. SCA's operations are funded by appropriations made by the City. SCA also carries out certain projects funded by the City Council and Borough Presidents, pursuant to the City Charter. SCA is governed by a three-member Board of Trustees.

New York City School Support Services, Inc. (NYCSSS). NYCSSS is a Type C corporation organized in 2016 under the Not-For-Profit Corporation Law of the State of New York. NYCSSS was formed for the purpose of providing staffing of custodial helpers for the City's Department of Education (DOE). NYCSSS' operations are funded by the DOE from appropriations provided by the City. NYCSSS is governed by a five-member Board of Directors.

New York City Transitional Finance Authority (TFA). TFA is a public benefit corporation organized in 1997 by the State of New York Legislature. Its primary purpose is to finance a portion of New York City's capital improvement plan. TFA issues and sells bonds and notes to fund a portion of the City's capital program, the purpose of which is to maintain, rebuild, and expand the City's infrastructure and to pay TFA's administrative expenses. The Bonds are secured by the City's collections of personal income tax and, if necessary, sales tax. TFA is governed by a five-member Board of Directors. TFA does not have any employees; its affairs are administered by employees of the City and of the Water Authority, for which TFA pays a management fee and overhead, based on its allocated share of personnel and overhead costs.

TSASC, Inc. (TSASC). TSASC is a corporation organized in 1998 under the Not-for-Profit Corporation Law of the State of New York. TSASC was formed as a financing entity to issue and sell bonds and notes to fund a portion of the City's capital program. Pursuant to a purchase and sale agreement with the City, the City sold to TSASC all of its future rights, titles, and interest in the tobacco settlement revenues under the Master Settlement Agreement and the Decree and Final Judgment. The proportion of these revenues pledged to debt service was 37.4 percent. TSASC is governed by a five-member Board of Directors. TSASC does not have any employees; its affairs are administered by employees of the City and of the Water Authority, for which TSASC pays a management fee, rent, and overhead based on its allocated share of personnel and overhead costs.

Business-type Activities

Brooklyn Bridge Park Corporation (BBPC). BBPC is a corporation organized in 2010 under the Not-for-Profit Corporation Law of the State of New York. BBPC is responsible for the planning, construction, maintenance, and operation of Brooklyn Bridge Park, an 85-acre sustainable waterfront park, stretching 1.3 miles along Brooklyn's East River shoreline. BBPC operates under a mandate to be self-sustaining. While a small fraction of the required operations and maintenance funds for the Park will be collected from concessions located throughout, the majority of the funds will come from a limited number of revenue-generating development sites within the Park. BBPC receives funding for park construction from the City and the City's Department of Parks and Recreation. It is governed by a 17-member Board of Directors.

Governors Island Corporation, doing business as The Trust for Governors Island (TGI). TGI is a corporation organized in 2010 under the Not-for-Profit Corporation Law of the State of New York. It was formed for the purpose of lessening the burdens of government by providing the planning, preservation, redevelopment, and ongoing operations and maintenance of approximately 150 acres of Governors Island plus surrounding lands underwater. TGI receives funding from the City, and is governed by a 13-member Board of Directors.

New York City Tax Lien Trusts (NYCTL Trusts). The NYCTL Trusts are Delaware statutory trusts, which were organized to acquire certain tax liens from the City in exchange for the proceeds from bonds issued by the NYCTL Trusts, net of reserves funded by the bond proceeds and bond issuance costs. The City is the sole beneficiary of the NYCTL Trusts and is entitled to receive distributions from the NYCTL Trusts after payments to the bondholders and certain reserve requirements have been satisfied. The NYCTL Trusts are governed by the Declarations and Agreements of Trust between the City of New York and the Wilmington Trust Company of Wilmington, Delaware (the Owner Trustee). The NYCTL Trusts are:

- NYCTL 1998-2 Trust
- NYCTL 2019-A Trust
- NYCTL 2021-A Trust

WTC Captive Insurance Company, Inc. (WTC Captive). WTC Captive is a corporation organized in 2004 under the Not-for-Profit Corporation Law of the State of New York in response to the events of September 11, 2001. WTC Captive supports a liability insurance contract that provides specified coverage (including general liability, environmental liability, professional liability, and marine liability) against certain third-party claims made against the City and approximately 145 contractors and subcontractors working on the City's Federal Emergency Management Agency (FEMA)- funded debris removal project. As all of WTC Captive's resources must be used to satisfy obligations under the contract or returned; it reports only changes to its liabilities and no net position. WTC Captive was funded on December 3, 2004 with \$999.9 million in funds by FEMA. WTC Captive is governed by a five-member Board of Directors.

Discretely Presented Component Units

Component units that do not meet the criteria for blending are presented discretely, separate from the financial data of the City. The component units' column in the government-wide financial statements includes the financial data of these entities, which are reported in a separate column to emphasize that they are legally separate from the City.

The following entities are presented discretely as major component units:

New York City Economic Development Corporation (EDC). EDC was organized in 1991 under the Not-for-Profit Corporation Law of the State of New York. Its primary activities consist of rendering a variety of services and administering certain economic development programs on behalf of the City relating to the attraction, retention, and expansion of commerce in the City. In order to provide these services, EDC primarily generates revenues from property rentals and real estate sales. EDC is governed by a 27-member Board of Directors.

New York City Health and Hospitals Corporation (NYC Health + Hospitals). NYC Health + Hospitals was organized in 1969 by the New York State Legislature as a public benefit corporation the Department of Hospitals operating city hospitals and other health care facilities. NYC Health + Hospitals was formed to enable it to benefit from private revenues and funding; it assumed responsibility for the operation of the City's municipal hospital system in 1970. NYC Health + Hospitals provides medical and mental health services, regardless of a patient's ability to pay. NYC Health + Hospitals is governed by a 16-member Board of Directors.

New York City Housing Authority (NYCHA). NYCHA is a public benefit corporation organized in 1934 under the New York State Public Housing Law. NYCHA develops, constructs, manages, and maintains affordable housing for eligible low-income families in the City. NYCHA also maintains a leased housing program, which provides housing assistance payments to families. Substantial operating losses result from the essential services that NYCHA provides exceeding revenues. To meet the funding requirements of these operating losses, NYCHA receives subsidies from: (a) the Federal government, primarily the U.S. Department of Housing and Urban Development, in the form of annual grants for operating assistance, debt service payments, contributions for capital, and reimbursement of expenditures incurred for certain Federal housing programs; (b) New York State in the form of debt service and capital payments; and (c) the City in the form of debt service and capital payments. NYCHA is governed by a seven-member Board of Directors.

New York City Housing Development Corporation (HDC). HDC is a public benefit corporation organized in 1971 by the New York State Legislature as a supplementary and alternative means of supplying financing for affordable housing that was independent from the City's capital budget. HDC encourages the investment of private capital through low-interest mortgage loans in order to increase the supply of safe and sanitary dwelling accommodations for families and persons whose need for housing accommodations cannot be provided by unassisted private enterprise. To accomplish its objectives, HDC is empowered to finance housing through new construction or rehabilitation and to provide permanent financing for multi-family residential housing. HDC finances significant amounts of its activities through the issuance of bonds, notes and debt obligations. HDC is governed by a seven-member Board of Directors.

New York City Water and Sewer System (the System). The System is a joint operation consisting of two legally-separate and independent entities - the New York City Municipal Water Finance Authority (Water Authority) and the New York City Water Board (Water Board). Both entities were organized in 1984. The System, which began operations in 1985, provides water supply, treatment, distribution, sewage collection, treatment, and disposal for the City. The Water Authority issues debt to finance the cost of capital improvements to the System. The Water Board leases the System from the City and sets and collects rates, fees, rents, and other charges for the use of, or for services furnished, rendered, or made available by the System to produce revenue sufficient to pay debt service on the Water Authority's bonds and to put the System on a self-sustaining basis. The Water Authority is governed by a seven-member Board of Directors. The Water Board also has a seven-member Board of Directors. The Water Board does not have any employees.

The following entities are presented discretely as nonmajor component units:

Brooklyn Navy Yard Development Corporation (BNYDC). BNYDC is a corporation organized in 1981 under the Not-for-Profit Corporation Law of the State of New York. The mission of the BNYDC is to fuel the City's economic vitality by creating and preserving quality jobs, growing the City's modern industrial sector and its businesses, and connecting the local community with the economic opportunity and resources of the Navy Yard. BNYDC serves as a real estate developer and property manager of the Navy Yard on behalf of the City. The BNYDC is governed by a 25-member Board of Directors.

Brooklyn Public Library (BPL). BPL is a corporation organized in 1902 under the Not-for-Profit Corporation Law of the State of New York. BPL serves Brooklyn residents with a Central Library, a Business Library, and approximately 60 branch locations. BPL receives significant support through governmental appropriations, primarily from the State and the City. BPL is governed by a 38-member Board of Trustees.

Build NYC Resource Corporation (Build NYC). Build NYC is a corporation organized in 2011 under the Not-For-Profit Corporation Law of the State of New York. Its primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities and to refinance previous financing transactions. Build NYC is a self-supporting entity and follows enterprise fund reporting. It is governed by a 15-member Board of Directors. Build NYC does not have any employees; under an agreement with the New York City Economic Development Corporation (EDC), EDC provides Build NYC with professional, administrative, and technical assistance.

New York City Business Assistance Corporation (NYBAC). NYBAC is a corporation organized in 1988 under the Not-for-Profit Corporation Law of the State of New York. Its purpose includes, but is not limited to, relieving and reducing unemployment; promoting and providing for additional and maximum employment in New York City; encouraging the development and/or retention of business in the City; and instructing or training individuals to improve or develop their capabilities for jobs in business. NYBAC is funded primarily through private sources, along with a small appropriation from the State in support of revitalization projects of eligible main street and surrounding downtown areas. NYBAC is governed by a five-member Board of Directors. NYBAC does not have any employees; it receives administrative, financial, legal, and other services necessary for its administration from the Department of Small Business Services (SBS).

New York City Industrial Development Agency (IDA). IDA is a public benefit corporation organized in 1974 by the New York State Legislature. IDA was formed to actively promote, retain, attract, encourage, and develop an economically-sound commerce and industry base to prevent unemployment and economic deterioration in the City. Under its programs, IDA may provide one or more of the following tax benefits: exemption from mortgage recording tax; payments in lieu of real property taxes (PILOTs) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. IDA is a self-supporting entity and follows enterprise fund reporting. IDA is governed by a 15-member Board of Directors. IDA does not have any employees; under an agreement with the EDC, EDC provides IDA with professional, administrative, and technical assistance.

New York City Land Development Corporation (LDC). LDC is a corporation organized in 2012 under the Not-for-Profit Corporation Law of the State of New York. Its mission is to encourage economic growth throughout the five boroughs of the City by acquiring City-owned property and disposing of it to strengthen the City's competitive position and facilitate investments that build capacity, generate economic opportunity, and improve the quality of life. LDC is funded by operating grants from EDC and is governed by a five-member Board of Directors. LDC does not have any employees; under an agreement with EDC, EDC provides LDC with professional, administrative, and technical assistance.

New York City Neighborhood Capital Corporation (NYCNCC). NYCNCC is a corporation organized in 2014 under the Not-for-Profit Corporation Law of the State of New York. It was formed for the following purposes: (a) to make qualified low income community investments in the service area of the City; (b) to operate as a qualified Community Development Entity (CDE) under the Federal New Markets Tax Credit Program; (c) to form and manage subsidiary limited liability companies which are certified as CDEs to receive equity contributions, which will be utilized primarily to make qualified low-income community investments; and (d) to engage in all activities consistent with the business of NYCNCC. NYCNCC charges fees for services, which include, but are not limited to, placement and services fees, sponsor fees, asset management fees, and incentive management fees. The NYCNCC is governed by an 11-member Board of Directors. NYCNCC does not have any employees; under an agreement with EDC, EDC provides NYCNCC with professional, administrative, and technical assistance.

Public Realm Improvement Fund Governing Group, Inc. (Governing Group). The Governing Group is a corporation organized in 2017 under the Not-for-Profit Corporation Law of the State of New York. The Governing Group was formed for the exclusively charitable and public purpose of lessening the burdens of the City and acting in the public's interest, by bolstering and enhancing New York City's East Midtown district status as a premier central business district through public realm improvement projects. Contributions into the Governing Group are received from projects that use development rights from landmarks within the East Midtown Subdistrict or that rebuild non-complying floor area in accordance with 81-60 of the Zoning Resolution. The Governing Group is governed by a 13-member Board of Directors. The Governing Group does not have any employees; EDC and the New York City Department of City Planning provide the Governing Group with professional, administrative, and technical assistance.

The Mayor's Fund to Advance New York City (the Fund). The Fund was initially incorporated in 1994 under the name New York City Public Private Initiatives, Inc. and under the Not-for-Profit Corporation Law of the State of New York. In July 2003, the Fund adopted its current name. Its purpose is to create partnerships between the City and the private sector in an effort to enhance public programs and improve the quality of life for New York City's residents. The Fund is supported by diverse funding sources, which include the City, interest income, and administrative fee income. The Fund is governed by a six-member Board of Directors.

The Queens Borough Public Library and Affiliate (QBPL). QBPL is a corporation organized in 1907 under the Not-for-Profit Corporation Law of the State of New York. QBPL is a free association library and provides free public library service in the Borough of Queens. The library receives a substantial amount of support from the City, in addition to support from other governmental entities, and private sources. The operations of QBPL also includes its affiliate, Queens Library Foundation, Inc., which supports QBPL. The library is governed by a 19-member Board of Trustees.

2. Basis of Presentation

Government-Wide Statements: The government-wide financial statements (*the Statement of Net Position* and *the Statement of Activities*) display information about the City and its component units. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations of internal activity have been made in these statements. The City is reported separately from certain legally separate component units, for which the City is financially accountable. All of the activities of the City are either governmental or business-type activities.

The *Statement of Activities* presents a comparison between program expenses, which include allocated indirect expenses, and program revenues for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (i) charges for services such as rental revenue from operating leases on markets, ports, and terminals and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other revenues, not specifically included among program revenues, are reported as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including blended component units. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The City's funds are classified into three categories: governmental, proprietary and fiduciary; each category, in turn, is divided into separate "fund types".

Governmental Funds

The City reports the following governmental funds:

General Fund. This is the general operating fund of the City. Substantially all tax revenues, Federal and State aid (except aid for capital projects), and other operating revenues are accounted for in the General Fund. This fund also accounts for expenditures and transfers as appropriated in the expenditures budget, which provides for the City's day-to-day operations, including transfers to Debt Service Funds for payment of long-term liabilities. The fund balance in the General Fund consists of restricted and committed funds (see Note A.20).

Capital Projects Fund. This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital Projects Funds exclude capital-related outflows financed by component unit proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. Resources of the Capital Projects Fund are derived principally from proceeds of City and TFA bond issues, payments from the Water Authority, and from Federal, State, and other aid.

General Debt Service Fund. This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. This fund, into which payments of real estate taxes and other revenues are deposited in advance of debt service payment dates, is required by State legislation and is administered and maintained by the State Comptroller. Debt service on all City notes and bonds is paid from this fund.

Nonmajor Governmental Funds. The City reports the following blended component units within the Nonmajor Governmental Funds: **HYDC, HYIC, ECF, NYCSBUS, SCA, NYCSSS, TFA and TSASC** If a component unit is blended, the governmental fund types of the component unit are blended with those of the City by including them in the appropriate combining statements of the City. Although the City's General Fund is usually the main operating fund of the reporting entity, the General Fund of a blended component is reported as a Special Revenue Fund. The City does not have other Special Revenue Funds.

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net position, financial position and cash flows. There are two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report an activity for which a fee is charged to external users for goods or services. The City reports the following blended component units as enterprise funds: **BBPC, TGI, NYCTL Trusts and the WTC Captive.** The City does not have any internal service funds.

Fiduciary Funds

The City's fiduciary funds are divided into two separate fund types: the Pension and Other Employee Benefit Trust Funds and the Custodial Fund.

The **Pension and Other Employee Benefit Trust Funds** account for the operations of:

- Pension Trusts
 - New York City Employees' Retirement System (NYCERS)
 - Teachers' Retirement System of The City of New York (TRS)
 - New York City Board of Education Retirement System (BERS)
 - New York City Police Pension Funds (POLICE)
 - New York City Fire Pension Funds (FIRE)
- Deferred Compensation Plans (DCP)
- The New York City Other Postemployment Benefits Plan (the OPEB Plan)

Each of the pension trusts report all jointly administered plans including primary pension (QPPs), and/or variable supplements funds (VSFs) and/or tax deferred annuity plans (TDAs), as appropriate. VSFs and TDAs are included or part of the fiduciary fund presentation for financial reporting purposes. They provide scheduled supplemental payments, in accordance with applicable statutory provisions. Although a portion of these payments are guaranteed by the City, the State has the right and power to amend, modify, or repeal VSFs and the payments they provide. However, any assets transferred to the VSFs are held in trust solely for the benefit of its members. More information is available in note E.5.

The Deferred Compensation Plans report the various jointly administered Deferred Compensation Plans of The City of New York and related agencies and Instrumentalities and the New York City Employee Individual Retirement Account (NYCEIRA).

Note: These fiduciary funds publish separate annual financial statements, which are available at: Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007, or at www.comptroller.nyc.gov.

These funds use the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for benefits.

The **Custodial Fund** accounts for miscellaneous assets held by the City. School fundraiser monies for scholarships, collections from prevailing wage violators, and special assessments held for Business Improvement Districts, are the major miscellaneous assets accounted for in this fund. There are no actions, approvals or conditions required to be fulfilled by the beneficiary prior to the release of the assets.

Discretely Presented Component Units

The discretely presented major component units consist of **EDC, NYC Health + Hospitals, NYCHA, HDC, and the System**. The discretely presented nonmajor components units are **BNYDC, BPL, Build NYC, NYBAC, IDA, LDC, NYCNCC, the Governing Group, the Fund and QBPL**. Their activities are accounted for in a manner similar to private business enterprises, in which the focus is on the periodic determination of revenues, expenses, and net income.

New Accounting Standard Adopted

In Fiscal Year 2022, the City adopted new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 87, *Leases*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*
- Statement No. 99, *Omnibus 2022*

Statement No. 87, establishes a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the statement, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible right-to-use lease asset (a capital asset hereinafter referred to as the lease asset), and a lease receivable and deferred inflow of resources, respectively. The new leases standard also requires enhanced disclosure which include a general description of the leasing arrangement, the aggregated amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable, and the disclosure of the long-term effect of lease arrangements on a government's resources (See Note D.3).

The City has implemented Statement No. 87 and found restatement of prior periods not practical. Specifically, the City coordinates its year-end close process with roughly thirty discrete and blended component units, which includes those reported as business-type activities. Prior to the global-wide COVID-pandemic, a majority of those entities had yet to begin the exercise of analyzing its lease population. During the pandemic and as the fiscal year end was approaching, given the priority of delivering services throughout the City, it was evident that the City would not receive conclusive data from each of the entities that make up the City's

primary government. In addition, the facts and circumstances surrounding leased buildings which make up a large portion of the City's lease assets, was quite unstable and therefore the City was unable to finalize its assumptions with respect to lease term on whether renewals or early terminations would be exercised, which is a key factor in determining the total liability. After the suspension of a number of restrictions enabled during the pandemic that impacted several industries, the City was able to make definitive assumptions surrounding the lease term of many of its lease assets. It's during this analysis period it became evident, as a result of the inconsequential differences between the current fiscal year and the prior fiscal year, that current information was more relevant to a reader rather than recasting the prior year obligations. Therefore, the beginning net position for fiscal year ended June 30, 2022, has been restated by the cumulative effect of \$8.2 billion, which represents an increase of 4.2% over the prior year's net position balance. When analyzing the current fiscal year end lease liability in proportion to the governmental activities long-term liabilities of approximately \$258.5 billion, the ratio shows that obligations related to lease assets make up roughly 5.1% of the overall liabilities. As a result of adoption, the City's capital assets beginning balance for lease assets for fiscal year ended June 30, 2022, is approximately \$11.2 billion. Additional lease assets of about \$15.2 billion were recorded and an estimated \$6.77 billion in deletions, for a total net change of \$8.4 billion for fiscal year 2022. Additional disclosures of the City's implementation with respect to Statement No. 87 are included in Notes D.2 Capital Assets and D.3 Leases.

Statement No. 92, Omnibus 2020, addresses practice issues that were identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics including Leases, Intra-Entity Transfers of Assets, Assets Accumulated for Defined Benefit Postemployment Benefits, Fiduciary Activities, Asset Retirement Obligations, Reinsurance Recoveries, Nonrecurring Fair Value Measurements, and Derivative Instruments. The adoption of Statement No. 92 had no impact on the City's current accounting practices nor its financial reporting.

Statement No. 93, establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates (IBOR) such as the London Interbank Offered Rate (LIBOR) for hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for certain hedging derivative instruments. However, Statement No. 99, Omnibus discussed further below, offers an extension of the use of LIBOR which is effective immediately. Therefore, in accordance with both Statements 93 and 99, since LIBOR continues to be determined by the ICE Benchmark Administration using the methodology in place as of December 31, 2021, the City continues to use LIBOR as the benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt.

Statement No. 97, clarifies component unit criteria for a potential component unit in the absence of a governing board in determining financial accountability; limits the applicability of financial burden criteria in paragraph 7 of GASB Statement No. 84; and classifies Section 457 Deferred Compensation plans as either a pension plan or other employee benefit plan. The City is financially accountable for both the VSFs and the TDAs. While Statement No. 97 provides an exception for defined contribution plans administered through a trust, such as the TDAs, and financial burden need not be considered, the City believes excluding the TDAs from disclosure would be misleading to readers of these financial statements.

In addition, in adopting Statement No. 97, the City's Deferred Compensation Plans were evaluated. While Statement No. 97 provides an exception for defined contribution plans administered through a trust, such as these Deferred Compensation Plans, the City believes excluding them from disclosure would be misleading to readers of these financial statements.

For these reasons, the presentation in Part II-D of the ACFR is unchanged for the above, and therefore all relevant accounting and financial reporting requirements have been applied. For financial reporting purposes the above are classified as fiduciary activities and presented in the fiduciary fund financial statements. The City's conclusion is based upon the nature and significance of the above in relation to the City.

Statement No. 99, Omnibus 2022, addresses practice issues that were identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics including the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments as well as clarification of provisions in Statement No. 34 and terminology updates related to Statements No. 53 and 63. These requirements are effective upon issuance and had no material impact on the City's financial statements. The City has not completed the process of evaluating the remaining requirements of this Statement that is effective for subsequent fiscal years, but does not expect it to have an impact on its financials.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
99	<i>Omnibus 2022</i>	2023 and 2024
100	<i>Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62</i>	2024
101	<i>Compensated Absences</i>	2025

3. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions include: sales and income taxes, property taxes, grants, entitlements and donations, and are recorded on the accrual basis of accounting.

Revenues from property tax are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds use the flow of current financial resources measurement focus. This focus is on the determination of and changes in financial position, and generally only current financial resources and current liabilities are included on the balance sheet although certain receivable amounts may not be currently available. These funds use the modified accrual basis of accounting, whereby revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Revenues from taxes are generally considered available if received within two months after the fiscal year-end. Revenues from categorical and other grants are generally considered available if expected to be received within one year after the fiscal year-end. Expenditures are recorded when the related liability is incurred and payment is due, except for principal and interest on long-term debt, pensions, post employment benefits other than pensions and certain other estimated liabilities, which are recorded only when payment is due.

The measurement focus of the Pension and Other Employee Benefit Trust Funds and Custodial Fund is on the flow of economic resources. This focus emphasizes the determination of and changes in net position. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Fiduciary Net Position. These funds use the accrual basis of accounting whereby revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred.

4. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the fiscal year to control expenditures. The cost of those goods received and services rendered on or before June 30, are recognized as expenditures. Encumbrances that do not result in expenditures by year-end lapse.

5. Cash and Investments

The City considers all highly liquid investments (including restricted assets), with a maturity of three months or less when purchased, to be cash equivalents. Cash equivalents are carried at amortized cost which approximates fair value.

The annual average collected bank balances maintained during Fiscal Years 2022 and 2021 were approximately \$1.77 and \$1.44 billion, respectively.

Investments are reported in the balance sheet at fair value. Investment income, including changes in the fair value of investments, is reported in operations.

Investments in fixed income securities are recorded at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold.

Investments of the Pension and Other Employee Benefit Trust Funds and Other Trust Funds are reported at fair value. Investments are stated at the last reported sales price on a national securities exchange or as priced by a nationally recognized securities pricing service as on the last business day of the fiscal year, except for securities held as alternative investments where fair value is determined by the general partners or other experts.

A description of the City's fiduciary funds securities lending activities in Fiscal Years 2022 and 2021 is included in Deposits and Investments (see Note D.1).

6. Inventories

Inventories on hand at June 30, 2022 and 2021, estimated based on average cost at \$533 and \$513 million, respectively, have been reported on the government-wide *Statement of Net Position*. Inventories are recorded as expenditures in governmental funds at the time of purchase, and accordingly have not been reported on the governmental funds balance sheet.

7. Restricted Cash and Investments

The City's general fund restricted cash and investments consist of resources governed by state or federal law or regulation, private or governmental parties, to be used for particular purposes as outlined within the agreements that established their existence. Details of these resources can be found in Other Supplementary Information, General Fund—Schedule G7. The general debt service fund reports certain proceeds of the City and component unit bonds, as well as certain resources set aside for payments to bond holders, are classified as restricted cash and investments on the balance sheet, because their use is limited by applicable bond covenants.

8. Capital Assets

Capital assets include all land, buildings, equipment (including software), lease assets, and other elements of the City's infrastructure.

All capital assets funded by the City's capital projects fund, have a required minimum useful life that is calculated from the date the asset is placed into service. Computer hardware, software, networks and systems, have a three-year minimum useful life; all others have a five-year minimum useful life. The City's baseline eligibility criteria for a capital project stipulate that the minimum cost threshold for the entire project must be \$50 thousand.

Capital assets, which are used for general governmental purposes, are accounted for and reported in the government-wide financial statements; which include lease assets. Infrastructure elements include the roads, bridges, curbs and gutters, streets and sidewalks, park land and improvements, piers, bulkheads and tunnels.

Capital assets are generally stated at historical cost, or at estimated historical cost, based on appraisals, terms of agreements, or on other acceptable methods, when historical cost is not available. Donated capital assets are reported at their acquisition value.

Accumulated depreciation and amortization are reported as reductions of capital assets. Depreciation is computed using the straight-line method based upon estimated useful lives of generally 25 to 50 years for new construction, 10 to 25 years for betterments and/or reconstruction, 3 to 15 years for equipment (including software), and 15 to 40 years for infrastructure (see Note D.2). Lease assets are amortized over the lease term or the life of the asset, whichever is less. See Note D.3 for details regarding the City's lease assets.

9. Vacation and Sick Leave

Earned vacation and sick leave is recorded as an expenditure in the period when it is payable from current financial resources in the fund financial statements. The estimated value of vacation leave earned by employees, which may be used in subsequent years, and earned vacation and sick leave to be paid upon termination or retirement from future resources, is recorded as a liability in the government-wide financial statements.

greater than (when in the form of securities) the fair value of derivative instruments in liability positions, net of the effect of applicable netting arrangements and applicable thresholds. If the City does not post collateral when required, the derivative instrument may be terminated by the counterparty. The collateral requirements would be \$19.8 million for ratings below Baa3 or BBB- based on posting cash. The City's credit rating as of June 30, 2022 was Aa2 (Moody's) and AA (Standard & Poor's); therefore, no collateral was posted as of that date.

Swap Collateral Requirements upon a Rating Downgrade of the City⁽¹⁾

Swap Counterparty	Fair Value as of June 30, 2022 ⁽²⁾ (in thousands)	Collateral Threshold at Baa2/BBB to Baa3/BBB- ⁽³⁾	Collateral Amount ⁽⁴⁾ (in thousands)	Collateral Threshold below Baa3/BBB-	Required Collateral Amount ⁽⁴⁾⁽⁵⁾ (in thousands)
US Bank National Association	\$ (2,232)	Infinity	\$ —	\$ —	\$ 2,200
Wells Fargo Bank, NA	(17,618)	Infinity	—	—	17,600
Total Fair Value	<u>\$ (19,850)</u>		<u>\$ —</u>		<u>\$19,800</u>

⁽¹⁾ All of the City's swap counterparties have agreements that collateral is to be posted by the City if the City were to owe a termination payment and its ratings fall below a certain level. Based on the credit rating level, the amount of collateral required can range from zero to the amount of the counterparty's exposure based on the fair value of the swap.

⁽²⁾ A negative value means the City would owe a termination payment.

⁽³⁾ A downgrade of the City to either Baa2 (Moody's) or BBB (S&P) is the highest rating level at which the City would be required to post collateral.

⁽⁴⁾ Represents the total amount of required collateral for ratings below Baa3/BBB-. The amount of collateral required to be posted would be the amount shown, less any collateral previously posted.

⁽⁵⁾ The swap counterparties round the collateral amount up or down to the nearest \$100,000.

13. Real Estate Tax

Real estate tax payments for the fiscal year ended June 30, 2022, were due July 1, 2021 and January 1, 2022 except that payments by owners of real property assessed at \$250,000 or less and cooperatives whose individual units, on average, are valued at \$250,000 or less, which were due in quarterly installments on the first day of each quarter beginning on July 1.

The adopted levy date for fiscal year 2022 taxes was June 30, 2021. The lien date is the date taxes are due.

Real estate tax revenue represents payments received during the year, payments received against the current fiscal year, and prior years' levies within the first two months of the following fiscal year reduced by tax refunds (for the fund financial statements). Real estate tax revenues not available are reported as deferred inflows of resources. The government-wide financial statements recognize real estate tax revenue (net of refunds), which are not available to the governmental fund type in the fiscal year for which the taxes are levied. Real estate taxes received or reported as receivables before the period for which the property taxes are levied, or the period when resources are required to be used, or when use is first permitted, are reported as deferred inflows of resources.

The City offered a 0.5% discount on the full amount of a taxpayer's yearly property tax if the entire amount shown on their bill is paid by the July due date (or grace period due date), a 0.33% discount on the last three quarters if the taxpayer waits until the October due date to pay the entire amount due, or a 0.17% discount on the last six months of taxes when the taxpayer pays the balance by the January due date. Payment of real estate taxes before July 15, 2022, on properties with an assessed value of \$250,000 or less and before July 1, 2021, on properties with an assessed value over \$250,000 received the discount. Collections of these real estate taxes received on or before June 30, 2022 and 2021 were approximately \$9.3 billion and \$8.6 billion, respectively.

The City received approximately \$96.3 million of real property tax liens, fully attributable to fiscal year 2022, at various dates in fiscal year 2022. As in prior years' lien sale agreements, the City will refund the value of liens later determined to be defective, plus interest and a 5% surcharge. It has been estimated that \$5.0 million worth of liens sold in fiscal year 2022 will require refunding. The estimated refund accrual amount of \$5.0 million, including the surcharge and interest, resulted in fiscal year 2022 net sale proceeds of \$91.3 million.

The City sold approximately \$8.1 million of real property tax liens, fully attributable to fiscal year 2021, at various dates in fiscal year 2021. As in prior years' lien sale agreements, the City will refund the value of liens later determined to be defective, plus interest and a 5% surcharge. No reserve for defective tax liens in fiscal year 2021 was required.

In fiscal years 2022 and 2021, \$216 million and \$260 million respectively, were provided as allowances for uncollectible real estate taxes against the balance of the receivable. Delinquent real estate taxes receivable that are estimated to be collectible but which are not collected in the first two months of the next fiscal year are recorded as deferred inflows of resources in the governmental funds balance sheet but included in general revenues on the government-wide *Statement of Activities*.

The City is permitted to levy real estate taxes for general operating purposes in an amount up to 2.5% of the average full value of taxable real estate in the City for the last five years and in unlimited amounts for the payment of principal and interest on long-term City debt. Amounts collected for payment of principal and interest on long-term debt in excess of that required for that purpose in the year of the levy, must be applied toward future years' debt service. For the fiscal years ended June 30, 2022 and 2021, excess amounts of \$112 million and \$569 million, respectively, were transferred to the General Debt Service Fund.

14. Other Taxes and Other Revenues

Taxpayer-assessed taxes, such as sales and income taxes, net of refunds, are recognized in the accounting period in which they become susceptible to accrual for the fund financial statements. Assets recorded in the governmental fund financial statements, but the revenue is not available, are reported as deferred inflows of resources. Additionally, the government-wide financial statements recognize sales and income taxes (net of refunds), which are not available to the governmental fund type in the accounting period for which the taxes are assessed.

15. Federal, State and Other Aid

For the government-wide and fund financial statements, categorical aid is reported as receivable when the related eligibility requirements are met. The disallowances of expenses/expenditures, originally deemed eligible, are treated as a separate event. Unrestricted aid is reported as revenue in the fiscal year of entitlement. Resources received before the time requirements are met, but after all other eligibility requirements are met, are reported as deferred inflows of resources.

16. Bond Discounts, Premiums and Issuance Costs

In the fund financial statements, bond premiums, discounts and issuance costs are presented as other financing sources and uses. In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds payable using the straight-line method. Bond premiums and discounts are presented as additions/reductions to the face amount of the bonds payable. Bond issuance costs are recognized as an expense in the period incurred.

17. Intra-Entity Activity

Payments from a fund receiving revenue to a fund through which the revenue is to be expended are reported as transfers. Such payments include transfers for debt service and capital construction. In the government-wide financial statements, resource flows between the City and the discretely presented component units are reported as if external transactions.

18. Subsidies

The City makes various payments to subsidize a number of organizations which provide services to City residents including but not limited to Art and Cultural institutions. These payments are recorded as expenditures in the fiscal year paid.

19. Deferred Outflows and Inflows of Resources

In accordance with Government Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the City reports deferred outflows of resources in a separate section following Assets and deferred inflows of resources in a separate section following Liabilities in the *Statement of Net Position*.

The Components of the deferred outflows of resources and deferred inflows of resources are as follows:

	FY 2022		FY 2021	
	Primary Government	Component Units	Primary Government	Component Units
	(in thousands)			
Deferred Outflows of Resources:				
Deferred outflows from pension	\$ 9,129,671	\$1,746,499	\$ 3,096,775	\$ 665,923
Deferred outflows from OPEB	9,639,344	999,504	12,519,054	1,379,121
Unamortized deferred bond refunding costs	281,391	—	352,225	—
Other	1,283	194,835	1,460	325,413
Total deferred outflows of resources	<u>\$19,051,689</u>	<u>\$2,940,838</u>	<u>\$15,969,514</u>	<u>\$2,370,457</u>
Deferred Inflows of Resources:				
Deferred inflows from pension	\$ 3,629,613	\$2,016,534	\$34,240,169	\$2,139,246
Real estate taxes	9,308,024	—	8,684,392	—
Deferred inflows from OPEB	35,531,508	2,411,077	10,749,662	1,566,358
Service concession arrangements	42,469	—	51,859	—
Grant advances	106,307	—	95,793	—
Deferred inflows from leases	4,229,553	2,808,317	—	—
Other	594,706	129,580	109,821	48,449
Total deferred inflows of resources	<u>\$53,442,180</u>	<u>\$7,365,508</u>	<u>\$53,931,696</u>	<u>\$3,754,053</u>

20. Fund Balance

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the classification of Fund Balance is based on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable—includes fund balance amounts that cannot be spent, either because they are not in spendable form, or because of legal or contractual constraints requiring such amounts to remain intact. As required by the New York State Financial Emergency Act, the City must prepare its budget covering all expenditures, other than capital items, balanced so that the results do not show a deficit when reported in accordance with GAAP. Additionally, certain receivable amounts are not anticipated to be collected in the current period.

Restricted—includes fund balance amounts that are constrained for specific purposes when such constraints are externally imposed by creditors, laws or regulations of other governments, or by constitutional provisions or enabling legislation. As required by New York State General Municipal Law Article 2, section 25 paragraph no. 2, the determination as to the existence of a deficit pursuant to the New York State Financial Emergency Act shall be made without regard to changes in restricted fund balances.

Committed—includes fund balance amounts that are constrained for specific purposes when such constraints are internally imposed by the government’s formal action at the highest level of decision making authority and do not lapse at year-end. In accordance with the New York City Charter, the City Council is the City’s highest level of decision-making authority and can, by legal resolution prior to the end of a fiscal year, approve to establish, modify or rescind a fund balance commitment. Therefore, pursuant to the New York City Charter Section 1528, The City’s committed fund balance represents the revenue stabilization fund, which is maintained in accordance with applicable state law. For the blended component units reported as Nonmajor Funds, the respective Boards of Directors (Boards) constitute the highest level of decision-making authority. When resolutions are adopted by the Boards that constrain fund balances for a specific purpose, such resources are accounted for and reported as committed for such purpose, unless and until a subsequent resolution altering the commitment is adopted by a Board.

The details of the change in the City’s committed fund balance is outlined below:

	General Fund Analysis	
	FY 2022	FY 2021
	(in thousands)	
Total revenues.	\$106,795,525	\$ 99,182,509
(Less) Total expenditures	98,933,172	91,103,926
Excess of revenues over expenditures.	7,862,353	8,078,583
(Less) Total other financing uses	(6,558,536)	(8,492,182)
Net change in fund balance.	1,303,817	(413,599)
Restricted Fund activity	151,481	418,910
Fiscal Year Operating Surplus/ Revenue Stabilization contribution	\$ 1,455,298	\$ 5,311

Assigned—includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City does not have any assigned amounts in its major funds. For the blended component units reported as Nonmajor Funds, the fund balances which are constrained for use for a specific purpose based on the direction of the President of the component unit to direct the movement of such funds are accounted for and reported as assigned for such purpose unless and until a subsequent authorized action by the same, or another duly authorized officer, or by a board, is taken which removes or changes the assignment.

Unassigned—The City’s Capital Projects Fund’s deficit is classified as unassigned.

The City generally uses restricted amounts first when both restricted and unrestricted resources are available. Additionally, the City first uses committed, then assigned, and lastly unassigned resources when expenditures are made.

The City does not have a formal minimum fund balance policy. Below is the detail included in the fund balance classifications for the governmental funds fiscal years June 30, 2022 and 2021:

	Fiscal Year 2022				
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	(in thousands)				
Nonspendable:					
Prepaid items.	\$ —	\$ —	\$ —	\$ 17,390	\$ 17,390
Spendable:					
Restricted for:					
Education.	2,820	—	—	3,902	6,722
Environmental protection	671	—	—	—	671
General government	1,196,617	—	—	—	1,196,617
Health	(6,220)	—	—	—	(6,220)
Housing.	85,889	—	—	—	85,889
Other	243,818	—	—	—	243,818
Parks, recreation and cultural	14,229	—	—	—	14,229
Public safety and judicial	639,779	—	—	—	639,779
Social Services	3,867	—	—	—	3,867
Capital projects	—	74,493	—	420,536	495,029
Debt service.	—	—	111,881	1,898,348	2,010,229
Committed for:					
Revenue stabilization fund	1,953,849	—	—	—	1,953,849
Debt service.	—	—	3,220,437	—	3,220,437
Assigned for:					
Debt service.	—	—	—	2,055,624	2,055,624
Operations	—	—	—	215,509	215,509
Unassigned	—	(4,531,142)	—	(27,745)	(4,558,887)
Total fund balances (deficit)	\$4,135,319	\$(4,456,649)	\$3,332,318	\$4,583,564	\$ 7,594,552

	Fiscal Year 2021				
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	(in thousands)				
Nonspendable:					
Prepaid items	\$ —	\$ —	\$ —	\$ 337	\$ 337
Spendable:					
Restricted for:					
Education	2,463	—	—	—	2,463
Environmental protection	1,151	—	—	—	1,151
General government	1,300,916	—	—	—	1,300,916
Health	(5,142)	—	—	—	(5,142)
Housing	51,947	—	—	—	51,947
Other	247,159	—	—	—	247,159
Parks, recreation and cultural	14,727	—	—	—	14,727
Public safety and judicial	715,868	—	—	—	715,868
Social services	3,863	—	—	—	3,863
Capital projects	—	191,636	—	507,534	699,170
Debt service	—	—	569,158	1,617,775	2,186,933
Committed for:					
Revenue stabilization fund	498,550	—	—	—	498,550
Debt service	—	—	2,435,987	—	2,435,987
Assigned for:					
Debt service	—	—	—	2,704,789	2,704,789
Operations	—	—	—	145,487	145,487
Unassigned	—	(3,259,326)	—	(4,533)	(3,263,859)
Total fund balances (deficit)	\$2,831,502	\$(3,067,690)	\$3,005,145	\$4,971,389	\$ 7,740,346

21. Pensions

In government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting (see Note E.5 and the RSI section immediately following the notes to financial statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the City's fiscal year-end or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience, are amortized over the weighted average remaining service life of all participants, including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

22. Other Postemployment Benefits

Other Postemployment Benefits (OPEB) cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting (see Note E.4), regardless of the amount recognized as OPEB expense on the modified accrual basis of accounting. Annual OPEB cost is calculated in accordance with GASB Statement No. 75.

23. Estimates and Assumptions

A number of estimates and assumptions relating to the reporting of revenues, expenditures, assets and liabilities, and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

24. Voluntary Defined Contribution Program (VDC)

On March 16, 2012, Chapter 18 of the Laws of 2012 was signed into law, which amended portions of the Retirement and Social Security Law, Education Law, and the Administrative Code of the City of New York. Among other things, this legislation amended Article 8-B of the Education Law to authorize the participation in The State University of New York Optional Retirement Program (“SUNY ORP”) of all unrepresented (non-unionized) employees of the City of New York and other public employers⁽¹⁾ hired on or after July 1, 2013, and earning at the full-time rate of \$75,000 or more on an annualized basis. An employee hired after July 1, 2013 who is a member of a City defined benefit pension system is not eligible to participate in the VDC program. This retirement-benefit option is known as the Voluntary Defined Contribution (VDC) program.

Beginning October 1, 2020, the City of New York offered this defined contribution retirement program to eligible employees. The State University of New York is the plan sponsor of the VDC Program and Teachers Insurance and Annuity Association of America (TIAA) is the third-party service provider. Vesting, investment providers, and plan rules follow the SUNY ORP Plan Document and policies.

VDC program employee contributions are made through payroll deductions on a pre-tax basis. All contributions are made based upon Internal Revenue Service (IRS) compensation and contribution limits, which are determined annually and may affect the employee’s voluntary contributions to the NYC Deferred Compensation 401(k) Plan. Employer contributions for the first year of employment are not made until the employee has fulfilled the vesting requirement. An employer contribution of 8% of salary is made for the duration of employment thereafter. Employer contributions are reported as expenditures within the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances*. An employee contribution is required for the duration of employment based upon estimated gross annual wages in a given calendar year. VDC participants may elect one or more of the investment providers. Each investment provider has a variety of approved investment options.

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A summary reconciliation of the difference between total fund balances (deficit) as reflected on the governmental funds balance sheet and total net position (deficit) of governmental activities as shown on the government-wide *Statement of Net Position* is presented in an accompanying schedule to the governmental funds balance sheet. The asset and liability elements, that comprise the difference are related to the governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

Similarly, a summary reconciliation of the difference between net change in fund balances, as reflected on the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances*, and Change in Net Position of governmental activities, as shown on the government-wide *Statement of Activities*, is presented in an accompanying schedule to the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances*. The revenue and expense elements, that comprise the reconciliation difference, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

C. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgets and Financial Plans

Budgets

Annual expense budget appropriations, which are prepared on the modified accrual basis, are adopted for the General Fund, and unused appropriations lapse at fiscal year-end. The City uses appropriations in the capital budget to authorize the expenditure of funds for various capital projects. Capital appropriations, unless modified or rescinded, remain in effect until the completion of each project.

The City is required by State Law to adopt and adhere to a budget, on a basis consistent with GAAP, that would not have General Fund expenditures and other financing uses in excess of revenues and other financing sources.

⁽¹⁾ Public Employers include: the New York City Housing Authority, School Construction Authority, and Health + Hospitals.

Expenditures made against the expense budget are controlled through the use of quarterly spending allotments and units of appropriation. A unit of appropriation represents a subdivision of an agency's budget and is the level of control at which expenditures may not legally exceed the appropriation. The number of units of appropriation, and the span of operating responsibility which each unit represents, differs from agency to agency depending on the size of the agency and the level of control required. Transfers between units of appropriation and supplementary appropriations may be made by the Mayor, subject to the approval provisions set forth in the City Charter. Supplementary appropriations increased the expense budget by \$11.41 and \$13.97 billion subsequent to its original adoption in Fiscal Years 2022 and 2021, respectively.

Financial Plans

Additionally, the New York State Financial Emergency Act for The City of New York requires the City to operate under a "rolling" Four-Year Financial Plan (Plan). Revenues and expenditures, including transfers, of each year of the Plan are required to be balanced on a basis consistent with GAAP. The Plan is broader in scope than the expense budget; it comprises General Fund revenues and expenditures, Capital Projects Fund revenues and expenditures, and all short and long-term financing.

The expense budget is generally consistent with the first year of the Plan and operations under the expense budget must reflect the aggregate limitations contained in the approved Plan. The City reviews its Plan periodically during the year and, if necessary, makes modifications to incorporate actual results and revisions to assumptions.

2. Deficit Fund Balance

The Capital Projects Fund had deficits of \$4.46 and \$3.07 billion for the years ended June 30, 2022 and 2021, respectively. These deficits represent the amounts expected to be financed from future bond issues or intergovernmental reimbursements. To the extent the deficits will not be financed or reimbursed, a transfer from the General Fund will be required.

D. DETAILED NOTES ON ALL FUNDS

1. Deposits and Investments

Deposits

The New York City Banking Commission, comprised of a representative for the Mayor, and representatives for the Comptroller, and the Department of Finance Commissioner, applies a stringent list of requirements to banks applying for designation as an approved depository biannually. 22 RCNY Ch. 1, Designation of Depositories lays out the basic requirements for Bank designation. The requirements include, but are not limited to, independent bank rating agency reports, bank regulators' reports, the banks' quarterly financial statements as reported to the SEC, the Bank's most recent independently audited public financial statements, and the New York State Department of Financial Services and Federal supervisory agency Community Reinvestment Act (CRA) reports. The Banking Commission endeavors to determine the financial soundness of each bank applying for designation and their commitment to the citizens of New York City. In addition, the City's ongoing banking relationships are scrutinized for compliance with operational, financial and credit standards, policies and procedures.

The City Charter limits the total amount of deposits, at any time, in any one bank or trust company, to a maximum of one-half of the amount of the capital and net surplus of such bank or trust company. The discretely presented component units included in the City's financial reporting maintain their own banking relationships, which generally conform with the City's standards.

The City's bank account balances in excess of the prevailing Federal Deposit Insurance Corporation (FDIC) insurance limits are fully collateralized in accordance with the New York State General Municipal Law (GML) and the New York City Department of Finance Collateral Policy, last updated December 8th, 2015. The FDIC insurance limit is only applied one time to each bank relationship regardless how many individual accounts are held. Each New York City Designated Bank must pledge eligible securities and/or Letters of Credit (LOC) that satisfy the minimum GML collateral requirements. The Designated Banks are required, on a current day basis, to aggregate the total balances of all bank accounts held under the City's tax ID at their institution, deduct the FDIC insurance limit and pledge collateral which more than covers the remaining balance. The Collateral Custodians provide independent reports daily to the Department of Finance Collateral Committee.

Cash & Cash Equivalents

The following is a summary of the cash and cash equivalents of the City's Governmental Activities as of June 30, 2022 and June 30, 2021:

	Governmental Activities	
	2022	2021
	(in thousands)	
Restricted cash and cash equivalents:		
Cash	\$ 18,617	\$ 507,579
Cash Equivalents	<u>5,535,546</u>	<u>5,202,273</u>
Total restricted cash and cash equivalents:	<u>5,554,163</u>	<u>5,709,852</u>
Unrestricted cash and cash equivalents:		
Cash*	3,061,771	3,599,657
Cash Equivalents	<u>8,364,286</u>	<u>1,852,703</u>
Total unrestricted cash and cash equivalents:	<u>11,426,057</u>	<u>5,452,360</u>
Grand Total cash and cash equivalents	<u>\$16,980,220</u>	<u>\$11,162,212</u>

* Unrestricted cash for Governmental Activities represents book balances that include items in transit.

At June 30, 2022 and 2021, the City's unrestricted Governmental Activities bank balances were \$3.19 and \$3.59 billion, respectively. Of those amounts, \$65 and \$21 thousand were exposed to custodial credit risk (this is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities that are in the possession of an outside party) at June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the City's restricted Governmental Activities cash balances were \$18.62 and \$507.58 million, respectively. Of those amounts, \$22 and \$4 thousand were exposed to custodial credit risk. Bank balances are exposed to custodial credit risk when they are uninsured and uncollateralized.

The following is a summary of the cash and cash equivalents of the City's business-type activities as of June 30, 2022 and June 30, 2021:

	Business-Type Activities	
	2022	2021
	(in thousands)	
Restricted cash and cash equivalents:		
Cash	\$ 17,629	\$ 66,776
Cash Equivalents	<u>—</u>	<u>—</u>
Total restricted cash and cash equivalents:	<u>17,629</u>	<u>66,776</u>
Unrestricted cash and cash equivalents:		
Cash	49,476	39,457
Cash Equivalents	<u>2,180</u>	<u>11,799</u>
Total unrestricted cash and cash equivalents:	<u>51,656</u>	<u>51,256</u>
Grand Total cash and cash equivalents	<u>\$ 69,285</u>	<u>\$118,032</u>

At June 30, 2022 and 2021, the City's unrestricted business-type activities bank balances were \$49.48 and \$39.46 million, respectively. Of those amounts \$44.59 and \$33.71 million were exposed to custodial credit risk at June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the City's restricted business-type activities cash balances were \$17.63 and \$66.78 million, respectively. Of those amounts, \$14.50 and \$63.44 million were exposed to custodial credit risk at June 30, 2022 and 2021, respectively.

Investments

The City's investment of its primary government cash is currently limited to U.S. Government guaranteed securities and U.S. Government agency securities purchased directly and through repurchase agreements from primary dealers, as well as commercial paper rated A1 and P1 by Standard & Poor's Corporation and Moody's Investors Service, Inc., respectively. The repurchase agreements must be collateralized by U.S. Government guaranteed securities, U.S. Government agency securities, or eligible commercial paper in a range of 100% to 102% of the matured value of the repurchase agreements.

The following is a summary of the fair value of investments of the City's primary government as of June 30, 2022 and 2021:

Governmental Activities:

Investment Type	Investment Maturities					
	2022			2021		
	Less than 1	1 to 5	More than 5	Less than 1	1 to 5	More than 5
	(in years)					
	(in thousands)					
Unrestricted						
U.S. Government securities	\$ 913,255	\$ —	\$ —	\$6,867,496	\$17,865	\$ —
U.S. Government agency obligations . . .	1,961,859	—	—	2,681,333	—	—
Time deposits	28,763	—	—	16,242	—	—
Investment derivative instruments	—	—	(19,850) ⁽¹⁾	—	—	(61,513) ⁽²⁾
Total unrestricted	<u>\$2,903,877</u>	<u>\$ —</u>	<u>\$(19,850)</u>	<u>\$9,565,071</u>	<u>\$17,865</u>	<u>\$(61,513)</u>
Restricted						
U.S. Government securities	\$1,057,869	\$416,404	\$ —	\$ 703,390	\$69,926	\$172,577
U.S. Government agency obligations . . .	700,732	885	—	758,490	—	—
Time deposits	50,775	—	—	8,450	—	—
Total restricted	<u>\$1,809,376</u>	<u>\$417,289</u>	<u>\$ —</u>	<u>\$1,470,330</u>	<u>\$69,926</u>	<u>\$172,577</u>

⁽¹⁾ The City has two pay-fixed interest rate swaps that are treated as investment derivative instruments. On June 30, 2022, the swaps had fair values of \$(2,232) and (17,618) all in thousands.

⁽²⁾ The City has two pay-fixed interest rate swaps that are treated as investment derivative instruments. On June 30, 2021, the swaps had fair values of \$(5,670) and (55,843) all in thousands.

Business-Type Activities:

Investment Type	Investment Maturities					
	2022			2021		
	Less than 1	1 to 5	More than 5	Less than 1	1 to 5	More than 5
	(in years)					
	(in thousands)					
Unrestricted						
U.S. Government securities	\$ 8,454	\$155,673	\$ 27,615	\$22,382	\$153,457	\$27,638
Commercial paper	2,188	66,530	1,094	—	58,727	1,524
Bonds	—	56	—	1,342	—	—
Time deposits	218	—	—	1,563	—	—
Mortgage backed & asset backed securities	—	—	72,581	—	—	65,918
Total unrestricted	<u>\$10,860</u>	<u>\$222,259</u>	<u>\$101,290</u>	<u>\$25,287</u>	<u>\$212,184</u>	<u>\$95,080</u>
Restricted						
Money market fund	\$37,874	\$ —	\$ —	\$ 16,625	\$ —	\$ —
Total restricted	<u>\$37,874</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 16,625</u>	<u>\$ —</u>	<u>\$ —</u>

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs (the City does not have any investments for which Level 3 inputs are required).

The following is a summary of the fair value hierarchy of the fair value of investments of the City's primary government as of June 30, 2022 and June 30, 2021:

Investments ⁽¹⁾ by Fair Value Level	2022			2021		
	Total	Fair Value Measurements Using		Total	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
	(in thousands)					
U.S. Government securities	\$ 4,983,719	\$3,365,178	\$ 1,618,541	\$ 10,190,620	\$ 2,578,241	\$ 7,612,379
U.S. Government agency obligations . .	3,297,706	—	3,297,706	3,757,590	—	3,757,590
Commercial paper	69,812	—	69,812	60,251	—	60,251
Money market funds (includes time deposits)	375,943	47,162	328,781	126,501	34,308	92,193
Bonds	1,780	1,724	56	1,342	1,342	—
Mortgage backed & asset back securities	72,581	—	72,581	65,918	—	65,918
Investment derivative instruments . . .	(19,850)	—	(19,850)	(61,513)	—	(61,513)
Total Investment & Cash Equivalent by Fair Value Level	<u>\$ 8,781,691⁽²⁾</u>	<u>\$3,414,064</u>	<u>\$ 5,367,627</u>	<u>\$ 14,140,709⁽²⁾</u>	<u>\$ 2,613,891</u>	<u>\$11,526,818</u>

⁽¹⁾ Includes cash equivalents carried at fair value by blended components.

⁽²⁾ As of June 30, 2022 and June 30, 2021, all ECF investment maturities were recorded at carrying value. For the year ended June 30, 2022 and June 30, 2021, ECF's listed investments totaled \$196.42 and \$213.45 million, respectively.

Investments classified in Level 1 of the fair value hierarchy, valued at \$3.41 and \$2.61 billion in Fiscal Years 2022 and 2021 respectively, are valued using quoted prices in active markets.

U.S. Government securities totaling \$1.62 and \$7.61 billion, U.S. Government agency obligations totaling \$3.30 and \$3.76 billion, commercial paper totaling \$69.8 and \$60.3 million, money market funds totaling \$328.78 and \$92.19 million, bonds totaling \$56 thousand and mortgage backed and asset backed securities totaling \$ 72.58 and \$65.92 million in Fiscal Years 2022 and 2021 respectively, classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques maintained by various pricing vendors. There were no bonds in Fiscal Year 2021 classified in Level 2. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted fair value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

Investment derivative instruments, totaling \$(19.85) and \$(61.51) million in Fiscal Years 2022 and 2021, respectively, are classified in Level 2 of the fair value hierarchy. Fair value is described as the exit price that assumes a transaction takes place in the City's most advantageous market in the absence of a principal market. These inputs include the mid-market valuation and then incorporates the credit risk of either the City or its counterparty and the bid/offer spread that would be charged to the City in order to transact. The mid-fair values of the interest rate swaps were estimated using the income approach. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement date.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the weighted average maturity to a period of less than 2 years. The City's current weighted average maturity is less than 62 days.

Credit risk. Investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished through ratings, collateral, and diversification requirements that vary according to the type of investment. As of June 30, 2022 and 2021, investments in Fannie Mae or Freddie Mac and Federal Home Loan Bank (FHLB) were rated in the highest long-term or short-term ratings category (as applicable) by Standard & Poor's and/or Moody's Investor Service. These ratings were AA+ and A-1+ by Standard & Poor's and Aaa and P-1 by Moody's for long-term and short-term instruments, respectively.

Concentration of credit risk. The City's investment policy limits investments to no more than \$250 million invested at any time in either commercial paper of a single issuer or investment agreements with a single provider.

Custodial credit risk-investments. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will also not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the City, and are held by either the counterparty or the counterparty's trust department or agent.

The City's investment policy related to custodial credit risk calls for limiting its investments to highly rated institutions and/or requiring high quality collateral be held by the counterparty or custodian in the name of the City.

Investment Derivative Instruments

Note: More information on derivative instruments discussed herein can be found in Note A.12, by referencing the indicated derivative instrument's identifying letter.

Credit risk: The City is exposed to credit risk on investment derivative instruments. To minimize its exposure to loss related to credit risk, it is the City's policy to require counterparty collateral posting provisions in its investment derivative instruments. These terms require collateralization of the fair value of investment derivative instruments (net of the effect of applicable threshold requirements and netting arrangements) should the counterparty's credit rating fall below the following:

The counterparty with respect to derivative instrument H is required to post collateral if one of its credit ratings goes below A2/A. The counterparty with respect to derivative instrument E is required to post collateral if it has at least one rating below Aa3 or AA-. The City has never been required to access collateral.

As discussed in Note A.12, it is the City's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty.

The aggregate fair value of investment derivative instruments requiring collateralization at June 30, 2022 was \$(19.85) million. A negative aggregate fair value means the City would have owed payments to the counterparties. The City had no counterparty credit exposure to any of the investment derivative instrument counterparties as of that date.

Interest rate risk: The City is exposed to interest rate risk on its swaps. In derivative instruments E and H, pay-fixed, receive-variable interest rate swaps, as LIBOR or SIFMA decreases, the City's net payment on the swap increases.

Basis risk: The City is exposed to basis risk on derivative instruments E because the variable-rate payment received by the City is based on a rate or index other than the interest rate the City pays on its variable-rate debt. Under the terms of its derivative instrument E, the City pays a variable rate on the outstanding underlying bonds based on Securities Industry and Financial Markets Association (SIFMA), but receives a variable rate on the swap based on a percentage of LIBOR.

Tax risk: The City is at risk that a change in Federal tax rates will alter the fundamental relationship between the SIFMA and LIBOR indices. A reduction in Federal tax rates, for example, will likely increase the City's payment on its underlying variable rate bonds for derivative instrument E.

Termination risk: The City or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The City is at risk that a counterparty will terminate a swap at a time when the City owes it a termination payment. The City has mitigated this risk by specifying that the counterparty has the right to terminate only as a result of certain events, including: a payment default by the City; other City defaults which remain uncured for 30 days after notice; City bankruptcy; insolvency of the City (or similar events); or a downgrade of the City's credit rating below investment grade (i.e., BBB-/Baa3). If at the time of termination, an investment derivative instrument is in a liability position, the City would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Counterparty risk: The City is at a risk that a counterparty (or its guarantor) will not meet its obligations under the swap. If a counterparty were to default under its agreement when the counterparty would owe a payment to the City, the City may have to pay another entity to assume the position of the defaulting counterparty. The City has sought to limit its counterparty risk by contracting only with highly-rated entities or requiring guarantees of the counterparty's obligations under the swap documents.

The discretely presented component units included in the City's reporting entity maintain their own investment policies that generally conform to those of the City.

The criteria for the Pension and Other Employee Benefit Trust Funds' and Other Trust Funds' investments are as follows:

1. Fixed income investments may be made in U.S. Government guaranteed securities or securities of U.S. Government agencies, securities of entities rated BBB or better by both Standard and Poor's Corporation and Moody's Investors Service, Inc., securities below BBB up to 10% of the total asset allocation and any bond that meets the qualifications of the New York State Retirement and Social Security Law, the New York State Banking Law, and the New York City Administrative Code.
2. Equity investments may be made only in those stocks that meet the qualifications of the New York State Retirement and Social Security Law, the New York State Banking Law, and the New York City Administrative Code.
3. Short-term investments may be made in the following:
 - a. U.S. Government guaranteed securities or U.S. Government agency securities.
 - b. Commercial paper rated A1, P1, or F1 by Standard & Poor's Corporation or Moody's Investors Service, Inc., or Fitch, respectively.
 - c. Repurchase agreements collateralized in a range of 100% to 102% of matured value, purchased from primary dealers of U.S. Government securities.
 - d. Investments in bankers' acceptances, certificates of deposit, and time deposits are limited to banks with worldwide assets in excess of \$50 billion that are rated within the highest categories of the leading bank rating services, and selected regional banks also rated within the highest categories.
 - e. Other top-rate securities maturing in less than 4 years.
4. Investments up to 25% of total pension fund assets in instruments not specifically covered by the New York State Retirement and Social Security Law.
5. No investment in any one corporation can be: (i) more than 2% of the pension plan net position; or (ii) more than 5% of the total outstanding issues of the corporation.

All investments are held by the City's custodial banks (in bearer or book-entry form) solely as an agent of the Comptroller of The City of New York on behalf of the various account owners. Payments for purchases are not released until evidence of ownership of the underlying investments are received by the City's custodial bank.

Securities Lending

State statutes and Board policies permit the Pension and Certain Other Employee Benefit Trust Funds to lend its securities to broker-dealers and other entities for collateral, for the same securities in the future with a simultaneous agreement to return the collateral in the form of cash, treasury and U.S. Government securities. The Funds' agent lends the following types of securities: short term securities, common stocks, long-term corporate bonds, U.S. Government and U.S. Government agency bonds, asset-backed securities and international equities and bonds held in collective investment funds. In return, the Funds receive collateral in the form of cash, U.S. Treasury and U.S. Government agency securities at 100% to 108% of the principal plus accrued interest for reinvestment. At June 30, 2022 and 2021, management believes that the Funds had no credit risk exposure to borrowers because the amounts the Funds owed the borrowers equaled or exceeded the amounts the borrowers owed the Funds. The contracts with the Funds' custodians require the securities lending agent to indemnify the Funds. In the situation when a borrower goes into default, the Agent will liquidate the collateral to purchase replacement securities. Any shortfall before the replacement securities cost and the collateral value is covered by the Agent. All securities loans can be terminated on demand within a period specified in each agreement by either the Funds or the borrowers. Cash collateral is invested by the securities lending agent using approved lender's investment guidelines. The weighted average maturity is 65 days. The securities lending program in which the Funds participate only allows pledging or selling securities in the case of borrower default.

The City reports securities loaned as assets on the *Statement of Fiduciary Net Position*. Cash received as collateral on securities lending transactions, and investments made with that cash, are also recorded as assets. Liabilities resulting from these transactions are reported on the *Statement of Fiduciary Net Position*. Accordingly, the City records the investments purchased with the cash collateral as Investments; Collateral From Securities Lending Transactions with a corresponding liability are recorded as Securities Lending Transactions.

2. Capital Assets

The following is a summary of governmental activities capital assets for the Fiscal Years ended June 30, 2021 and 2022:

Primary Governmental	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
	(in thousands)						
Governmental activities:							
Capital assets, not being depreciated/amortized:							
Land	\$ 2,435,468	\$ 30,862	\$ 668	\$ 2,465,662	\$ 57,446	\$ 27	\$ 2,523,081
Construction work-in-progress . .	3,761,114	3,307,080	2,655,762	4,412,432	4,074,382	2,443,774	6,043,040
Total capital assets, not being depreciated/amortized	6,196,582	3,337,942	2,656,430	6,878,094	4,131,828	2,443,801	8,566,121
Capital assets, being depreciated/amortized:							
Building	70,363,620	2,655,762	176,886	72,842,496	2,443,774	3,029,737	72,256,533
Equipment (including software) . .	11,816,641	1,042,219	55,733	12,803,127	1,046,134	370,401	13,478,860
Infrastructure	27,885,847	2,039,753	618,282	29,307,318	1,991,531	770,243	30,528,606
Lease asset ⁽²⁾	—	—	—	—	26,446,507	6,776,609	19,669,898
Total capital assets, being depreciated/amortized	110,066,108	5,737,734	850,901	114,952,941	31,927,946	10,946,990	135,933,897
Less accumulated depreciation/amortization							
Building	33,640,770	2,437,855	155,656	35,922,969	2,393,106	1,423,750	36,892,325
Equipment (including software) . .	8,436,320	837,480	49,890	9,223,910	876,307	105,025	9,995,192
Infrastructure	11,284,015	1,261,610	618,284	11,927,341	1,309,218	880,443	12,356,116
Lease asset ⁽²⁾	—	—	—	—	8,935,735	2,353,108	6,582,627
Total accumulated depreciation/amortization	53,361,105	4,536,945 ⁽¹⁾	823,830	57,074,220	13,514,366 ⁽¹⁾	4,762,326	65,826,260
Total capital assets, being depreciated/amortized, net . . .	56,705,003	1,200,789	27,071	57,878,721	18,413,580	6,184,664	70,107,637
Governmental activities capital assets, net	\$62,901,585	\$4,538,731	\$2,683,501	\$64,756,815	\$22,545,408	\$8,628,465	\$78,673,758

⁽¹⁾ Depreciation expense was charged to functions/programs of The City for the Fiscal Years ended June 30, 2021 and 2022.

⁽²⁾ See Note A.2 for additional information regarding the City's adoption of GASB Statement No. 87-Leases.

The following is a summary of the governmental activities depreciation expense by function/program for the Fiscal Years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
	(in thousands)	
Governmental activities:		
General government	\$ 3,279,207	\$ 539,498
Public safety and judicial	1,257,083	327,846
Education	3,856,028	2,010,730
City University	159,607	4,947
Social services	2,164,751	67,102
Environmental protection	467,274	199,341
Transportation services	1,171,156	877,771
Parks, recreation and cultural activities	469,245	443,230
Housing	12,632	5,456
Health	655,267	40,687
Libraries	22,116	20,337
Total depreciation expense-governmental activities	<u>\$13,514,366</u>	<u>\$4,536,945</u>

The following is a summary of the amount of lease assets by major classes of underlying assets for the Fiscal Year ended June 30, 2022 as a result of the implementation of GASB 87. See Notes to Financial Statements (Note A.2) for further details.

	<u>2022</u>
	(in thousands)
Governmental activities:	
Lease asset:	
Lease land	\$ 81,221
Less accumulated amortization	54,039
Lease land, net	<u>27,182</u>
Lease building	18,926,327
Less accumulated amortization	6,157,286
Lease building, net	<u>12,769,041</u>
Lease equipment	561,112
Less accumulated amortization	336,803
Lease equipment, net	<u>224,309</u>
Lease infrastructure	101,238
Less accumulated amortization	34,499
Lease infrastructure, net	<u>66,739</u>
Total lease assets	<u>\$13,087,271</u>

The following is a summary of business-type activities capital assets for the Fiscal Years ended June 30, 2021 and 2022:

Primary Government	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021 (in thousands)	Additions	Deletions	Balance June 30, 2022
Business-Type Activities:							
Capital assets, not being depreciated/amortized:							
Construction work-in-progress . . .	\$ 70,042	\$ 64,387	\$ 17,798 ⁽¹⁾	\$ 116,631	\$ 64,453	\$ 73,771	\$ 107,313
Total capital assets, not being depreciated/amortized	<u>70,042</u>	<u>64,387</u>	<u>17,798</u>	<u>116,631</u>	<u>64,453</u>	<u>73,771</u>	<u>107,313</u>
Capital assets, being depreciated/amortized:							
Building	41,807	—	22	41,785	23	—	41,808
Equipment (including software) . .	21,981	743	—	22,724	629	—	23,353
Infrastructure	606,668	16,242	6	622,904	73,783	—	696,687
Total capital assets, being depreciated/amortized . .	<u>670,456</u>	<u>16,985⁽¹⁾</u>	<u>28</u>	<u>687,413</u>	<u>74,435</u>	<u>—</u>	<u>761,848</u>
Less accumulated depreciation/amortization:							
Building	7,084	1,523	—	8,607	1,522	—	10,129
Equipment (including software) . .	8,380	2,190	—	10,570	2,235	—	12,805
Infrastructure	158,450	34,425	—	192,875	36,276	—	229,151
Total accumulated depreciation/amortization	<u>173,914</u>	<u>38,138</u>	<u>—</u>	<u>212,052</u>	<u>40,033</u>	<u>—</u>	<u>252,085</u>
Total capital assets, being depreciated/amortized, net	<u>496,542</u>	<u>(21,153)</u>	<u>28</u>	<u>475,361</u>	<u>34,402</u>	<u>—</u>	<u>509,763</u>
Business-type activities capital assets, net	<u>\$ 566,584</u>	<u>\$ 43,234</u>	<u>\$ 17,826</u>	<u>\$ 591,992</u>	<u>\$ 98,855</u>	<u>\$ 73,771</u>	<u>\$ 617,076</u>

⁽¹⁾ For Fiscal Year 2021, deletions in the construction work-in-progress are higher than additions to the total capital assets due to the following reclassifications from the Brooklyn Bridge Park Corporation's construction work-in-progress: \$909,628 (retainage payable adjustment), \$365,702 (reversal of accruals), \$23,120 (expensed items), \$159,300 (equipment assets originally expensed and subsequently capitalized), and \$12,670 (reclassifications within construction in progress).

3. Leases

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City leases and subleases a significant amount of nonfinancial assets such as land, buildings, equipment and infrastructure. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the government-wide *Statement of Net Position*.

The City has a variety of variable payment clauses, within its lease arrangements, which include payments dependent on indexes and rates (such as the Consumer Price Index and a market interest rates), including variable payments based on future performance and usage of the underlying asset. Components of variable payments that are fixed in substance, are included in the measurement of the lease liability presented in the table below. The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

Furthermore, the City has commitments for leases that have not commenced as of the end of the Fiscal Year 2022 and the liability associated with these leases equal to about \$129 million in the aggregate. The City also enters into lease arrangements with third parties in which the City is a sublessee.

As of June 30, 2022, the City (excluding discretely presented component units) had minimum principal and interest payment requirements for its leasing activities, including its subleasing activities, with a remaining term in excess of one year, as follows:

	Liability Beginning Balance	Total Principal	Total Interest	Total Payment	Liability Ending Balance
			(in thousands)		
Governmental Activities:					
Fiscal year ending June 30:					
2022.....	\$ 14,771,510	\$ 813,555	\$ 415,467	\$ 1,229,022	\$ 13,957,955
2023.....	\$ 13,957,955	\$ 831,040	\$ 401,147	\$ 1,232,187	\$ 13,126,915
2024.....	13,126,915	821,552	377,412	1,198,964	12,305,363
2025.....	12,305,363	812,257	353,981	1,166,238	11,493,106
2026.....	11,493,106	794,441	330,919	1,125,360	10,698,665
2027.....	10,698,665	733,540	308,717	1,042,257	9,965,125
2028-2032.....	9,965,125	3,085,241	1,248,495	4,333,736	6,879,884
2033-2037.....	6,879,884	2,544,843	836,725	3,381,568	4,335,041
2038-2042.....	4,335,041	2,113,880	488,280	2,602,160	2,221,161
2043-2047.....	2,221,161	1,404,708	218,866	1,623,574	816,453
2048-2052.....	816,453	622,478	64,117	686,595	193,975
2053-2057.....	193,975	114,294	18,961	133,255	79,681
2058-2062.....	79,681	50,410	8,008	58,418	29,271
2063-2067.....	29,271	25,737	1,877	27,614	3,534
2068-2072.....	3,534	264	511	775	3,270
2073-2077.....	3,270	307	468	775	2,963
2078-2082.....	2,963	357	419	776	2,606
2083-2087.....	2,606	414	361	775	2,192
2088-2092.....	2,192	481	294	775	1,711
2093-2097.....	1,711	559	216	775	1,152
2098-2102.....	1,152	649	126	775	503
2103-2107.....	503	503	27	530	—
Lease liability:		<u>\$13,957,955</u>			

Additionally as the lessor, the City leases and subleases City-owned properties such as buildings and infrastructure. The related receivables are presented in the *Statement of Net Position* for the amounts equal to the present value of lease payments expected to be received during the lease term. The total amount of lease revenue, interest revenue, and other lease-related revenues recognized in the current reporting period from leases is \$313 million.

The City's variable payments clause within its lease arrangements as the lessor, is similar to the arrangements made as lessee. The City did not incur revenue related to residual value guarantees or lease termination penalties. It also does not currently have agreements that include sale-leaseback and lease-leaseback transactions.

Similar to its lessee agreements, the City also enters into lease arrangements with third parties in which the City is a sublessor.

As of June 30, 2022, the City (excluding discretely presented component units) had minimum principal and interest lease receivable payments for its leasing activities, including its subleasing activities, with a remaining term in excess of one year as follows:

	Receivable Beginning Balance	Total Principal	Total Interest (in thousands)	Total Payment	Receivable Ending Balance
Governmental Activities:					
Fiscal year ending June 30:					
2022.....	\$ 4,137,616	\$ 64,240	\$ 123,221	\$ 187,461	\$ 4,073,376
2023.....	\$ 4,073,376	\$ 66,307	\$ 121,272	\$ 187,579	\$ 4,007,069
2024.....	4,007,069	64,768	119,327	184,095	3,942,301
2025.....	3,942,301	66,266	117,359	183,625	3,876,035
2026.....	3,876,035	66,435	115,371	181,806	3,809,600
2027.....	3,809,600	68,294	113,354	181,648	3,741,306
2028-2032.....	3,741,306	359,290	535,114	894,404	3,382,016
2033-2037.....	3,382,016	409,882	477,766	887,648	2,972,134
2038-2042.....	2,972,134	466,655	411,975	878,630	2,505,479
2043-2047.....	2,505,479	525,417	338,046	863,463	1,980,062
2048-2052.....	1,980,062	598,714	253,531	852,245	1,381,348
2053-2057.....	1,381,348	675,157	158,673	833,830	706,191
2058-2062.....	706,191	542,994	54,636	597,630	163,197
2063-2067.....	163,197	23,297	22,805	46,102	139,900
2068-2072.....	139,900	27,302	19,028	46,330	112,598
2073-2077.....	112,598	31,825	14,602	46,427	80,773
2078-2082.....	80,773	37,225	9,446	46,671	43,548
2083-2087.....	43,548	39,060	3,442	42,502	4,488
2088-2092.....	4,488	3,616	413	4,029	872
2093-2097.....	872	448	72	520	424
2098-2102.....	424	72	59	131	352
2103-2107.....	352	83	47	130	269
2108-2112.....	269	96	34	130	173
2113-2117.....	173	111	18	129	62
2118-2122.....	62	62	3	65	—
Lease receivable:		<u>\$ 4,073,376</u>			

4. Service Concession Arrangements

The City is the transferor in 75 Service Concession Arrangements contracted at the Parks Department. The agreements convey to the operators the right, either through licenses or permits, to construct capital assets and operate and maintain all service concessions. The City has the right to approve the type of services the operators may provide and the fees that may be charged by the operators to the public. As per the agreements, the operators provide amenities and facilities to park users, which generate General Fund revenues for the City and also create valuable business and employment opportunities for the public. The Parks Department operators help preserve some of the City’s unique park facilities and provide public amenities while creating and developing new park destinations with fewer public funds.

The Service Concession Agreements do not contain any upfront payments from the operators nor are there any guarantees or commitments by the City. By concession type, the value of the Capital Assets associated with the above Service Concession Arrangements and the deferred inflows resulting from such arrangements are as follows at June 30:

Concession Type	2022			2021		
	Number of Concessions	Deferred Inflows	Capital Assets Value	Number of Concessions	Deferred Inflows	Capital Assets Value
		(in thousands)			(in thousands)	
Restaurants	30	\$ 12,239	\$ 39,169	30	\$ 14,316	\$ 40,739
Sports Centers	16	10,954	46,340	16	12,557	48,400
Golf Courses	15	16,763	53,644	15	21,700	55,895
Gas Stations	7	99	654	7	192	679
Amusement Parks/Carousels	3	2,328	64,070	3	2,882	66,360
Stables	3	86	800	3	135	836
Other	1	—	315	1	77	324
Total	<u>75</u>	<u>\$ 42,469</u>	<u>\$ 204,992</u>	<u>75</u>	<u>\$ 51,859</u>	<u>\$ 213,233</u>

5. Long-Term Liabilities

Changes in Long-term liabilities

In Fiscal Years 2021 and 2022, the changes in long-term liabilities were as follows:

Primary Government	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental activities:								
Bonds and notes payable								
General Obligation Bonds ⁽¹⁾	\$ 38,158,665	\$ 4,888,060	\$ 5,097,321	\$ 37,949,404	\$ 3,459,905	\$ 3,169,735	\$ 38,239,574	\$ 2,419,561
from direct borrowing and direct placement	625,000	—	—	625,000	75,000	95,000	605,000	30,000
Total General Obligation Bonds	38,783,665	4,888,060	5,097,321	38,574,404	3,534,905	3,264,735	38,844,574	2,449,561
TFA Bonds	48,420,995	6,865,265	5,796,095	49,490,165	6,534,750	4,563,790	51,461,125	1,726,925
from direct borrowing and direct placement	557,400	—	90,800	466,600	—	108,100	358,500	8,500
Total TFA Bonds	48,978,395	6,865,265	5,886,895	49,956,765	6,534,750	4,671,890	51,819,625	1,735,425
Total TSASC Bonds	1,023,185	—	30,570	992,615	—	26,675	965,940	27,835
Total IDA Bonds	59,710	—	2,545	57,165	—	2,680	54,485	2,810
Total STAR Bonds	1,633,590	—	1,633,590	—	—	—	—	—
HYIC Bonds	2,723,870	—	48,545	2,675,325	454,140	576,255	2,553,210	44,675
from direct borrowing and direct placement	545	1,714	—	2,259	2,201	—	4,460	4,460
Total HYIC Bonds	2,724,415	1,714	48,545	2,677,584	456,341	576,255	2,557,670	49,135
ECF Bonds	213,515	97,855	127,790	183,580	—	4,845	178,735	6,850
from direct borrowing and direct placement	—	118,410	—	118,410	—	—	118,410	—
Total ECF Bonds	213,515	216,265	127,790	301,990	—	4,845	297,145	6,850
Total before premiums/discounts(net)	93,416,475	11,971,304	12,827,256	92,560,523	10,525,996	8,547,080	94,539,439	4,271,616
Less premiums/(discounts)(net)	5,976,294	2,037,022	1,156,862	6,856,454	1,533,073	1,123,295	7,266,232	—
Total governmental activities bonds and notes payable	99,392,769	14,008,326	13,984,118	99,416,977	12,059,069	9,670,375	101,805,671	4,271,616
Lease liability ⁽²⁾	789,080	189,756	87,376	891,460	13,880,050	813,555	13,957,955	831,040
Conduit debt	758,246	—	51,000	707,246	—	54,535	652,711	54,535
Other tax refunds	2,103,797	301,221	358,797	2,046,221	482,368	194,221	2,334,368	172,368
Judgments and claims	7,098,213	1,064,266	1,225,061	6,937,418	2,133,607	1,876,014	7,195,011	1,905,004
Real estate tax certiorari	1,123,670	239,075	107,922	1,254,823	228,844	138,401	1,345,266	113,434
Vacation and sick leave	5,693,120	1,024,305	344,699	6,372,726	431,526	669,150	6,135,102	669,150
Net Pension liability	46,376,874	24,574,423	61,352,944	9,598,353	43,577,952	10,826,839	42,349,466	—
Net OPEB liability	109,456,918	12,126,503	3,604,188	117,979,233	9,028,900	37,482,275	89,525,858	—
Landfill closure and postclosure care costs	1,212,394	33,233	60,164	1,185,463	—	65,922	1,119,541	24,420
Pollution remediation obligation	251,250	79,108	108,305	222,053	227,821	140,968	308,906	138,363
Total changes in governmental activities long-term liabilities	\$ 274,256,331	\$ 53,640,216	\$ 81,284,574	\$ 246,611,973	\$ 82,050,137	\$ 61,932,255	\$ 266,729,855	\$ 8,179,931
Business-type activities:								
Bonds and notes payable								
NYCTL 2018-A TRUST bonds	\$ 11,991	\$ —	\$ 11,991	\$ —	\$ —	\$ —	\$ —	\$ —
NYCTL 2019-A TRUST bonds	50,325	—	25,836	24,489	—	16,240	8,249	8,249
NYCTL 2021-A TRUST bonds	—	—	—	—	88,864	16,171	72,693	72,693
Total before premiums/discounts(net)	62,316	—	37,827	24,489	88,864	32,411	80,942	80,942
Less premiums/(discounts)(net)	(3)	—	(2)	(1)	(39)	—	(40)	(40)
Total business-type activities bonds and notes payable	62,313	—	37,825	24,488	88,825	32,411	80,902	80,902
Other liabilities	374,244	91,419	85,494	380,169	3,569	7,209	376,529	28,468
Total business-type activities long-term liabilities	\$ 436,557	\$ 91,419	\$ 123,319	\$ 404,657	\$ 92,394	\$ 39,620	\$ 457,431	\$ 109,370

⁽¹⁾ General Obligation Bonds are generally liquidated with resources of the General Debt Service Fund. Other long-term liabilities are generally liquidated with resources of the General Fund.

⁽²⁾ The City has always reported lease liability as part of its long-term liabilities; however, the additions for Fiscal year ended June 30, 2022 are due to the adoption of GASB Statement No. 87-Lease (see Note. A2).

The bonds and notes payable, net of treasury obligations, at June 30, 2021 and 2022 summarized by type of issue are as follows:

Primary Government	2021				2022			
	City General Obligation ⁽¹⁾	Other bonds and notes payable ⁽²⁾	Revenue ⁽³⁾	Total	City General Obligation ⁽¹⁾	Other Bonds and Notes Payable ⁽²⁾	Revenue ⁽³⁾	Total
	(in thousands)							
Governmental activities:								
Bonds and Notes payable								
General obligation bonds	\$ 37,949,404	\$ —	\$ —	\$ 37,949,404	\$ 38,239,574	\$ —	\$ —	\$ 38,239,574
from Direct borrowing and direct placement	625,000	—	—	625,000	605,000	—	—	605,000
Total General obligation bonds . . .	38,574,404	—	—	38,574,404	38,844,574	—	—	38,844,574
TFA Bonds	—	41,087,210	—	41,087,210	—	43,307,580	—	43,307,580
from Direct borrowing and direct placement	—	466,600	—	466,600	—	358,500	—	358,500
TFA Bonds BARBS	—	—	8,402,955	8,402,955	—	—	8,153,545	8,153,545
Total TFA Bonds	—	41,553,810	8,402,955	49,956,765	—	43,666,080	8,153,545	51,819,625
TSASC Bonds	—	—	992,615	992,615	—	—	965,940	965,940
IDA Bonds	—	57,165	—	57,165	—	54,485	—	54,485
HYIC Bonds	—	—	2,675,325	2,675,325	—	—	2,553,210	2,553,210
from Direct borrowing and direct placement	—	2,259	—	2,259	—	4,460	—	4,460
Total HYIC Bonds	—	2,259	2,675,325	2,677,584	—	4,460	2,553,210	2,557,670
ECF Bonds	—	—	183,580	183,580	—	—	178,735	178,735
from Direct borrowing and direct placement	—	—	118,410	118,410	—	—	118,410	118,410
Total ECF Bonds	—	—	301,990	301,990	—	—	297,145	297,145
Total before net of premium / discount . .	38,574,404	41,613,234	12,372,885	92,560,523	38,844,574	43,725,025	11,969,840	94,539,439
Net Premiums/(discounts)	2,437,426	3,308,160	1,110,868	6,856,454	2,390,007	3,693,395	1,182,830	7,266,232
Total bond payable	\$41,011,830	\$44,921,394	\$ 13,483,753	\$99,416,977	\$ 41,234,581	\$ 47,418,420	\$13,152,670	\$101,805,671
Business-type activities:								
NYCTL Trusts bonds	—	—	24,489	24,489	—	—	80,942	80,942
Net Premiums/(discounts)	—	—	(1)	(1)	—	—	(40)	(40)
Total bond payable	\$ —	\$ —	\$ 24,488	\$ 24,488	\$ —	\$ —	\$ 80,902	\$ 80,902

(1) The City issues its General Obligation for capital projects which include construction, acquisition, repair or life extending maintenance of the City's infrastructure.

(2) Other bonds and notes payable includes TFA (excluded BARBs) IDA and HYIC Construction Loan. They are general obligations of the respective issuers.

(3) Revenue bonds include ECF, HYIC, TFA (BARBs), NYCTL Trusts, and TSASC.

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The following table summarizes future debt service requirements as of June 30, 2022:

Primary Government	Governmental activities							
	City General Obligation Bonds				Other bonds and notes payable			
	Bonds		Bond from Direct Borrowings/ Direct Placements		Bonds		Bond from Direct Borrowings/ Direct Placements	
	Principal	Interest⁽¹⁾	Principal	Interest⁽¹⁾	Principal	Interest	Principal	Interest
Fiscal year ending June 30:	(in thousands)							
2023.....	\$ 2,419,561	\$ 1,662,398	\$ 30,000	\$ 18,150	\$ 1,576,085	\$ 1,736,001	\$ 12,960	\$ 728
2024.....	2,514,111	1,571,133	—	17,250	1,749,650	1,683,755	—	682
2025.....	2,436,016	1,462,499	—	17,250	1,698,105	1,618,187	—	683
2026.....	2,369,236	1,355,914	—	17,250	1,829,300	1,554,981	—	682
2027.....	2,191,421	1,256,567	10,820	17,250	1,990,565	1,483,813	—	683
2028-2032.....	9,204,102	4,991,176	103,450	78,319	9,545,165	6,191,033	—	3,412
2033-2037.....	7,337,972	3,186,172	146,060	62,107	9,650,730	4,170,214	—	3,413
2038-2042.....	5,279,678	1,716,809	100,210	39,732	9,586,960	1,947,757	50,000	3,252
2043-2047.....	3,350,253	641,460	194,265	25,893	4,676,980	544,676	300,000	1,016
2048-2052.....	1,137,184	122,974	20,195	606	1,058,525	78,687	—	—
2053-2057.....	4	14	—	—	—	—	—	—
Thereafter until 2147.....	36	125	—	—	—	—	—	—
Total future debt service requirements.....	38,239,574	17,967,241	605,000	293,807	43,362,065	21,009,104	362,960	14,551
Less interest.....	—	(17,967,241)	—	(293,807)	—	(21,009,104)	—	(14,551)
Total principal outstanding.....	<u>\$38,239,574</u>	<u>\$ —</u>	<u>\$605,000</u>	<u>\$ —</u>	<u>\$43,362,065</u>	<u>\$ —</u>	<u>\$362,960</u>	<u>\$ —</u>
Business-type activities								
	Bonds							
	Principal	Interest⁽¹⁾						
Fiscal year ending June 30:	(in thousands)							
2023.....	\$ —	\$ 1,707						
2024.....	—	1,707						
2025.....	—	1,707						
2026.....	—	1,707						
2027.....	—	1,707						
2028-2032.....	—	8,536						
2033-2037.....	80,942	3,907						
Total future debt service requirements.....	80,942	20,978						
Less interest.....	—	(20,978)						
Total principal outstanding.....	<u>\$ 80,942</u>	<u>\$ —</u>						

⁽¹⁾ Includes interest for general obligation bonds estimated at a 5% rate on tax-exempt adjustable rate bonds and at a 6% rate on taxable adjustable rate bonds.

Primary Government	Governmental activities (Continued)			
	Revenue Bonds			
	Bonds		Bond from Direct Borrowings/ Direct Placements	
	Principal	Interest	Principal	Interest
(in thousands)				
Fiscal year ending June 30:				
2023.....	\$ 278,160	\$ 551,165	\$ —	\$ 5,921
2024.....	315,390	538,908	1,070	5,921
2025.....	329,015	525,802	1,130	5,867
2026.....	342,535	511,481	2,125	5,811
2027.....	500,890	491,673	2,230	5,704
2028-2032.....	2,540,585	2,111,616	12,955	26,732
2033-2037.....	3,157,160	1,402,187	16,525	23,153
2038-2042.....	2,313,795	714,041	21,095	18,587
2043-2047.....	1,682,205	273,253	26,915	12,760
2048-2052.....	391,695	18,366	34,365	5,322
2053-2057.....	—	—	—	—
Thereafter until 2147.....	—	—	—	—
Total future debt service requirements.....	11,851,430	7,138,492	118,410	115,778
Less interest.....	—	(7,138,492)	—	(115,778)
Total principal outstanding.....	<u>\$11,851,430</u>	<u>\$ —</u>	<u>\$118,410</u>	<u>\$ —</u>

The average (weighted) interest rates for outstanding City General Obligation Bonds as of June 30, 2022 and 2021, were 4.22% and 4.22%, respectively, and both ranged from 0.31% to 7.75%. The last maturity of the outstanding City debt is in the year 2147.

Since the City has variable rate debt outstanding, the terms by which interest rates change for variable rate debt are as follows: for Auction Rate Securities, an interest rate is established periodically by an auction agent at the lowest clearing rate based upon bids received from broker-dealers. Variable Rate Demand Bonds (VRDBs) are long-term bonds that have a daily or weekly “put” feature backed by a bank Letter of Credit or Standby Bond Purchase Agreement. VRDBs are repriced daily or weekly and provide investors with the option to tender the bonds at each repricing. A broker, called a Remarketing Agent, is responsible for setting interest rates and reselling to new investors any securities that have been tendered. SIFMA Index Bonds pay the holder a floating index rate based on the Securities Industry and Financial Markets Association Municipal Swap Index plus spread.

In Fiscal Years 2022 and 2021, the City issued \$954.91 million and \$2.89 billion, respectively, of General Obligation Bonds to advance refund General Obligation Bonds of \$1.07 and \$3.0 billion, respectively, aggregate principal amounts. The net proceeds from the sales of the refunding bonds, together with other funds of \$595 thousand and \$7.86 million, respectively, were irrevocably placed in escrow accounts and invested in United States Government securities. As a result of providing for the payment of the principal and interest to maturity, and any redemption premium, the advance refunded bonds are considered to be defeased and, accordingly, the liability is not reported in the government-wide financial statements. In Fiscal Year 2022, the refunding transactions will decrease the City’s aggregate debt service payments by \$114.67 million and provide an economic gain of \$108.40 million. In Fiscal Year 2021, the refunding transactions decreased the City’s aggregate debt service payments by \$444.97 million and provided an economic gain of \$428.54 million. At June 30, 2022 and 2021, \$16.88 and \$18.22 billion, respectively, of the City’s outstanding General Obligation Bonds were considered defeased.

The State Constitution requires the City to pledge its full faith and credit for the payment of the principal and interest on City term and serial bonds and guaranteed debt. The General Obligation debt-incurring power of the City is limited by the Constitution to 10% of the average of five years’ full valuations of taxable real estate. Excluded from this debt limitation is certain indebtedness incurred for water supply, certain obligations for transit, sewage, and other specific obligations which exclusions are based on a relationship of debt service to net revenue. In July 2009, the State Assembly passed legislation stipulating that certain TFA debt would be included in the calculation of debt-incurring margin within the debt limit of the City.

As of June 30, 2022 and 2021, the 10% general limitation was approximately \$127.35 and \$123.02 billion, respectively. Also, as of June 30, 2022, the City’s remaining GO debt-incurring power totaled \$38.96 billion, after providing for capital commitments. As of July 1, 2022, the debt incurring power was \$41.51 billion based on the change in the five-year full valuation average for fiscal year 2023.

Pursuant to State law, the City’s General Debt Service Fund is administered and maintained by the State Comptroller. Payments of real estate taxes and other revenues are deposited in advance of debt service payment dates into the Fund. Debt service on all City notes and bonds is paid from this Fund. In Fiscal Year 2022, prepayment transfers of \$3.32 billion were made from the General Fund which included discretionary transfers of \$3.21 billion to the General Debt Service Fund for Fiscal Year 2022 debt service. In Fiscal Year 2021, prepayment transfers of \$3.0 billion were made from the General Fund to the General Debt Service Fund for Fiscal Year 2022 debt service.

As of June 30, 2022, the City had 33 series of Variable Rate Demand Bonds (VRDBs) outstanding that have a “put” feature and are backed by either a Standby Bond Purchase Agreement (SBPA) or a Letter of Credit (LOC) with a total par value of approximately \$3.41 billion.

The SBPAs contain various events of default that are summarized below. Events of default, which result in the immediate termination of the SBPA, cause tendered and unremarketed bonds to pay interest to bondholders at a maximum rate specified in the underlying documents, which is typically 9% for tax-exempt bonds and 14% for taxable bonds. Other events of default under a SBPA may cause a mandatory tender to the bank providing the SBPA and result in the interest rate on the bonds held by the bank increasing to the default rate, which is typically equivalent to the lesser of 25% and the Base Rate plus a spread ranging generally from 2% to 4.5%, until the City takes action to cure the default. The Base Rate is typically a rate per annum equal to the highest of (i) a fixed rate generally in the vicinity of 8%; (ii) the federal funds rate plus a spread ranging generally from 0.5% to 4%; (iii) the prime rate plus a spread ranging generally from 0% to 3%; and (iv) other indices with specified spreads which may vary. Events of Default under an LOC may result in a termination of the LOC within a stated period of generally eight days and a mandatory tender of the bonds to the LOC bank. The bank then holds the bonds at the default rate, which is typically equivalent to the lesser of 25% and the Base Rate plus a range from 2% to 4.5%, until the City takes action to cure the default.

Events of default under the SBPAs or LOC Reimbursement Agreements supporting the 33 series of VRDBs are summarized below. The summaries are qualified in their entirety by references to the actual SBPAs and LOC Reimbursement Agreements, which can be found by following prompts on the New York City home page on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website (<http://emma.msrb.org>). Events of default can include, but are not necessarily limited to: payment defaults by the City; City failure to observe certain covenants; City representations in bond documents prove to be incorrect; bankruptcy or insolvency of the City; provisions in the City's bond documents cease to be valid and binding or the City repudiates obligations; the City declares a moratorium on payment of any of its debts; the City's long-term unenhanced bond ratings are withdrawn, suspended for credit-related reasons, or reduced below certain thresholds; or the City fails to satisfy non-appealable monetary judgements above a certain amount.

Certain of the events of default under a SBPA result in the immediate termination of the SBPA under certain circumstances and tendered and unremarketed bonds will bear interest at the maximum rate, as described above.

Certain of the events of default under a SBPA may result in a mandatory tender event under certain circumstances and the bonds will bear interest at the default rate in the relevant SBPA.

If an Event of Default under a LOC Reimbursement Agreement shall have occurred and be continuing, bonds can potentially bear interest at the default rate and the LOC Bank will be entitled to take further action as contemplated under the bond documents or as permitted under applicable law or in equity. Further, in certain situations, the City has agreed to use its best efforts to exchange bonds held by the bank for refunding bonds with an increased interest rate (typically the base rate plus a certain spread) and an accelerated maturity schedule, typically five years after the exchange.

As of June 30, 2022, the City has eight series of Index Rate Bonds outstanding with a total par value of \$605 million, all of which are Direct Purchases. The Series 1994E-4 bonds and the Series 2012G-5 bonds were issued with Continuing Covenant Agreements with event of default provisions comparable to those of the City's Variable Rate Demand Bonds. The Continuing Covenant Agreements can be found on the Municipal Securities Rulemaking Board's EMMA website at <https://emma.msrb.org>.

The Series 1994E-4 bonds have a default rate of 12% per annum. The Series 2012G-5 bonds have a default rate of the Base Rate plus 3% per annum. The Base Rate equals the highest of the Federal Funds Rate plus 3%, the Prime Rate plus 2%, or 6%.

As of June 30, 2022, the City had three series of Adjustable Rate Remarketing Securities (ARRS) outstanding with a total par value of \$359.35 million. The ARRS are comparable to VRDBs, but do not require a liquidity facility backstop and have a non-remarketed rate of 12% if they cannot be successfully remarketed.

Hedging derivative instrument payments and hedged debt

As of June 30, 2022 the City no longer has any swaps that are classified as hedging derivative instruments.

Judgments and Claims

The City is a defendant in lawsuits pertaining to material matters, including claims asserted which are incidental to performing routine governmental and other functions. This litigation includes, but is not limited to: actions commenced and claims asserted against the City arising out of alleged constitutional violations; torts; breaches of contract; other violations of law; and condemnation proceedings.

As of June 30, 2022 and 2021, claims in excess of \$1.69 and \$2.37 trillion, respectively, were outstanding against the City for which the City estimates its potential future liability to be \$7.19 and \$6.94 billion, respectively.

As described in Note A.10, the estimate of the liability for all judgments and claims has been reported in the government-wide *Statement of Net Position* under noncurrent liabilities. The liability was estimated by using the probable exposure information provided by the New York City Law Department (Law Department), and supplemented by information provided by the Law Department with respect to certain large individual claims and proceedings. The recorded liability is the City's best estimate based on available information and application of the foregoing procedures.

The City has received in excess of 115 notices of claim from putative plaintiffs and been named as a defendant in approximately 31 legal actions, and received approximately 2,354 workers' compensation claims to date relating to the COVID-19 outbreak in the City. The notices of claim and legal actions include claims that wrongful actions or omissions of the City and/or certain City restrictions related to COVID-19 have resulted in severe medical, psychological and economic damages and/or death. The workers' compensation claims are governed by a no-fault system in which the City, as the claimant's employer, provides wage replacement benefits and medical care for work-related illnesses if the City accepts the employee's claim or the claimant obtains a judgment from the New York State Workers' Compensation Board. The City may receive additional legal and workers' compensation claims related to COVID-19 in the future. The City cannot predict its potential monetary liability from such claims at this time or whether such liability will have a material effect on the finances of the City.

In 1996, a class action was brought against the New York City Board of Education (the “BOE”) and the State in federal district court of the Southern District of New York under Title VII of the Civil Rights Act of 1964 alleging that the use by the Board of Education of a teacher certification examination mandated by the State from 1996 to 2004, the Liberal Arts and Science Test (“LAST”), and a second version of the teacher certification examination mandated by the State from 2004 to 2014, the Liberal Arts and Science Test 2 (“LAST-2”), had a disparate impact on minority candidates. In 2006, the United States Court of Appeals for the Second Circuit dismissed the claims against the State. The District Court ruled in 2012 and 2015, respectively, that each of LAST and LAST-2 violated Title VII because it did not measure the skills necessary to do the job. Currently, approximately 5,300 LAST and LAST-2 class members have submitted claim forms and may be eligible for damages. Approximately 2,483 judgments have been entered in favor of the claimants totaling approximately \$647 million. The City has appealed a majority of these judgments. The Second Circuit denied 347 of the City’s appeals and the parties stipulated that the remainder of judgments appealed after September 3, 2019 would remain in effect as if they had also been affirmed. With the assistance of the court appointed Special Master, the parties have reached an agreement to limit the number of the judgments that would need to be paid in any given fiscal year. The maximum dollar value of judgments to be paid by the BOE would be limited as follows: In fiscal year 2022 – a maximum of \$345 million; in fiscal year 2023 – a maximum of \$410 million; in fiscal year 2024 – a maximum of \$360 million; in fiscal year 2025 – a maximum of \$360 million; in fiscal year 2026 – a maximum of approximately \$183 million; in fiscal year 2027 – a maximum of approximately \$83 million; and in fiscal year 2028 – a maximum of approximately \$33 million. The agreement is a cap on payments of judgments entered against the BOE and is not an agreement to compromise claims. BOE will continue to contest individual claims presented to the Special Master. The Special Master will regulate the number of judgments entered against BOE to ensure that the aforementioned caps are not exceeded in any fiscal year.

On January 31, 2017 a putative class action was filed in State Supreme Court, Queens County, alleging numerous commercial claims in connection with the November 2013 auctions of wheelchair accessible taxi medallions. In September 2017, the Court dismissed all but a breach of contract rescission and implied covenant of good faith and fair dealing claims and that decision has been appealed by both sides. The Court also denied plaintiffs’ motion for class certification as premature. On December 30, 2020, the Appellate Division, Second Department ruled that the plaintiff’s causes of action should have been dismissed in their entirety. On October 12, 2021, the New York Court of Appeals granted the plaintiffs’ leave for appeal and appellate briefs by both sides were fully filed by mid-April 2022.

On June 21, 2017, a second putative class actions was filed in State Supreme Court, Queens County, also alleging numerous commercial claims in connection with the February 2014 auctions of wheelchair accessible taxi medallions. In November 2017, the Court dismissed the action, and plaintiffs moved to reargue. In March 2019, the Court granted the plaintiffs’ motion to reargue the action, and reinstated the implied covenant, rescission and New York State General Business Law claims. In November 2019, the Court granted plaintiffs’ motion for class certification. At present, the Court in this filed action has defined the class as all purchasers at the 2013 and 2014 auctions, and their successors or assigns. If the class were to prevail on any of the remaining claims, damages of several hundred million dollars could be sought. On March 16, 2020, the Court denied the plaintiffs’ motion for partial summary judgment and on October 1, 2020, the Court granted in part, and denied in part, the City’s summary judgment motion, allowing the rescission and implied covenant of good faith and fair dealing claims to proceed to trial. The class certification and summary judgment decisions have been appealed, and are fully briefed and pending before the Appellate Division, Second Department. On July 9, 2021, the City filed a motion to renew its summary judgment motion in light of the binding precedent by the Appellate Division, Second Department from the first filed action.

In a putative class action, Soybel et al. v City of New York, on April 6, 2021 two medallion owners who purchased taxi medallions filed claims against the City and former City officials, alleging improper conduct in connection with the sale of taxi medallions from 2004-2017. Plaintiffs allege that the City engaged in a scheme to artificially inflate the value of taxi medallions through fraudulent, collusive, and deceptive means to maximize its profit through actions to artificially inflate the “upset price” for medallions at auction, allowed collusive bidding at auction to drive up an artificial “floor” for future medallion transactions, published deliberately false and misleading average sales prices for secondary market transactions, deliberately concealed an internal report on medallion values, and launched a false and misleading advertising campaign for medallion sales. Plaintiffs allege that the City engaged in a conspiracy in violation of the Racketeering Influenced and Corrupt Organization statute, violated federal antitrust laws, and that the City’s actions constituted unjust enrichment under state law. The case also names as defendants certain purchasers of the medallions. Plaintiffs seek compensatory and treble damages in the amount of \$2.6 billion, plus punitive damages against the individually-named City officials and attorneys’ fees and costs. The City will vigorously challenge the claims made in the action. The City’s motion to dismiss is fully briefed, and oral argument was held on May 24, 2022.

In 2010, a single claimant sued the City for improper jail detention resulting from the City honoring a federal ICE detainer request. By 2017, the Court certified a class of similarly situated individuals who were allegedly wrongfully detained in City jails between 2007 and 2012. Various courts around the country, over the same time period, determined that holding detainees based on an ICE detainer request was unconstitutional, except under certain limited circumstances. During discovery, plaintiffs have asserted that potentially over 14,000 individuals were held in City jails in alleged contravention of these circumstances, allegedly totaling approximately 86,000 additional days of over-detention. The City is pursuing settlement of the suit. It is too early at this stage of the litigation to provide an accurate estimate of the potential cost to the City; however, the exposure could be substantial.

In a putative class action filed in September 2020 in New York County Supreme Court, *Mulhadzhanov v. City*, plaintiffs challenged the processing of vehicular speeding tickets issued by the City under the Speed Camera Program authorized pursuant to VTL section 1180-b. Plaintiffs claimed, among other things, that certificates issued by the City to verify speeding violations were not notarized as plaintiffs allege is required by VTL section 1180-b(d) and therefore said certificates and the related fines were invalid. Plaintiffs seek refunds of fines paid under the Speed Camera Program from August 2013 to August 2018 and from July 2019 to present. If a class were to be certified by the Court and the City was ordered to pay refunds for fiscal year 2014 to fiscal year 2020 for said violations, the potential monetary liability could be substantial. The City defendants filed a motion to dismiss in December 2020. The Plaintiff filed an opposition to the motion, and the City's reply was filed on October 15, 2021. The court's decision is pending.

In 2019, New York State enacted the Child Victims Act which eliminated various procedural requirements in actions where a plaintiff alleges sexual abuse that occurred when the plaintiff was under 18 years of age. To date, the City has been named as a defendant in approximately 969 cases authorized by the Act, which claims are related to the alleged sexual abuse of children in either the City's Department of Education or foster care system. Discovery demands have been incorporated into a court order and more complete demands have been issued, and discovery is underway in many cases. To date, the City has settled approximately 37 of the cases. On October 6, 2022, Justice Love (New York County) granted the City's motion to dismiss one of the cases involving the City's Administration for Children's Services ("ACS") on the grounds that the complaint failed to allege a special duty, and that a special duty could not be found under the Social Services Law provisions governing City oversight and management of foster care. There is a second motion pending before Justice Tisch that remains to be decided. The City is reviewing the remaining 600+ actions involving ACS to evaluate the applicability of the decision on these additional actions, and the City's course going forward. It is anticipated that plaintiff's counsel is likely to appeal. It is too early at this stage of the litigation to provide an accurate estimate of the potential cost to the City; however, the exposure could be substantial in each of the future years during which settlements are reached.

On October 17, 2017, three plaintiffs commenced a putative proposed class action, *Lynch et al. v. City*, 17-cv-7577, asserting causes of action under the Fourth and Fourteenth Amendments of the United States Constitution, 42 U.S.C. Section 1983, and false imprisonment under New York State common law. Each plaintiff was held in the custody of New York City Department of Corrections ("DOC") as a pretrial detainee, received a judicial order fixing bail, posted bail, and alleges that they were not released from DOC custody within a reasonable time thereafter. The complaint references local laws of the City which mandate specific timeframes for pre-trial release, among other related requirements. Plaintiffs seek compensatory damages. The City filed a motion to dismiss, which the Court denied. The City filed an answer and since then, the City has provided substantial discovery, a significant amount of which took place in the first half of 2021 and which led to the parties entering settlement discussions. Based upon the discovery conducted to date, the potential number of individuals included in the settlement class could be approximately 90,000 for the period of October 2014 through present. Since late April 2021, the parties have submitted a series of joint status reports regarding settlement discussions to the Court as the parties continue negotiations. The parties are now negotiating the scope and logistics of notice and the specific administrator who will facilitate, among other things, notice and class member identification and confirmation. The City has agreed to a payment amount of \$3,500 per instance of over-detention for the individuals ultimately included in the settlement class. Settlement payments are expected to be made only to those individuals from the settlement class who are able to be located and who respond appropriately to the notice of settlement. It is too early at this stage of the settlement discussions to provide an accurate estimate of the potential cost to the City; however, the exposure could be substantial.

On September 26, 2021 a group of City retirees filed a legal challenge to the implementation of the City's Medicare Advantage Plus plan, which was intended to generate savings in retiree health benefit costs. The State Supreme Court concluded that, although the City could proceed with the implementation of the Medicare Advantage Plus plan, it could not charge retirees enrolled in Senior Care a co-premium to stay in that plan. The City appealed that decision on March 4, 2022, and petitioners subsequently filed a cross-appeal. On July 15, 2022, the contract awardee, Anthem Insurance, Inc. d/b/a Empire BlueCross BlueShield Retiree Solutions, that was to provide the Medicare Advantage Plus plan challenged in this litigation, advised the City that it would no longer participate in offering the plan because of delays and uncertainties regarding its effective date. On August 28, 2022, the petitioners withdrew their cross-appeal.

On September 30, 2021, plaintiffs, the New York County Lawyers Association, on behalf of a group of County Bar Associations, commenced an action in New York County Supreme Court, alleging state and federal constitutional violations based on the alleged inadequacy of hourly compensation rates for the legal fees paid to attorney members of the 18-B Assigned Counsel Panels, which provide legal representation in New York State Courts to children and indigent adults pursuant to Article 18-B of the County Law of New York State "Article 18-B"). Plaintiffs allege that the current rates and per case-caps set by Article 18-B (\$60 per hour for misdemeanors; \$75 per hour for all other matters, with per-case caps of \$2,400 for misdemeanors and \$4,400 for all other matters absent a judicial finding of extraordinary circumstances warranting waiver of such caps) have not been adjusted for approximately 20 years and are insufficient to permit lawyers in the various assigned counsel panels to adequately represent their clients. On July 25, 2022, the Court issued a preliminary injunction, raising the assigned counsel rates to \$158 per hour for all matters – the rate provided to federal criminal defenders under federal law – but with no other changes to the existing statutory framework. The

City has filed a notice of appeal, invoking a statutory stay limited to the portion of the preliminary injunction decision directing payment at increased rates from February 2, 2022 through July 24, 2022. Under the current statutory system, State Finance Law section 98-B obligates the State to provide \$40 million annually to the City as the State's share of the costs of the 18-b Plan, so long as the City's share of costs is no less than the City's program costs in FY 2010 – a contingency that the City has met. Even before the July 2022 court-ordered rate increase, the City's share in recent years approximated, and frequently exceeded, the State's share of program costs. With the rates now raised to \$158 an hour for all matters, all increased program costs will be borne by the City. While per-case caps remain in place, courts continue to have the discretion to find "extraordinary circumstances" to justify a waiver. Cumulatively, the hourly rate increase and the possible increased waiver of per-case caps, together with the fact that the State has not been ordered to provide increased funding for the assigned counsel program, means that the cost to the City of the recent rate increase could be substantial.

On July 18, 2022, petitioners, purporting to be acting on behalf of City public school teachers and parents and guardians of public school students, commenced an Article 78 proceeding in New York County Supreme Court, *Tucker v. City and Department of Education* ("DOE"), requesting a temporary restraining order against the City and DOE (collectively, "Respondents"), and seeking to annul the City's fiscal year 2023 budget and requiring a revote by the City Council on the DOE fiscal year 2023 budget. Petitioners allege that Respondents did not comply with procedures allegedly required by NY Education Law §§ 2590-p and 2590-q because the DOE's Panel on Educational Policy did not conduct a hearing and vote to approve the DOE's estimated budget prior to the City Council's vote to adopt the City's budget. On August 5, 2022 the Court issued an order vacating the City fiscal year 2023 budget as it relates to expenditures by the DOE, and reverting all such spending levels back to the levels in the City fiscal year 2022 budget. The order further held that if the City and Mayor amend the fiscal year 2023 budget in accordance with the decision and applicable law, the DOE spending levels would no longer be subject to those contained in the fiscal year 2022 budget. On August 5, 2022, the City filed a Notice of Appeal. Upon a motion filed by the City on August 9, 2022, a Justice of the Appellate Division, First Department, recognized that any operational or spending changes required by the Supreme Court ruling were subject to an automatic stay pending appeal. The Court referred the motion to a panel of the First Department Appellate Division for determination. On August 14, 2022, petitioners cross-moved to vacate the stay, and a Justice of the Court denied that application the following day. On August 30, 2022, the First Department panel decided the City's motion and the petitioners' cross-motion, confirming the automatic stay. The City and petitioners have submitted their briefs on the underlying appeal, and oral argument was held on September 29, 2022.

In addition to the above claims and proceedings, numerous real estate tax certiorari proceedings alleging overvaluation, inequality, and illegality are pending against the City. Based on historical settlement activity, and including an estimated premium for inequality of assessment, the City estimates its potential future liability for outstanding certiorari proceedings to be \$1.34 and \$1.23 million at June 30, 2022 and June 30, 2021 respectively, as reported in the government-wide financial statements.

Landfill Closure and Postclosure Care Costs

The City's only active landfill after October 9, 1993 was the Fresh Kills landfill, which has been closed since 2002. Upon the landfill becoming inactive, the City was required by Federal and State law, and under Consent Order with the State Department of Environmental Conservation to complete the Final Closure Plan, and to provide postclosure care for a minimum period of 30 years following closure. The Final Closure Plan includes the construction of final cover, stormwater management, leachate mitigation and/or corrective measures, and landfill gas control systems. Postclosure care includes environmental monitoring, and the operation, maintenance, record keeping and reporting for the final closure systems.

The liability for these activities as of June 30, 2022, for all inactive landfills and hazardous waste sites, equates to the total estimated current cost of \$1 billion. There are no costs remaining to be recognized. Cost estimates are based on current data including contracts awarded by the City, contract bids, and engineering studies. These estimates are subject to adjustment for inflation and to account for any changes in landfill conditions, regulatory requirements, technologies, or cost estimates. For government-wide financial statements, the liability for closure and postclosure care is based on total estimated current cost. For fund financial statements, expenditures are recognized using the modified accrual basis of accounting when the related liability is incurred and the payment is due.

Resource Conservation and Recovery Act Subtitle D Part 258, which became effective April, 1997, requires financial assurance regarding closure and postclosure care. This assurance was most recently provided, on March 10, 2017, by the City's Chief Financial Officer placing in the Fresh Kills landfill operating record representations in satisfaction of the Local Government Financial Test. As of June 30, 2022, the financial assurance cost estimate for the Fresh Kills Landfill is \$830 million.

The City has five inactive hazardous waste sites not covered by the EPA rule. The City has recorded the long-term liability for these postclosure care costs in the government-wide financial statements.

During Fiscal Year 2022, expenditures for landfill and inactive hazardous waste site closure and postclosure care costs totaled \$41 million.

The following represents the City’s total landfill and hazardous waste sites liability which is recorded in the government-wide *Statement of Net Position*:

	<u>2022</u>	<u>2021</u>
	(in thousands)	
Landfill	\$1,011,361	\$1,066,641
Hazardous waste sites	108,180	118,822
Total landfill and hazardous waste sites liability	<u>\$1,119,541</u>	<u>\$1,185,463</u>

Pollution Remediation Obligations

The pollution remediation obligations (PROs) at June 30, 2022 and June 30, 2021, summarized by obligating event and pollution type, respectively, are as follows:

<u>Obligating Event</u>	<u>Fiscal Year 2022</u>		<u>Fiscal Year 2021</u>	
	<u>Amount</u> (in thousands)	<u>Percentage</u>	<u>Amount</u> (in thousands)	<u>Percentage</u>
Imminent endangerment	\$ 15	0.01%	\$ 15	0.01%
Named by regulator as a potentially responsible party	67,332	21.79	67,794	30.53
Voluntary commencement	241,559	78.20	154,244	69.46
Total	<u>\$308,906⁽¹⁾</u>	<u>100.00%</u>	<u>\$222,053⁽¹⁾</u>	<u>100.00%</u>

<u>Pollution Type</u>	<u>Fiscal Year 2022</u>		<u>Fiscal Year 2021</u>	
	<u>Amount</u> (in thousands)	<u>Percentage</u>	<u>Amount</u> (in thousands)	<u>Percentage</u>
Asbestos removal	\$183,557	59.43%	\$105,984	47.73%
Lead paint removal	17,106	5.54	20,831	9.38
Soil remediation	27,255	8.82	25,447	11.46
Water remediation	50,796	16.44	50,796	22.88
Other	30,192	9.77	18,995	8.55
Total	<u>\$308,906⁽¹⁾</u>	<u>100.00%</u>	<u>\$222,053⁽¹⁾</u>	<u>100.00%</u>

⁽¹⁾ There are no expected recoveries to reduce the liability.

The PRO liability is derived from registered multi-year contracts which offsets cumulative expenditures (liquidated/unliquidated) against original encumbered contractual amounts. The potential for changes to existing PRO estimates is recognized due to such factors as: additional remediation work arising during the remediation of an existing pollution project; remediation activities may find unanticipated site conditions resulting in necessary modifications to work plans; changes in methodology during the course of a project may cause cost estimates to change, e.g., the new ambient air quality standard for lead considered a drastic change will trigger the adoption of new/revised technologies for compliance purposes; and changes in the quantity which is paid based on actual field measured quantity for unit price items measured in cubic meters, linear meters, etc. Consequently, changes to original estimates are processed as change orders. Further, regarding pollution remediation liabilities that are not yet recognized because they are not reasonably estimable, the Law Department relates that the City has approximately 52 cases involving hazardous substances, including spills from above and underground storage tanks, and other contamination on, or caused by facilities on City-owned property; and there is also one case involving Drinking Water. Due to the uncertainty of the legal proceedings, future liabilities cannot be estimated.

The City, in compliance with the State Department of Environmental Conservation Permit Numbers 2-6302-00007/00019, 2-6102-00010/00013, 2-6106-00002/00022, 2-6204-00007/00013, and 2-6202-00005/00017 issued pursuant to 6 NYCRR Part 360, must provide financial assurance for the closure of the following Marine Transfer Stations: North Shore, Hamilton Avenue, Southwest Brooklyn, East 91st Street, and West 59th Street. Such surety instrument must conform to the requirements of 6 NYCRR Part 360.12. The liability for closure as of June 30, 2022, which equates to the total current closure cost, is \$1.11 million for North Shore, \$978 thousand for Hamilton Avenue, \$921 thousand for Southwest Brooklyn, \$1.06 million for East 91st Street, and \$241 thousand for West 59th Street. The cost estimates are based on current data and are representative of the cost that would be incurred by an independent party. The estimates are subject to adjustment for inflation and to account for changes in regulatory requirements or cost estimates. For government-wide financial statements, the liability for closures are based on total estimated current costs. For fund financial statements, expenditures are recognized using the modified accrual basis of accounting when the closure costs are incurred and the payment is due. The total liability equaling the total closure costs for the transfer stations of \$4.32 million is included under the Pollution Type “Other” in the table above.

On Monday, October 29, 2012, Superstorm Sandy hit the Mid-Atlantic East Coast. The storm caused widespread damage to the coastal and other low lying areas of the City and power failures in various parts of the City, including most of downtown Manhattan. On January 29, 2013, former President Barack Obama signed legislation providing for approximately \$50.5 billion in storm-related aid for the region affected by the storm. Although it is not possible for the City to quantify the full, long-term impact of the storm on the City and its economy, the current estimate of the direct costs to the City, NYCHH and NYCHA is approximately \$10.7 billion (comprised of approximately \$1.8 billion of expense costs and approximately \$8.9 billion of capital project costs). Such direct costs represent funding for emergency response, debris removal, emergency protective measures, repair of damaged infrastructure and long-term hazard mitigation investments. In addition to such direct costs, the City is delivering Sandy-related disaster recovery assistance services, benefiting impacted communities, businesses, homeowners and renters (Community Costs). The City anticipates that funding for Community Costs will be primarily reimbursed with federal funds. However, the City is responsible for \$134 million of such Community Costs, which are reflected in the Financial Plan. In addition, the City may be responsible for up to approximately \$150 million of additional Community Costs, which are not reflected in the Financial Plan.

The Financial Plan assumes that the direct costs described above will largely be paid from non-City sources, primarily the federal government, and that the Community Costs described above will be primarily reimbursed by federal funds. The City expects reimbursements to come from two separate federal sources of funding, FEMA and HUD. The City has secured approximately \$10.7 billion in FEMA assistance and other federal emergency response grants (FEMA Funding). The maximum reimbursement rate from FEMA is 90% of total costs. Other federal emergency response grants may have larger local share percentages. The City expects to use \$720 million of Community Development Block Grant Disaster Recovery funding allocated by HUD to meet the local share requirements of the FEMA funding, as well as recovery work not funded by FEMA or other federal sources. This allocation would be available to fill gaps in such FEMA funding. As of June 30, 2022, the City, NYCHH and NYCHA have received \$4.5 billion in reimbursements from FEMA for the direct costs described above. In addition to the FEMA Funding described above, HUD has made available over \$4.4 billion for Community Costs, of which approximately \$3.8 billion has been received through June 30, 2022. No assurance can be given that the City will be reimbursed for all of its costs or that such reimbursements will be received within the time periods assumed in the Financial Plan. There is no assurance, if the City were to experience a similar storm in the future, that non-City sources, including the federal government, would pay the costs.

On September 1, 2021, Hurricane Ida hit the Mid-Atlantic East Coast as a post-tropical cyclone (Ida), bringing significant rainfall and resulting in severe flooding in parts of the City, including inland areas. Rainfall from Ida exceeded the previous record for the most single-hour rainfall in the City and for the first time the National Weather Service declared a flash flood emergency in the City. Ida resulted in the deaths of 13 people in the City, 11 of which occurred in basement housing units. On September 3, 2021, former Mayor Bill de Blasio announced a climate-driven rain response plan, which includes developing improved storm warning systems and the creation of the Extreme Weather Response Taskforce composed of representatives from several different City agencies, including DEP, the Department of Transportation, Emergency Management and the Department of Sanitation. On September 27, 2021, the taskforce released its report, *The New Normal: Combating Storm-Related Extreme Weather in New York City*. The report's recommendations, among others, include (i) improvements to emergency preparedness and response, (ii) protecting occupants of basement apartments and (iii) expediting both short-term and long-term investments in infrastructure, including sewers and prevention of flooding in inland communities. The total costs of implementing all of the report's recommendations would be substantial and in some cases would require State and federal funding. To support the report's recommendations, the City's Capital Commitment Plan released in October 2021, along with the modified projections of capital commitments through fiscal year 2031 which was issued alongside the Capital Commitment Plan, increased \$2.5 billion and accelerated to fiscal years 2022 through 2024 approximately \$200 million in capital funding previously expected to be spent in fiscal years 2025 through 2028. Approximately \$2.1 billion of the new capital spending, and all of the accelerated funding, are in DEP's capital budget to be funded by the City's water and sewer system through bonds issued by the City's Water Authority. The new and accelerated DEP funding will be used for, among other initiatives, the installation of both new and replacement sewers, including high level storm sewers and other projects that expand drainage capacity, along with green infrastructure projects such as bioswales and cloudburst drainage solutions. The remaining \$400 million is to be funded through the City's Capital Budget. The City's 2023-2026 Capital Commitment Plan continues to reflect the funding changes described herein. The extent to which funding would be available from State or federal sources is not known at this time.

Since 2007, the City has been working on strategic planning, recognizing the challenges that climate change presents for City operations and infrastructure. Among other things, the City created the New York City Panel on Climate Change (NPCC), a body of more than a dozen leading independent climate and social scientists appointed by the Mayor. Since 2008, NPCC has analyzed climate trends, developed projections, explored key impacts, and advised on response strategies for City planning. The NPCC has identified that the City is already experiencing the impacts of climate change and projects dramatic impacts from climate change on the City in the future.

NPCC projections form the basis for the City's climate resiliency planning, which involves coordination and cooperation with multiple public and private stakeholders, and expansion of ongoing maintenance and development, as well as specific initiatives such as those described below.

Building on NPCC's recommendations and the City's strategic planning, the City is in the process of implementing, over the next ten years, climate resiliency projects costing in excess of \$20 billion, most of which are dedicated to areas previously affected by Sandy and some of which are directed toward mitigating the risks identified in the NPCC Reports. Such plans include both stand-alone resiliency projects and the integration of resiliency protection into the City's ongoing investments. These projects are in various stages of feasibility review, design and construction and/or implementation. Funding for these projects is expected to come from City, State and federal sources. Some projects are expected to require additional funding to the extent that they are in the planning stages or current funding does not provide for the costs of construction.

Several major coastal resiliency projects are currently underway throughout the City, including the East Side Coastal Resiliency Project (ESCR), the South Shore of Staten Island Coastal Storm Risk Management Project (the Staten Island Project) and the Rockaways Shorefront and Back Bay Projects (the Rockaways Project).

Through ESCR, which broke ground in 2021, the City is constructing an integrated coastal flood protection system for which it will seek FEMA accreditation, create resilient open spaces, and improve waterfront access on Manhattan's east side, from East 25th Street at the north to Montgomery Street at the south. The City anticipates the entire flood protection system will be in place and operational by the 2023 Atlantic hurricane season. The expected cost of ESCR is \$1.97 billion, which is fully funded through a combination of City, federal and other funding. Other projects in Lower Manhattan include flood walls and deployable flip-up barriers to protect the Two Bridges neighborhood, which lies south of Montgomery Street at the north to the Brooklyn Bridge at the south, developing a plan that contemplates extending the Manhattan shoreline from the Brooklyn Bridge to the Battery into the East River to protect the Seaport and Financial District area, and an elevated waterfront esplanade in the Battery and flood barriers in Battery Park City.

The Staten Island Project, which is being designed and constructed by the U.S. Army Corps of Engineers (USACE), will create a 5.5-mile line of coastal protection on Staten Island between Fort Wadsworth and Oakwood Beach. USACE currently estimates that the project will cost at least double the prior estimate of \$615 million. The City is responsible for 10.5% of the project costs, and the remaining project costs are to be paid for with federal and State funds. As required USACE is in the process of seeking Congressional approval for the costs in excess of the prior estimate.

The Rockaways Project, which is also being designed and constructed by USACE, consists of coastal protection elements on the Atlantic shorefront and on the Jamaica Bay side of the Rockaways. Construction has begun on the project, which will be fully funded by the federal government, with an expected cost of approximately \$590 million.

In 2015, FEMA issued preliminary updated flood insurance rate maps, which would have expanded the 100-year floodplain beyond the areas designated in the flood maps issued in 2007. The City appealed the 2015 preliminary flood maps challenging the modeling FEMA used to develop them. The 2015 preliminary flood maps were adopted into the building code, but the prior 2007 flood maps remain in effect for flood insurance purposes. In 2016, FEMA agreed with the City's appeal, and the City is currently working with FEMA to update the maps. FEMA's new maps are expected to generally expand the 100-year floodplain from the 2007 flood maps and may cover different areas than the 2015 preliminary flood maps. Such expansion could negatively impact property values in those newly designated areas. In addition, an increase in areas of the City susceptible to flooding resulting from climate change could result in greater recovery costs to the City if flooding were to occur within such larger areas.

Additional resiliency projects will be implemented in the coming years, addressing risks identified in the NPCC Reports including coastal storms, sea level rise, extreme heat and intense rainfall.

Despite the efforts described above, the magnitude of the impact on the City's operations, economy, or financial condition from climate change is indeterminate and unpredictable. No assurance can be given that the City will not encounter natural disaster risks, such as hurricanes, tropical storms, heatwaves or catastrophic sea level rise in the future, or that such risks will not have an adverse effect on the operations, economy or financial condition of the City.

On March 2, 2010, the United States Environmental Protection Agency (EPA) listed the Gowanus Canal (the Canal), a waterway located in the City, as a federal Superfund site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). EPA considers the City a potentially responsible party (PRP) under CERCLA, based on contaminants from currently and formerly City-owned and operated properties, as well as from the City's combined sewer overflows (CSOs). On September 30, 2013, EPA issued the Record of Decision (ROD) for the Canal, setting forth requirements for dredging contaminated sediment in the Canal

and covering it with a cap as well as source control requirements. Separate from the in-Canal remedy, the ROD also requires that two CSO retention tanks be constructed as part of the source control component of the remedy. The City anticipates that the actual cleanup costs – including both the in-Canal portion and the CSO portion – will substantially exceed EPA’s original cost estimate for the ROD.

On May 28, 2014, EPA issued a unilateral administrative order (2014 Unilateral Order) requiring the City to design the CSO retention tanks and other storm water control measures, and remediation of the First Street basin (a currently filled-in portion of the Canal). On June 9, 2016, USEPA and the City entered into an Administrative Settlement Agreement and Order (Administrative Order), under which the City agreed to milestones relating to the design of one of the CSO tanks. The City estimates that the tanks will actually cost approximately \$1.3 billion, which is included in the City’s capital plan. The City has notified EPA of potential delays due to the COVID-19 pandemic and is monitoring impacts on its ability to meet the requirements of the ROD. The New York City Department of Environmental Protection (DEP) is in discussions with EPA to resolve these issues and is subject to penalties under the Unilateral Order and CERCLA.

On March 29, 2021, USEPA issued a Unilateral Order to the City, requiring the City to complete design and construction of both CSO tanks by March 2029; to complete design and construction of a new bulkhead at the City-owned Salt Lot at 2nd Avenue in Brooklyn by August 2023; and to implement additional stormwater controls in the Canal sewershed. The City has informed USEPA that it would complete the design and construction of the CSO tanks as required in the 2021 Unilateral Order, but that it would likely be unable to meet the deadlines imposed in the Order. Based on the concerns the City raised about the 2021 Unilateral Order, USEPA delayed the effective date of the 2021 Unilateral Order and modified the 2021 Unilateral Order in certain respects, but declined to extend the design and construction schedules. The 2021 Unilateral Order took effect on June 30, 2021. The City is subject to penalties stemming from alleged violations of the 2014 Unilateral Order and the Administrative Order, and may also be subject to fines and/or penalties stemming from the 2021 Unilateral Order if it does not meet the design and/or construction deadlines set forth therein.

On January 28, 2020, EPA issued a new Unilateral Order to the six largest PRPs, including the City and National Grid, requiring these parties to implement the in-Canal remedy (consisting of dredging and capping of sediments) in the upper reach of the Canal. EPA estimates that the cost of this work, the first of the three phases, is \$125 million, an estimate that the City believes is low. The City’s liability for the in-Canal work is unknown at this time, and may ultimately be determined through litigation.

On September 27, 2010, EPA listed Newtown Creek, the waterway on the border between Brooklyn and Queens, New York, as a Superfund site. On April 6, 2010, EPA notified the City that EPA considers the City a PRP under CERCLA for hazardous substances in Newtown Creek. In its Newtown Creek PRP notice letter, EPA identified historical City activities that filled former wetlands and low lying areas in and around Newtown Creek and releases from formerly City-owned and operated facilities, including municipal incinerators, as well as discharges from sewers and CSO outfalls, as potential sources of hazardous substances in Newtown Creek. In July, 2011, the City entered into an Administrative Settlement Agreement and Order on Consent with EPA and five other PRPs to conduct an investigation of conditions in Newtown Creek and evaluate feasible remedies. The investigation and feasibility study is expected to take approximately eleven years. The City’s share will be determined in a future allocation proceeding. The 2011 settlement does not cover any remedy that may ultimately be chosen by EPA to address the contamination identified as a result of the investigation and evaluation. In 2020, EPA issued a Record of Decision (ROD) setting forth the remedy for CSO discharges. The ROD requires no further action for CSO beyond the projects in the State-approved Newtown Creek CSO Long Term Control Plan. As part of its determination, EPA required monitoring of the City’s four major CSOs to confirm the assumptions underlying the ROD. In September 2022, the City entered into an Administrative Settlement Agreement and Order on Consent with EPA concerning the performance of the required monitoring.

On May 12, 2014, EPA listed the former Wolff-Alport Chemical Company site (Wolff-Alport Site) in Ridgewood, Queens, as a Superfund site. The designation is based on radioactive contamination resulting from the operations of the Wolff-Alport Chemical Company during the 1920s to 1950s, which, among other things, disposed of radioactive material on-site, on the adjacent right-of-way, and via the sewer system. In 2013, EPA, in cooperation with City and State agencies, completed a response action to implement certain interim remedial measures at the Wolff-Alport Site to address the site’s short-term public health risks. In 2015 to 2017, EPA undertook a remedial investigation and feasibility study that assessed, among other things, impacts to the sewer system and City right-of-way from operations at the Wolff-Alport Site, and evaluated a range of remedial alternatives. In September 2017, EPA issued its ROD identifying its selected remedy. The ROD requires jet washing and replacement of sewers, and excavation of contaminated portions of the right-of-way. EPA estimated work for the entire Wolff-Alport Site to cost \$39 million. The City anticipates that the costs for work in the sewers and the right-of-way could significantly exceed that estimate. In December 2017, EPA notified the City of its status as a PRP for the work on City property and sought to have the City perform some of the work. In February 2018, the City notified EPA that, subject to certain conditions, it was willing to undertake such work and, on September 24, 2019, EPA issued a unilateral administrative order requiring the City to conduct additional pre-design investigatory work and develop a Remedial Design consistent with the ROD.

The National Park Service (NPS) is undertaking a CERCLA removal action at Great Kills Park on Staten Island to address radioactive contamination that has been detected at the site. Great Kills Park was owned by the City until roughly 1972, when it was transferred to NPS for inclusion in the Gateway National Recreation Area. While owned by the City, the site was used as a sanitary landfill, and the park was also expanded using urban fill. NPS believes that the radioactive contamination is the result of City activities and that the City is therefore liable for the investigation and remediation under CERCLA. The City has negotiated a settlement with NPS to address a remedial investigation and feasibility study. No other PRPs have been identified at this time.

Under CERCLA, a responsible party may be held responsible for monies expended for response actions at a Superfund site, including investigative, planning, removal, remedial and EPA enforcement actions. A responsible party may also be ordered by EPA to take response actions itself. Responsible parties include, among others, past or current owners or operators of a facility from which there is a release of a hazardous substance that causes the incurrence of response costs. The nature, extent, and cost of response actions at either the Canal, Newtown Creek, the Wolff-Alport site or Great Kills Park, the contribution, if any, of discharges from the City's sewer system or other municipal operations, and the extent of the City's liability, if any, for monies expended for such response actions, will likely not be determined for several years and could be material.

6. Interfund Receivables, Payables, and Transfers

At June 30, 2022 and 2021, City and discretely presented component units receivable and payable balances and interfund transfers were as follows:

Governmental activities:

Due from/to other funds:

Receivable Fund	Payable Fund	2022	2021
(in thousands)			
General Fund	Capital Projects Fund	\$3,868,836 ⁽¹⁾	\$3,065,565 ⁽¹⁾
	TFA—Debt Service	116,446	132,408
Capital Projects Fund	TFA—Capital Projects Fund	—	1,846
	HYIC —Capital Projects Fund	17	298
Total due from/to other funds		<u>\$3,985,299</u>	<u>\$3,200,117</u>

Component units:

Due from/to City and Component Units:

Receivable Entity	Payable Entity	2022	2021
(in thousands)			
City—General Fund	Component units—HDC	\$4,139,436	\$3,582,256
	NYC Health + Hospitals	327,450	529,216
		<u>4,466,886</u>	<u>4,111,472</u>
City—Capital Projects Fund	Component units—the System	523,152	565,434
	EDC	165,808	140,711
		<u>688,960</u>	<u>706,145</u>
Total due from Component Units		<u>\$5,155,846</u>	<u>\$4,817,617</u>
Component Unit—the System	City—General Fund	\$ 98,227	\$ 38,878
Component Unit—BPL	City—General Fund	26,051	8,283
Component Unit—QBPL	City—General Fund	3,700	3,566
Total due to Component Units		<u>\$ 127,978</u>	<u>\$ 50,727</u>

⁽¹⁾ Net of eliminations within the same fund type.

Note: During Fiscal Years 2022 and 2021, the Capital Projects Fund reimbursed the General Fund for expenditures made on its behalf.

The outstanding balances between funds are the result of the time lag between the dates that the interfund goods and services are provided, the date the transactions are recorded in the accounting system and the date payments between funds are made. All interfund balances are expected to be settled during the subsequent year.

Governmental activities:

Interfund transfers⁽¹⁾

	Fiscal Year 2022			
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds
	(in thousands)			
Transfer from (to):				
General Fund	\$ —	\$ —	\$3,963,739	\$2,567,815
General Debt Service Fund	(3,963,739)	—	—	—
Capital Projects Fund	—	—	—	(4,185,605)
Nonmajor Debt Service Funds	(2,742,469)	—	—	39,821
Nonmajor Capital Projects Funds	—	4,185,605	—	1,789
Nonmajor Special Revenue Funds	—	—	—	(41,610)
Total	<u><u>\$ (6,706,208)</u></u>	<u><u>\$ 4,185,605</u></u>	<u><u>\$3,963,739</u></u>	<u><u>\$ (1,617,790)</u></u>
	Fiscal Year 2021			
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds
	(in thousands)			
Transfer from (to):				
General Fund	\$ —	\$ —	\$ 5,077,328	\$ 3,235,270
General Debt Service Fund	(5,077,328)	—	—	—
Capital Projects Fund	—	—	—	(3,981,560)
Nonmajor Debt Service Funds	(3,511,282)	—	—	25,147
Nonmajor Capital Projects Funds	—	3,981,560	—	28,065
Nonmajor Special Revenue Funds	—	—	—	(53,212)
Total	<u><u>\$ (8,588,610)</u></u>	<u><u>\$ 3,981,560</u></u>	<u><u>\$ 5,077,328</u></u>	<u><u>\$ (746,290)</u></u>

⁽¹⁾ Transfers are used to: (i) move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as aid or matching funds for grant programs, (ii) move restricted amounts borrowed by authorized fund or component unit to finance Capital Projects Fund expenditures, (iii) move unrestricted surplus revenue from the General Fund to finance Capital Projects Fund expenditures and prepay debt service coming due in the next fiscal year, and (iv) move revenue from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due.

In the Fiscal Year ended 2022, the City made the following transfer: A transfer of unrestricted grants from the General Fund in the amount of \$3.21 billion to TFA. The funds were used to fund debt service requirements for future tax secured debt during the Fiscal Year ending June 30, 2023.

In the Fiscal Year ended 2021, the City made the following transfer: A transfer of unrestricted grants from the General Fund in the amount of \$2.68 billion to TFA. The funds were used to fund debt service requirements for future tax secured debt during the Fiscal Year ending June 30, 2022.

Governmental activities: (cont.)

	<u>Fiscal Year 2022</u>	
	<u>Adjustments/ Eliminations</u>	<u>Total</u>
	(in thousands)	
Transfer from (to):		
General Fund	\$ —	\$ 6,531,554
General Debt Service Fund	—	(3,963,739)
Capital Projects Fund	—	(4,185,605)
Nonmajor Debt Service Funds	174,654	(2,527,994)
Nonmajor Capital Projects Funds	—	4,187,394
Nonmajor Special Revenue Funds	—	(41,610)
Total	<u>\$ 174,654</u>	<u>\$ —</u>

	<u>Fiscal Year 2021</u>	
	<u>Adjustments/ Eliminations</u>	<u>Total</u>
	(in thousands)	
Transfer from (to):		
General Fund	\$ —	\$ 8,312,598
General Debt Service Fund	—	(5,077,328)
Capital Projects Fund	—	(3,981,560)
Nonmajor Debt Service Funds	276,012	(3,210,123)
Nonmajor Capital Projects Funds	—	4,009,625
Nonmajor Special Revenue Funds	—	(53,212)
Total	<u>\$ 276,012</u>	<u>\$ —</u>

7. Tax Abatements

<p><i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p>	<p>Programs Administered by NYC Housing Preservation & Development (HPD)</p>													
	<p>J51 Program</p>	<p>Commercial Conversion Programs 421-a, 421-b and 421-g</p>												
<p>1) Purpose of program.</p>	<p>Encourages the rehabilitation of existing residential structures by providing tax exemptions and abatements.</p>	<p>Designed to encourage the new construction of multiple dwellings (421-a), new construction or conversion or reconstruction of owner-occupied one- and two-family homes (421-b), and the construction and conversion of commercial buildings to residential apartment buildings (421-g) by providing real property tax benefits for eligible parcels.</p>												
<p>2) Tax being abated.</p>	<p>Real Property Tax</p>	<p>Real Property Tax</p>												
<p>3) Authority under which abatement agreements are entered into.</p>	<p>NYS Real Property Tax Law, Section 489 NYC Administrative Code, Section 11-243</p>	<p>NYS Real Property Tax Law, Section 421-a, 421-b and 421-g NYC Administrative Code, Sections 11-245, 11-245.1, 11-245.1-a and 11-245.1-b</p>												
<p>4) Criteria to be eligible to receive abatement.</p>	<p>The projects may be government-assisted or privately financed for moderate and gut rehabilitation of multiple dwellings. The projects may also be for major capital improvements, conversions of lofts and non-residential buildings into multiple dwellings, and for certain cooperative/condominium and conversions to residential property projects.</p>	<p>a) <u>421-a Program</u>: The buildings must receive governmental assistance, contain 20% affordable units, or the owner must participate in an affordable housing production program. b) <u>421-b Program</u>: The homes must be owner-occupied and may not include commercial or other non-residential space. c) <u>421-g Program</u>: The conversions must have an alteration Type 1 permit dated before June 30, 2006. All of the programs have eligible abatement zones.</p>												
<p>5) How recipients' taxes are reduced.</p>	<p>Through both a reduction of the property's assessed value and as a credit to the amount of taxes owed.</p>	<p>421-a and 421-b: Through a reduction of the property's assessed value; 421-g: Through both a reduction of the property's assessed value and as a credit to the amount of taxes owed.</p>												
<p>6) How amount of abatement is determined.</p>	<p>The amount of the direct reduction to the remaining billable amount due is based on the calculated "Certified Reasonable Cost"; a percentage is applied to that figure to determine the Lifetime Abatement Amount or Abatement Pool.</p>	<p>a) <u>421-a Program</u>: The benefit is based on a reduction of assessment value of the new construction for a three year construction benefit period, up to 35 years following the construction period. b) <u>421-b Program</u>: The building assessment is exempt during the construction period and for an additional two years; the benefit then declines until the ninth year. c) <u>421-g Program</u>: There is a construction period abatement from the increase in real estate taxes resulting from the work, and a 14 year abatement (ten years full and four year phase out) based on the existing real estate taxes in year one of the benefit term.</p>												
<p>7) Provisions for recapturing abated taxes.</p>	<p>N/A</p>	<p>N/A</p>												
<p>8) Types of commitments made by the City other than to reduce taxes.</p>	<p>Commitments, other than reducing taxes, may only be applicable with 34-year government-assisted construction projects. In these instances the City supports Participants in the associated construction costs.</p>	<p>N/A</p>												
<p>9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;"><u>2022</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>2021</u></th> </tr> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">(in thousands)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$272,500</td> <td style="text-align: center;">\$295,900</td> </tr> </tbody> </table>	<u>2022</u>	<u>2021</u>	(in thousands)		\$272,500	\$295,900	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;"><u>2022</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>2021</u></th> </tr> <tr> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">(in thousands)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$1,784,900</td> <td style="text-align: center;">\$1,730,100</td> </tr> </tbody> </table>	<u>2022</u>	<u>2021</u>	(in thousands)		\$1,784,900	\$1,730,100
<u>2022</u>	<u>2021</u>													
(in thousands)														
\$272,500	\$295,900													
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(in thousands)														
\$1,784,900	\$1,730,100													

Programs Administered by NYC Housing Preservation & Development (HPD)																							
Division of Alternative Management Programs (DAMP)		Urban Development Action Area Programs (UDAAP)		Low Income Housing Program 420-C																			
DAMP encourages community growth by returning City-owned buildings to responsible private owners. DAMP offers incentive programs that select alternative managers for residential properties foreclosed by the City for nonpayment of taxes, with the goal of returning these properties to the tax roll.		UDAAP offers incentive programs for rehabilitating housing or building new housing.		To encourage upgrades to existing housing by providing a tax incentive for buildings developed by not-for-profit entities which were financed with the Federal Low Income Tax Credit program.																			
Real Property Tax		Real Property Tax		Real Property Tax																			
NYS Private Housing Finance Law, Section 577		NYS General Municipal Law, Section 696		NYS Real Property Tax Law, Section 420-c																			
The benefits are limited to residential properties that were foreclosed on by the City for nonpayment of taxes.		The housing must be designated by the City Council as an area in need of urban renewal.		The property must provide housing accommodations to persons and families of low income, participates or has participated in the Federal Low-Income Housing Tax Credit (LIHTC) program, and is subject to a regulatory agreement with HPD.																			
Through a reduction of the property's assessed value.		Through a reduction of the property's assessed value.		Through a reduction of the property's assessed value.																			
The benefit is equal to the assessed value times an eligible percentage less the DAMP ceiling, which sets a limit on the maximum taxable assessment that can be placed on a property.		The UDAAP benefit is equal to the delta between the building Assessed Value (AV) in the base year and the building AV in the benefit year, up to 20 years.		The benefit provides a 100% reduction from real estate taxes for the term of the regulatory agreement up to a maximum of 60 years.																			
N/A		N/A		Previously abated taxes are not recaptured unless there is a direct demand from HPD to do so.																			
N/A		N/A		N/A																			
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<p><i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p>	<p>Programs Administered by NYC Department of Finance (DOF)</p>													
	<p>The Commercial Revitalization (CRP) and Commercial Expansion (CEP) Programs</p>	<p>Industrial and Commercial Incentive Program (ICIP) and Industrial and Commercial Abatement Program (ICAP)</p>												
<p>1) Purpose of program.</p>	<p>CRP provides a real property tax reduction in lower Manhattan by encouraging owners to invest in building improvements for offices, retail or elementary or secondary schools. The CEP provides a real property tax reduction for space that has been leased for commercial offices, industrial/manufacturing spaces, retail or elementary or secondary schools in the outer boroughs or Manhattan above 96th street and the Garment District.</p>	<p>ICAP replaced ICIP in 2008. Both programs encourage economic development for construction and rehabilitation of commercial, industrial or mixed-use structures.</p>												
<p>2) Tax being abated.</p>	<p>Real Property Tax</p>	<p>Real Property Tax</p>												
<p>3) Authority under which abatement agreements are entered into.</p>	<p>NYS Real Property Tax Law, Sections 499aa – 499hh</p>	<p>NYS Real Property Tax Law, Sections 489-aaaa — 489-llll; 489-aaaaaa — 489-kkkkkk NYC Administrative Code, Sections 11-256 through 11-267; 11-268 through 11-278</p>												
<p>4) Criteria to be eligible to receive abatement.</p>	<p>Both programs require commercial tenant occupancy in commercial offices and that the space leased out be located in a non-residential or mixed-use building. Both programs also have minimum requirements regarding expenditures for tenant improvement per square foot. In addition, the CEP requires a minimum aggregate floor area of 25,000 square feet.</p>	<p>The programs require industrial construction work where, after completion, at least 75% of the total net square footage is used or available for manufacturing activities. The buildings must also be located in an allowable zone within the City, which varies depending on whether the project is for a commercial new construction, a commercial renovation construction, or an industrial construction. Depending on the property's taxable assessed value, applicants must meet a minimum required expenditure amount in order to be eligible in the tax year, with a taxable status date immediately preceding the issuance of the first building permit or, if no permit is required, the start of construction.</p>												
<p>5) How recipients' taxes are reduced.</p>	<p>Through a reduction of the property's assessed value.</p>	<p>As a credit to the amount of taxes owed.</p>												
<p>6) How amount of abatement is determined.</p>	<p>The granted abatement is realized from a calculation formula base abatement (the lower of the tax liability/ building sq. ft. or \$2.50 per sq. ft.) multiplied by square footage multiplied by abatement percentage.</p>	<p>The base abatement amount year is the amount that the post-completion tax liability exceeds 115% of the initial tax liability for each type of abatement, except for the additional industrial abatement. The calculated base abatement is then subjected to a corresponding timetable.</p>												
<p>7) Provisions for recapturing abated taxes.</p>	<p>N/A</p>	<p>N/A</p>												
<p>8) Types of commitments made by the City other than to reduce taxes.</p>	<p>N/A</p>	<p>N/A</p>												
<p>9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.</p>	<table border="0"> <tr> <td style="text-align: center;"><u>2022</u></td> <td style="text-align: center;"><u>2021</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$14,000</td> <td style="text-align: center;">\$16,000</td> </tr> </table>	<u>2022</u>	<u>2021</u>	(in thousands)		\$14,000	\$16,000	<table border="0"> <tr> <td style="text-align: center;"><u>2022</u></td> <td style="text-align: center;"><u>2021</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$789,000</td> <td style="text-align: center;">\$855,100</td> </tr> </table>	<u>2022</u>	<u>2021</u>	(in thousands)		\$789,000	\$855,100
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Programs Administered by NYC Department of Finance (DOF)					
Relocation and Assistance Programs—(REAP), Lower Manhattan Relocation and Employment Assistance Program for Eligible Benefits (LMREAP-EB) and Lower Manhattan Relocation and Employment Assistance Program for Special Eligible Benefits (LMREAP-SEB)		Sports Arena Used by the NHL and NBA		Major Capital Improvement (MCI) Program	
Offers business income tax credits for relocating jobs outside of the City to designated locations within the City.		Ensure the viability of a major league sports facility in the City.		To help compensate landlords of rent-regulated buildings for economic losses resulting from the lengthening of the period for amortizing major capital improvement costs.	
The credits may be taken against the City’s general corporation tax, banking corporation tax, unincorporated business tax, and/ or utility tax.		Real Property Tax		Real Property Tax	
NYC Administrative Code, Sections 11-503(i), 11-503(l), 11-604.17, 11-604.19, 11-643.7, 11-643.9, 11-654.17, 11-654.19, 11-1105.2, 11-1105.3, and Chapters 6-b and 6-c of Title 22		NYS Real Property Tax Law, Section 429		NYS Laws of 2015, Chapter 20, Part A, § 65	
For REAP, LMREAP-EB, and LMREAP-SEB, eligible businesses must have conducted substantial business operations outside of the City for at least 24 consecutive months before relocating; most retail and hotel services do not qualify. The eligibility requirements are that the premises must be nonresidential; have been improved by construction or renovation; the lease term must be at least three years; and expenditures for improvements must be more than \$25 per square foot. For LMREAP-SEB, eligible businesses must move at least 250 employees or increase its payroll by 25%.		For Madison Square Garden		The benefits are provided to building owners of rent regulated class 2 properties (residential property with more than 3 units including cooperatives and condominiums).	
As a credit to the amount of taxes owed.		Through a reduction of the property’s assessed value.		As a credit to the amount of taxes owed.	
For REAP, LMREAP-EB and LMREAP-SEB, eligible business receives a \$3,000 annual credit, per eligible employee, up to 12 years. REAP allows an additional credit of \$1,000 per share for relocating to parts of the eligible area that are not revitalization areas.		100% reduction of the property tax.		The abatement equals 50% of the economic loss attributable to the extended amortization period. The economic loss is determined by multiplying the approved cost of the MCI by a fraction. The numerator is the increase in months in the new amortization period; the denominator is the total number of months in the new amortization period.	
N/A		N/A		N/A	
N/A		N/A		N/A	
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
(in thousands)		(in thousands)		(in thousands)	
\$27,000	\$28,000	\$43,200	\$43,900	\$21,400	\$17,700

<i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i>	Program Administered by NYC Department of Buildings (DOB)	Programs Administered by NYC Industrial Development Agency (IDA)	Program Administered by Build NYC Resource Corporation³																																
	Solar Electric Generating System (SEGS) Abatement Program	Commercial Growth and Industrial Incentive Programs	Build NYC Tax Abatement Program																																
1) Purpose of program.	The program provides tax benefits to properties that use solar power. This process allows for a reliable alternative energy source to be available during peak hours and power outages. Additionally, less energy being produced by traditional combustion of fossil fuels means less air pollution and cleaner air, and solar energy does not emit greenhouse gas emissions.	Designed to encourage economic development in the City. The Commercial Growth ⁽¹⁾ and Industrial Incentive ⁽²⁾ programs retain, expand, and attract commercial and industrial businesses, and the related economic benefits and job creation and retention associated with them.	As a conduit bond issuer, the primary goal is to facilitate access to private activity tax-exempt bond financing for qualified projects.																																
2) Tax being abated.	Real Property Tax	a) Real Property Tax (via a PILOT); b) State and Local Sales Tax (ST); and c) Mortgage Recording Tax (MRT).	Mortgage Recording Tax (MRT)																																
3) Authority under which abatement agreements are entered into.	NYS Real Property Tax Law, Sections 499-aaaa through 499-gggg	Industrial Development Act of 1969 as governed by Article 18-A of the General Municipal Law ⁽³⁾ .	New York Not-for-profit Law, Section 411																																
4) Criteria to be eligible to receive abatement.	The abatement is applied to the property for a four-year period starting on July 1, following DOB approval. Class 1, 2, and 4 properties are eligible; however, if you receive ICAP, 421-a, 421-b, 421-g, or pay payments in-lieu-of-tax (PILOTs), your property is NOT eligible for the Solar Electric Generating System Tax Abatement.	All applicants must satisfy eligibility requirements and must demonstrate a need for assistance. Applicants are selected based on an analysis of the economic benefit of the proposed project in compliance with the uniform Tax Exemption Policy of IDA. Stores that benefit from the Fresh Project Program must be located in an eligible area.	The projects must have been undertaken by Build NYC, as mortgagee, who records a mortgage, for the furtherance of its mission. Build NYC assists qualified projects in obtaining tax-exempt bond financing as a conduit bond issuer.																																
5) How recipients' taxes are reduced	Through both a reduction of the property's assessed value and as a credit to the amount of taxes owed.	The projects are tax exempt but businesses receiving such benefits typically make PILOTs. PILOT payments are a stepped-down percentage of full real estate tax rates.	Build NYC has authorization to exempt MRT due upon the recording of a mortgage associated with Build NYC issued bond transactions.																																
6) How amount of abatement is determined.	Depending on the date the system was placed in service, the benefit is the lesser of 2.5%-8.75% of the installation costs limited to the property tax for the year, or \$62,500.	a) PILOT tax abatements are typically granted for a 21 year period followed by a 4 year "phase in" period during which the tax rates paid by the PILOT recipient are increased each year by 20% of the abated amount until the full rate is reached at the end of year 25. b) The MRT abatement is a singular benefit received at closing only for projects that recorded a mortgage, and c) The ST abatements apply for eligible purchases to be used at project facilities. The Yankee and Mets stadium projects coincide with the underlying debt service related to the construction of the stadiums and the length of the abatements cover a 36-40 year period.	100% reduction of the MRT.																																
7) Provisions for recapturing abated taxes.	N/A	Program participants are required to adhere to various lease provisions as a prerequisite to receive abatement benefits. The lease provisions authorize benefit recapture in the case of non-compliance.	A change in the utilization of the facility that compromises the tax exempt status of the underlying tax exempt debt, the sale of the property, absent specific preauthorization, that includes the maintenance of the original tax exempt utilization of the property and/or the bankruptcy or cessation of operations of the facility/entity. Projects are subject to a benefit recapture period of ten years.																																
8) Types of commitments made by the City other than to reduce taxes.	N/A	N/A	N/A																																
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.	<table border="0"> <tr> <td style="text-align: center;"><u>2022</u></td> <td style="text-align: center;"><u>2021</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$25,800</td> <td style="text-align: center;">\$24,300</td> </tr> </table>	<u>2022</u>	<u>2021</u>	(in thousands)		\$25,800	\$24,300	<table border="0"> <tr> <td style="text-align: center;"><u>2022</u></td> <td style="text-align: center;"><u>2021</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td colspan="2">Commercial Growth Program:</td> </tr> <tr> <td>a) PILOT</td> <td style="text-align: right;">\$174,980</td> </tr> <tr> <td>b) ST</td> <td style="text-align: right;">\$5,865</td> </tr> <tr> <td>c) MRT</td> <td style="text-align: right;">\$-</td> </tr> <tr> <td colspan="2">Industrial Incentive Program:</td> </tr> <tr> <td>a) PILOT</td> <td style="text-align: right;">\$38,496</td> </tr> <tr> <td>b) ST</td> <td style="text-align: right;">\$188</td> </tr> <tr> <td>c) MRT</td> <td style="text-align: right;">\$141</td> </tr> </table>	<u>2022</u>	<u>2021</u>	(in thousands)		Commercial Growth Program:		a) PILOT	\$174,980	b) ST	\$5,865	c) MRT	\$-	Industrial Incentive Program:		a) PILOT	\$38,496	b) ST	\$188	c) MRT	\$141	<table border="0"> <tr> <td style="text-align: center;"><u>2022</u></td> <td style="text-align: center;"><u>2021</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$4,198</td> <td style="text-align: center;">\$5,812</td> </tr> </table>	<u>2022</u>	<u>2021</u>	(in thousands)		\$4,198	\$5,812
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8. COVID-19

Government Assistance

The City has been severely affected by the coronavirus disease, referred to herein as “COVID-19.” A state of emergency remains in effect for the City. The City’s state of emergency was extended through October 8, 2022. It has been extended approximately monthly during the pandemic and may be extended beyond the current expiration date.

Although restrictions have been lifted for many businesses, The City continues to experience significant challenges due to COVID-19. The pandemic and economic disruption resulting from measures to contain it continue to impact projected revenues. The ultimate impact of the COVID-19 pandemic on The City’s economy and the amount and timing of collections of City revenues cannot be determined at this time. Additional changes in employment and earnings subject to personal income tax, as well as reductions in economic activity subject to the sales tax, may occur, including, but not limited to, reductions in personal income tax revenues due to changes in residency status resulting from remote work outside The City and other employment-related changes. No assurance can be provided that the COVID-19 pandemic and resulting economic disruption will not result in revenues to The City that are lower than projected.

The City has been awarded various federal funds to help respond to the pandemic and the resulting economic disruption. As of June 2022, The City has received approximately:

- \$5.07 billion in advanced funds from the American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds, representing 86% of The City’s total funding allocation, of which approximately \$3.86 billion of eligible expenses were incurred as of June 2022.
- \$1.45 billion in advanced funds from the Coronavirus Aid, Relief, and Economic Security Act Coronavirus Relief Fund, of which all funds were incurred against eligible expenses as of June 2022.
- \$1.15 billion in reimbursed funds from the U.S. Department of Education’s Education Stabilization Fund, which is composed of the Governor’s Emergency Education Relief Fund, the Elementary and Secondary School Emergency Relief Fund, and the Higher Education Emergency Relief Fund.
- \$1.09 billion in reimbursed funds through the Centers for Disease Control and Prevention’s Epidemiology and Laboratory Capacity for Infectious Diseases Cooperative Agreement.
- \$903.55 million in reimbursed funds from the Federal Emergency Management Agency’s Public Assistance Program.
- \$834.30 million in reimbursed funds from the U.S. Department of Education’s Summer Food Service Program.
- \$201.82 million in reimbursed funds from the U.S. Department of Housing and Urban Development’s Emergency Shelter Grants Program.

E. OTHER INFORMATION

1. Audit Responsibility

In Fiscal Years 2022 and 2021, respectively, the separately administered organizations included in the financial statements of the City audited by auditors other than Grant Thornton, LLP for both Fiscal Years are Sales Tax Asset Receivable Corporation,* Fiscal Year 2005 Securitization Corporation*, Hudson Yards Development Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Bus Umbrella Services, Inc., New York City School Construction Authority, New York City School Support Services, Inc., New York City Transitional Finance Authority, TSASC, Inc., Brooklyn Bridge Park Corporation, The Trust for Governors Island, New York City Tax Lien Trusts, WTC Captive Insurance Company, Inc., New York City Economic Development Corporation, New York City Housing Authority, New York City Housing Development Corporation, Brooklyn Navy Yard Development Corporation, the Brooklyn Public Library, Build NYC Resource Corporation, New York City Business Assistance Corporation, New York City Industrial Development Agency, New York City Land Development Corporation, New York City Neighborhood Capital Corporation, Public Realm Improvement Fund Governing Group, Inc., The Mayor’s Fund to Advance New York City,* the Queens Borough Public Library and Affiliate, and The City of New York Deferred Compensation Plan.

* Entity was audited by auditors other than Grant Thornton, LLP for Fiscal Year 2021.

	Government-wide						Fund-based			
	Governmental Activities		Business-Type Activities		Component Units		Nonmajor Governmental Funds		Fiduciary Funds	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total Assets	5%	6%	100%	100%	47%	44%	100%	100%	9%	7%
Revenues, other financing sources and net position held in trust . . .	5%	6%	100%	100%	27%	28%	100%	100%	10%	8%

2. Subsequent Events

Subsequent to June 30, 2022, TFA and the City completed the following long-term financings and termination of an interest rate exchange agreement:

TFA Debt On July 28, 2022, the New York City Transitional Finance Authority issued \$563,750,000 of Fiscal 2023 Series S-1 Building Aid Revenue Bonds to refund a portion of its outstanding bonds at lower interest rates.

On August 2, 2022, the New York City Transitional Finance Authority issued \$1,250,000,000 of Fiscal 2023 Series A Future Tax Secured Subordinate Bonds for capital purposes.

On September 7, 2022, the New York City Transitional Finance Authority issued \$934,965,000 of Fiscal 2023 Series B and C Future Tax Secured Subordinate Bonds to refund a portion of its outstanding bonds at lower interest rates.

City Debt On September 8, 2022, the City of New York issued \$1,375,000,000 of Fiscal 2023 Series A General Obligation bonds for capital purposes.

Effective October 13, 2022, the City of New York terminated Investment Derivative H. The total Notional Amount was \$350 million, and the City paid a \$5.0 million termination payment to the interest rate exchange agreement (swap) counterparty. Following the termination, no other payments will be required by the City or the swap counterparty.

On October 18, 2022, the City of New York issued \$1,350,000,000 of Fiscal 2023 Series B General Obligation bonds for capital purposes.

3. Other Employee Benefit Trust Funds

Deferred Compensation Plans For Employees of The City of New York and Related Agencies and Instrumentalities (DCP) and the New York City Employee Individual Retirement Account (NYCE IRA)

DCP offers employees of The City and Related Agencies and Instrumentalities two defined contribution plans in accordance with Internal Revenue Code Sections 457 and 401(k). DCP permits employees to defer a portion of their salary on either a pre-tax (traditional) or after-tax (Roth) basis until future years. Funds may not be withdrawn until termination, retirement, death, Board- approved unforeseen emergency or hardship (as defined by the Internal Revenue Code) or, if still working for the City, upon attainment of age 70½ in the 457 Plan or upon age 59½ for the 401(k). A 401(a) defined contribution plan is available to certain employees of the Lieutenant’s Benevolent Association and the Captains Endowment Association of The City of New York Police Department.

The NYCE IRA is a deemed Individual Retirement Account (IRA) in accordance with Internal Revenue Code Section 408(q) and is available as both a traditional and Roth IRA to those employees eligible to participate in the 457 Plan and 401(k) Plan and their spouses along with former employees and their spouses. Funds may be withdrawn from the NYCE IRA at any time, subject to an early withdrawal penalty.

Amounts maintained under a deferred compensation plan and an IRA by a state or local government are held in trusts (or in a custodial accounts) for the exclusive benefit of participants and their beneficiaries. The DCP plans and IRA are presented together as an Other Employee Benefit Trust Fund in the City’s financial statements.

Participants in DCP or NYCE IRA can choose among seven investment options, or one of twelve pre-arranged portfolios consisting of varying percentages of those investment options. Participants can also invest a portion of their assets in a self-directed brokerage option.

4. Other Postemployment Benefits

The New York City Other Postemployment Benefits Plan (OPEB Plan)

The OPEB Plan is a fiduciary component unit of the City and is composed of: (1) the New York City Retiree Health Benefits Trust (RHBT) which is used to receive, hold, and disburse assets accumulated to pay for some of the OPEB provided by the City to its retired employees, and (2) OPEB paid for directly by the City out of its general resources rather than through RHBT. RHBT was established for the exclusive benefit of the City's retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the City's various collective bargaining agreements and the City's Administrative Code. Amounts contributed to RHBT by the City are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants. Consequently, the OPEB Plan is presented as an Other Employee Benefit Trust Fund in the City's financial statements. The separate annual financial statements of the OPEB Plan are available at: Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007, or at www.comptroller.nyc.gov.

Summary of Significant Accounting Policies:

Basis of Accounting. The measurement focus of the OPEB Plan is on the flow of economic resources. This focus emphasizes the determination of changes in the OPEB Plan's net position. With this measurement focus, all assets and liabilities associated with the operation of this fiduciary fund are included on the *Statement of Fiduciary Net Position*. This fund uses the accrual basis of accounting whereby contributions from the employer are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments. Investments are reported on the *Statement of Fiduciary Net Position* at fair value based on quoted market prices.

Program Description. Postemployment benefits other than pensions (OPEB) provided to eligible retirees of the City and their eligible beneficiaries and dependents (hereafter referred to collectively as "Retiree Participants") include: health insurance, Medicare Part B Premium reimbursements and welfare fund contributions. OPEB are funded by the OPEB Plan, a single employer plan.

Funding Policy. The Administrative Code of The City of New York (ACNY) defines OPEB stemming from the City's various collective bargaining agreements. The City is not required by law or contractual agreement to provide funding for the OPEB other than the pay-as-you-go (PAYGO) amounts necessary to provide current benefits to Retiree Participants. For the fiscal year ended June 30, 2022, the City paid \$4.6 billion on behalf of the Program. Based on current practice (the Substantive Plan which is derived from ACNY), the City pays the full cost of basic coverage for non-Medicare-eligible and Medicare-eligible Retiree Participants. The costs of these benchmark plans are reflected in the actuarial valuations by using age and gender adjusted premium amounts. Retiree Participants who opt for other basic or enhanced coverage must contribute 100% of the incremental costs above the premiums for the benchmark plans. The City also reimburses covered retirees and eligible spouses 100% of the Medicare Part B Premium rate applicable to a given year and there is no Retiree Participant contribution to the Welfare Funds. The City pays per capita contributions to the Welfare Funds, the amounts of which are based on negotiated contract provisions.

	Number of Participants	
	FY 2022	FY 2021
	(at 6/30/21)	(at 6/30/20)
Active plan members	296,690	303,918
Inactive plan members entitled to but not yet receiving benefits	22,462	21,976
Inactive plan members or beneficiaries currently receiving benefits	246,832	243,978
Total	<u>565,984</u>	<u>569,872</u>

Net OPEB Liability. The Entry Age Normal cost method used in the current OPEB actuarial valuation is unchanged from the prior OPEB actuarial valuation.

Under this method, as used in the Fiscal Year 2022 OPEB valuation, the Actuarial Present Value (APV) of Benefits (APVB) of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The employer portion of this APVB allocated to a valuation year is the Employer Normal Cost. The portion of this APVB not provided for at a valuation date by the APV of Future Employer Normal Costs is the Total OPEB Liability.

The excess, if any, of the Total OPEB Liability over the Plan Fiduciary Net Position is the Net OPEB Liability. Under this method, experience gains (losses), as they occur, reduce (increase) the Net OPEB Liability and are explicitly identified and amortized in the annual expense.

Increases (decreases) in liabilities due to benefit changes, actuarial assumption changes, and actuarial method changes are also explicitly identified and amortized in the annual expense.

Changes in Net OPEB Liability. Changes in the City's net OPEB liability for the Fiscal Years ended June 30, 2022 and June 30, 2021 are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2020	\$ 113,257,407,352	\$ 3,800,489,161	\$ 109,456,918,191
2. Changes for the Year:			
a. Service Cost	5,574,231,539	—	5,574,231,539
b. Interest	3,142,299,330	—	3,142,299,330
c. Differences b/t Expected and Actual Experience	220,744,272	—	220,744,272
d. Changes in Assumptions	3,188,999,201	—	3,188,999,201
e. Contributions-Employer	—	3,600,386,859	(3,600,386,859)
f. Contributions-Employee	—	—	—
g. Net Investment Income	—	3,801,273	(3,801,273)
h. Actual Benefit Payments	(3,183,940,823)	(3,183,940,823)	—
i. Administrative Expenses	—	(54,000)	54,000
j. Other Changes	—	(175,000)	175,000
k. Net Changes	\$ 8,942,333,519	\$ 420,018,309	\$ 8,522,315,210
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
3. Balances at June 30, 2021	\$122,199,740,871	\$ 4,220,507,470	\$ 117,979,233,401
4. Changes for the Year:			
b. Service Cost	6,252,924,365	—	6,252,924,365
b. Interest	2,775,746,623	—	2,775,746,623
c. Differences b/t Expected and Actual Experience	(1,809,027,928)	—	(1,809,027,928)
d. Changes in Assumptions	(31,086,237,440)	—	(31,086,237,440)
e. Contributions-Employer	—	4,583,897,302	(4,583,897,302)
f. Contributions-Employee	—	—	—
g. Net Investment Income	—	3,112,581	(3,112,581)
h. Actual Benefit Payments	(3,430,789,509)	(3,430,789,509)	—
i. Administrative Expenses	—	(54,000)	54,000
j. Other Changes	—	(175,000)	175,000
k. Net Changes	\$(27,297,383,889)	\$ 1,155,991,374	\$ (28,453,375,263)
5. Balances at June 30, 2022	\$ 94,902,356,982	\$ 5,376,498,844	\$ 89,525,858,138

6. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

	Fiscal Year 2022			Fiscal Year 2021		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	\$103,508,060,972	\$89,525,858,138	\$78,151,289,460	\$138,838,000,800	\$117,979,233,401	\$101,376,848,865
		Discount Rate		Discount Rate		
City	3.09%	4.09%	5.09%	1.19%	2.19%	3.19%
Component Units	3.09%	4.09%	5.09%	1.18%	2.18%	3.18%

7. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

	Fiscal Year 2022			Fiscal Year 2021		
	1% Decrease	Current Trend Rate	1% Increase	1% Decrease	Current Trend Rate	1% Increase
	\$75,464,853,742	\$89,525,858,138	\$107,532,414,273	\$97,562,097,635	\$117,979,233,401	\$144,886,279,879
		Pre-Medicare Trend Rate		Pre-Medicare Trend Rate		
Initial	5.5%	6.50%	7.50%	5.75%	6.75%	7.75%
Ultimate	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%
		Medicare Trend Rate		Medicare Trend Rate		
Initial	3.90%	4.90%	5.90%	3.90%	4.90%	5.90%
Ultimate	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. OPEB expense recognized by the City for the Fiscal Years ended June 30, 2022 and June 30, 2021 are \$3.8 and \$8.3 billion, respectively.

Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2022 and June 30, 2021 are as follows:

	Fiscal Year 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$4,923,805,852	\$ 4,927,371,367
Changes of Assumptions	4,416,737,031	30,604,137,144
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	298,801,132	—
Total	<u>\$9,639,344,015</u>	<u>\$35,531,508,511</u>
	Fiscal Year 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 6,687,213,572	\$ 4,208,926,122
Changes of Assumptions	5,589,042,194	6,540,736,274
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	242,798,176	—
Total	<u>\$12,519,053,942</u>	<u>\$10,749,662,396</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Fiscal Year Ended June 30	Amount
2022	\$(5,045,174,608)
2023	(4,766,670,400)
2024	(3,638,329,997)
2025	(4,259,408,582)
2026	(4,686,652,241)
2027	(4,374,966,661)
2028	(4,165,806,988)
2029	(329,627)

Funded Status and Funding Progress. As of June 30, 2022, the most recent actuarial measurement date, the funded status was 5.7%. The total OPEB liability for benefits was \$94.9 billion, and the plan fiduciary net position was \$5.4 billion, resulting in a net OPEB liability of \$89.5 billion. The covered employee payroll (annual payroll of active employees covered) was \$29.0 billion, and the ratio of the net OPEB liability to the covered employee payroll was 309.0%. Actuarial valuations of an ongoing plan involve estimates of the value of reported and future amounts based on assumptions about the probability of the severity and occurrence of events far into the future. The determined actuarial valuations of OPEB incorporated the use of demographic and economic assumptions among others as reflected below. Amounts determined regarding the funded status and the annual expense of the City vary from year to year as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in the net OPEB liability and related ratios shown in the Required Supplementary Information (RSI) section immediately following the notes to financial statements, present GASB Statement No. 75 results of OPEB valuations for Fiscal Years 2022 and 2021.

Actuarial Methods and Assumptions. The actuarial assumptions used in the Fiscal Years 2022 and 2021 OPEB valuations are a combination of those used in the New York City Retirement Systems (NYCRS) pension valuations and those specific to the OPEB valuations. NYCRS consist of: (i) New York City Employees' Retirement System (NYCERS); (ii) New York City Teachers' Retirement System of The City of New York (TRS); (iii) New York City Board of Education Retirement System (BERS); (iv) New York City Police Pension Fund (POLICE); and (v) New York City Fire Pension Fund (FIRE). The OPEB valuations incorporate only the use of certain NYCRS demographic and economic assumptions. The assumptions used in the Fiscal Year 2022 OPEB valuation have not changed from the prior valuation, with the exception of the discount rate, certain demographic assumptions and the stabilization fund load as described later in this section. For Fiscal Year 2019, the Office of the Actuary (OA) conducted a full review of the actuarial assumptions and methods used to fund the NYCRS. These recommendations were adopted by all five of the NYCRS Boards and referred to as the 2019 A&M Reports. On July 27, 2021, the Chief Actuary issued a memorandum that amended certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods are referred to as the "Revised 2021 A&M." The "2019 A&M" and "Revised 2021 A&M" reports are available on the Reports page of the OA website (www.nyc.gov/actuary)

NYCRS

The NYCRS' demographic assumptions (e.g., mortality, withdrawal, retirement and disability rates) and salary scale are the same as those used in the NYCRS pension actuarial valuations and are unchanged from the prior valuation.

CUNY/TIAA

CUNY/TIAA demographic assumptions are the same as those used for the TRS Pension Actuarial Valuation except for withdrawal and retirement rates which are based on a separate CUNY valuation performed by Buck and summarized later in this section.

The OPEB-specific actuarial assumptions used in the Fiscal Year 2022 OPEB valuation of the Plan are as follows:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Discount Rate	4.09% ⁽¹⁾ for benefits provided by the City and Component Units. Results as of the June 30, 2021 Measurement Date are presented at 2.19% for benefits provided by the City, and 2.18% for Component Units.

The projection of cash flows used to determine the discount rate assumed that the City will contribute at a rate equal to the pay-as-you-go amounts. It is assumed that the City will not make additional contributions in excess of the pay-as-you-go amounts, which is unchanged from the prior valuation. The contributions apply first to service cost of future plan members based on projection of overall payroll at 3.0% and normal cost rate for Tier 6 members of each of the NYCRS. Remaining contributions are applied to the current and past service costs for current plan members.

Based on those assumptions, the City's OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2029. After that time, benefit payments will be funded on a pay-as-you-go basis. The discount rate is the single equivalent rate which results in the same present value as discounting future benefit payments made from assets at the long-term expected rate of return and discounting future benefit payments funded on a pay-as-you-go basis at the Municipal Bond 20-year Index Rate. This projection resulted in no difference between the Municipal Bond 20-Year Index Rate and the blended discount rate.

The long-term expected rate of return of 4.00%, net of expenses, includes an inflation rate of 2.50%.

Results for the OPEB plans for Component Units are presented using a discount rate of the Municipal Bond 20-year Index Rate, since there is no pre-funding assumed for these plans.

Actuarial Cost Method	Entry Age Normal cost method, level percent of pay calculated on an individual basis.
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Per-Capita Claims Costs EBCBS and GHI plans are insured via a Minimum Premium arrangement while the HIP and many of the Other HMOs are community rated. Costs reflect age-adjusted premiums for all plans.

⁽¹⁾ As required under GASB 75 this is a weighted blend of the 4.00% return on assets for OPEB plan investments and the S&P Municipal Bond 20 Year High Grade Index yield as of June 30, 2022 of 4.09%.

Initial monthly premium rates used in valuation are shown below:

Plan	Monthly Costs @ Average Age	
	FY 2022	FY 2021
HIP HMO		
Non-Medicare Single	\$ 819.68	\$ 776.01
Non-Medicare Family	2,008.22	1,901.23
Medicare	190.47	181.58
GHI/EBCBS		
Non-Medicare Single	854.44	775.66
Non-Medicare Family	2,242.05	2,035.61
Medicare	201.80	194.14
Others HMOs ⁽¹⁾		
Non-Medicare Single	1,242.93	1,160.34
Non-Medicare Family	3,440.67	2,701.42
Medicare Single	291.71	291.83
Medicare Family	580.41	576.92

⁽¹⁾ Other HMO premiums represent the weighted average of the total premiums for medical (not prescription drug) coverage, including retiree contributions, of the HMO plans (other than HIP) based on actual enrollment. Additionally, the individual monthly rates at age 65 used in the FY 2021 and FY 2022 valuations are shown below:

Plan	Monthly Costs @ Age 65	
	FY 2022	FY 2021
HIP HMO		
Non-Medicare	\$1,734.61	\$1,748.12
Medicare	190.47	181.58
GHI/EBCBS		
Non-Medicare	1,833.91	1,748.57
Medicare	192.08	191.63
Other HMOs	Varies by system	

The normative database used to adjust premium values to age 65 per capita cost was updated since the prior valuation.

Claims data was generally not provided to the OA for the HIP coverage or for Other HMOs. New York City Office of Labor Relations (“OLR”) provided a copy of the claims component of the FY 2022 GHI/EBCBS renewals. For the non-Medicare participants, retiree claims were not separated from active claims. The claims information provided was compared to the premium rates provided.

The premium rate for the HIP Medicare HMO was indicated to be \$7.50/month per person based on the assumption that the MA plan would be implemented in FY 2022. HIP clarified that given the uncertainty surrounding the implementation of the MA plan, the renewal rate was likely to be comparable to the prior year’s rate of \$181.58. As such, the FY 2022 valuation assumed the prior year’s rate of \$181.58 with trend.

Based on information provided by OLR, estimates of margins that had been included in the premiums but expected to be refunded were removed from both the GHI and EBCBS non-Medicare and Medicare premiums before age adjustment.

A retiree who elects Basic Coverage other than the benchmark HIP and GHI/EBCBS plans is required to contribute the full difference in cost. The OA confirmed, based on

data provided by OLR, that net employer premiums were consistent with the benchmark rates and stated policy regarding other coverage.

Welfare Funds

The Welfare Fund contribution reported as of the measurement date, June 30, 2022, (including any reported retroactive amounts) was trended back to the valuation date, June 30, 2021, using the Welfare trend assumption and used as the per capita cost for valuation purposes.

Reported annual contribution amounts for the last three years are shown in the Fiscal Year 2022 GASB 74/75 report in Section VIII, Tables VIII-b to VIII-f. Welfare Fund rates are based on actual reported Union Welfare Fund code for current retirees. Weighted average annual contribution rates used for future retirees, based on Welfare Fund enrollment of recent retirees, are shown in the following table for the past 2 years.

	<u>FY 2022</u>	<u>FY 2021</u>
NYCERS	\$1,858	\$1,894
TRS	1,763	1,824
BERS	1,907	1,932
POLICE	1,669	1,731
FIRE	1,721	1,780

Medicare Part B Premiums

<u>Calendar Year</u>	<u>Monthly Premium</u>
2017	113.63
2018	125.85
2019	134.43
2020	143.21
2021	146.97
2022	167.82

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2022. Due to limited cost-of-living adjustment in Social Security benefits, some Medicare Part B participants will not be charged the Medicare Part B premium originally projected or ultimately announced for those years. Thus, the valuation uses a blended estimate as a better representation of future Part B premium costs.

For the Fiscal Year 2022 OPEB valuation the annual premium used was \$1,888.80, which is equal to 12 times an average of the Calendar Year 2021 and 2022 monthly premiums shown.

For Calendar Year 2022, the monthly premium of \$167.82 was determined as follows:

- 3.5% of the basic \$104.90 monthly hold-harmless amount, assuming that there would be no claims made for the slight increase in Part B premiums for continuing retirees, and
- 96.5% of the announced premium of \$170.10 for Calendar Year 2022, representing the proportion of the Medicare population that will pay the announced amount.

The Calendar Year 2021 monthly premium of \$146.97 was determined similarly, using 3.5% of the \$104.90 hold-harmless and 96.5% of the \$148.50 rate that was in effect for Calendar Year 2021.

An additional 11.4% load is added to the base Medicare Part B Premium amounts each year to account for the income-related Medicare Part B premiums for high income individuals. This assumption was updated from the previous valuation to reflect more recent experience.

Medicare Part B Premium
 Reimbursement Assumption. 90% of Medicare participants are assumed to claim reimbursement; based on historical data.

Health Care Cost Trend Rate
 (HCCTR). No changes were made to the Medicare Part B premium, Welfare Fund contributions, or medical trends for the Fiscal Year 2022 valuation.

<u>Year Ending</u>	<u>Pre-Medicare Plans</u>	<u>Medicare Plans</u>	<u>Medicare Part B Premium</u>	<u>Welfare Fund Contributions</u>
2022	6.50%	4.90%	5.29% ¹	3.50%
2023	6.25%	4.80%	5.00%	3.50%
2024	6.00%	4.80%	5.00%	3.50%
2025	5.75%	4.70%	5.00%	3.50%
2026	5.50%	4.70%	5.00%	3.50%
2027	5.25%	4.60%	5.00%	3.50%
2028	5.00%	4.60%	5.00%	3.50%
2029	4.75%	4.50%	5.00%	3.50%
2030 and Later	4.50%	4.50%	5.00%	3.50%

⁽¹⁾ Reflects actual calendar year premium for the first 6 months of FY23 (July 2022 to December 2022) and 5.0% trend for the remaining 6 months.

The pre-Medicare and Medicare plan trends were developed using health trend information from various sources, including City premium trend experience for HIP HMO and GHI/EBCBS, public sector benchmark survey for other large plan sponsors, the Medicare Trustees’ Report, and the Society of Actuaries’ Getzen model.

In recent years Medicare Part B premium increases have averaged between 4% and 6%, ignoring the impact of the hold harmless provision. These increases can be attributable to factors such as the increasing prices of health care services, high cost of new technologies, and increasing utilization. While the Medicare trustees project the Part B premium will remain flat for 2023, beyond that point they expect the increases to average 5.4% out to 2031. These increases do not account for the hold harmless provision which may mitigate them somewhat.

Historical negotiated increase rates for the larger Welfare Funds have averaged below 2% in recent years, which is lower than the anticipated trend on the underlying costs of benefits provided by these funds. However, the City periodically makes one-time lump sum contributions to the Welfare Funds. For these reasons the Welfare Fund contribution trend was assumed to be 3.5%.

Age-and Gender- Related Morbidity The premiums are age- and gender-adjusted for HIP, GHI/EBCBS, and Other HMOs. The assumed relative costs of coverage are consistent with information presented in the 2013 study *Health Care Costs—From Birth to Death*, sponsored by the Society of Actuaries.

For non-Medicare costs, a sample of factors used is:

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.17	0.225	45	0.355	0.495
25	0.146	0.301	50	0.463	0.576
30	0.181	0.428	55	0.608	0.671
35	0.227	0.466	60	0.783	0.783
40	0.286	0.467	64	0.957	0.917

Children costs assume a factor of 0.229.

Medicare costs prior to age 65 assume an additional disability-related morbidity factor. A sample of factors used is:

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.323	0.422	60	1.493	1.47
25	0.278	0.565	65	0.919	0.867
30	0.346	0.804	70	0.946	0.885
35	0.432	0.876	75	1.032	0.953
40	0.545	0.878	80	1.122	1.029
45	0.676	0.929	85	1.217	1.116
50	0.883	1.082	90	1.287	1.169
55	1.159	1.26	95	1.304	1.113
			99+	1.281	0.978

The age adjustment for the non-Medicare GHI/EBCBS premium reflects a reduction for the estimated margin anticipated to be returned of 4.0% and 2.0% in the GHI and EBCBS portion of the monthly premium, respectively. Similarly, the age adjustment for the Medicare GHI/EBCBS premium reflects a reduction for the estimated margin anticipated to be returned of 4.0% and 3.0% in the GHI and ECBS portion of the monthly premium, respectively.

The non-Medicare GHI portion is \$391.39 out of \$854.44 for single coverage, and \$1,038.14 out of \$2,242.05 for family coverage for FY 2022 rates. The Non-Medicare EBCBS portion is the remainder of the premiums, The Medicare GHI portion is \$112.50 out of the \$201.80 for FY 2022 rates. The EBCBS portion is the remainder of the premium.

Participation Rates Plan participation assumptions have been updated since the prior valuation to reflect more recent experience..

Actual elections are used for current retirees. Some current retirees not eligible for Medicare are assumed to change elections upon attaining age based on election patterns of Medicare-eligible retirees.

For current retirees who appear to be eligible for health coverage but have not made an election (non-filers), the valuation reflects single GHI/EBCBS coverage and Part B premium benefits only, to approximate the obligation if these individuals were to file for coverage. For future retirees, the portion assumed not to file for future benefits, and therefore valued similarly, are as follows.

<u>NYCRS Group</u>	<u>FY 2022</u>	<u>FY 2021</u>
NYCERS	13%	10%
TRS	13%	6%
BERS	15%	12%
POLICE	3%	1%
FIRE	3%	2%
TIAA	13%	0%

This non-filer group also includes some participants who do not qualify for coverage because they were working less than 20 hours a week at termination.

Detailed assumptions for future Program retirees are presented below.

PLAN PARTICIPATION ASSUMPTIONS

<u>Benefits</u>	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TIAA</u>
<u>Pre-Medicare</u>						
-GHI/EBCBS	75%	83%	70%	87%	87%	83%
-HIP HMO	18	6	16	7	7	6
-Other HMO	2	1	2	3	4	1
-Waiver	5	10	12	3	2	10
<u>Medicare</u>						
-GHI	75	89	80	82	81	89
-HIP HMO	16	5	13	8	9	5
-Other HMO	5	2	2	8	8	2
-Waiver	4	4	5	2	2	4
<u>Post-Medicare Migration</u>						
-Other HMO to GHI	—	—	—	—	—	—
-HIP HMO to GHI	—	20	20	—	—	20
-GHI to HIP HMO	—	—	—	—	2	—
-GHI to Other HMO	—	—	—	6	5	—
-HIP HMO to Other HMO	10	—	—	—	—	—
-Pre-Med. Waiver						
To GHI @ 65	—	50	60	—	—	50
To HIP @ 65	—	10	—	20	—	10
To Other HMO @ 65	20	—	—	10	—	—

Dependent Coverage Non-contributory Basic Medical Coverage and Part B premium reimbursement for dependents are assumed to terminate when a retiree dies, except for Line of Duty beneficiaries. Certain other survivors of POLICE, FIRE, and uniformed members of the Departments of Correction and Sanitation are eligible for a lifetime COBRA continuation benefit. These individuals contribute 102% of the premium but the valuation includes an additional estimated cost above the value of their COBRA contribution because COBRA participants typically utilize services at a much higher rate than active participants. The valuation assumes that 30% of eligible spouses will elect the lifetime continuation benefit.

Dependents Certain dependent related assumptions have been updated since the prior valuation to reflect more recent experience.

Spousal Age Difference

Male retirees were assumed to be four years older than their wives, and female retirees were assumed to be two years younger than their husbands; for POLICE and FIRE participants, husbands are assumed to be two years older than their wives. This assumption is unchanged from the prior valuation.

Child Dependents

Child dependents of current retirees are assumed to receive coverage until age 26.

Children are assumed to be covered after retirement for the number of years shown below. The average dependent Coverage Period assumption has been updated since the prior valuation to reflect more recent experience.

<u>NYCRS Group</u>	<u>FY 2022</u>	<u>FY 2021</u>
NYCERS	8 years	8 years
TRS	7 years	8 years
BERS	7 years	8 years
POLICE	11 years	13 years
FIRE	11 years	13 years
TIAA	7 years	8 years

Dependent allocation assumptions have been updated since the prior valuation to reflect more recent experience, including the dependent coverage tier assumption in the event of the accidental death; the assumption for POLICE and FIRE is now equal to the general assumptions, respectively.

Dependent Coverage Assumptions						
<u>Group</u>	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TIAA</u>
Male						
-Single Coverage	35%	45%	44%	17%	12%	45%
-Spouse	35	30	40	10	18	30
-Child/No Spouse	8	5	4	13	10	5
-Spouse and Child	<u>22</u>	<u>20</u>	<u>12</u>	<u>60</u>	<u>60</u>	<u>20</u>
Female						
-Single Coverage	67%	57%	60%	45%	12%	57%
-Spouse	22	30	35	7	18	30
-Child/No Spouse	7	5	2.5	33	10	5
-Spouse and Child	<u>4</u>	<u>8</u>	<u>2.5</u>	<u>15</u>	<u>60</u>	<u>8</u>

Note: For Line-of-Duty, 97% are assumed to have single coverage in FY 2022.

Demographic Assumption The actuarial assumptions used in the FY 2022 OPEB valuation are a combination of the demographic assumptions used in the NYCERS pension actuarial valuations and certain OPEB-specific assumptions, as detailed below.

For FY 2019, the OA conducted a full review of the actuarial assumptions and methods used to fund the NYCERS. These recommendations were adopted by all five of the NYCERS Boards and referred to as the 2019 A&M Reports. On July 27, 2021, the Chief Actuary issued a memorandum that amended certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods are referred to as the “Revised 2021 A&M.”

NYCERS

The NYCERS’ demographic assumptions (e.g., mortality, withdrawal, retirement and disability rates) and salary scale are the same as those used in the NYCERS pension actuarial valuations and are unchanged from the prior valuation.

CUNY/TIAA

CUNY/TIAA demographic assumptions are the same as those used for the TRS Pension Actuarial Valuation except for withdrawal and retirement rates which are based on a separate CUNY valuation performed by Buck and summarized below:

<u>Years of Service</u>	<u>Withdrawal</u>	<u>Age</u>	<u>Retirement</u>
0	15.0%	55	2.0%
1	12.0%	56	2.0%
2	11.0%	57	2.0%
3	10.0%	58	2.0%
4	9.0%	59	2.0%
5	7.0%	60	3.0%
6	6.0%	61	3.0%
7	6.0%	62	4.0%
8	6.0%	63	5.0%
9	4.0%	64	6.0%
10	4.0%	65	10.0%
11	3.0%	66	5.0%
12	3.0%	67	5.0%
13	2.0%	68	5.0%
14-19	2.0%	69	10.0%
20+	1.0%	70	100.0%

The CUNY/TIAA OPEB valuation also assumes:

- Terminated employees with the required number of years of service for eligibility have no subsequent full-time employment at another college, university, or institution of post-secondary education.
- CUNY/TIAA participants maintain any required TIAA account balances and annuity benefits

COBRA Benefits	<p>There is no cost to the City for COBRA beneficiaries who enroll in community-rated HMO's, including HIP, since these individuals pay their full community rate. However, there is a cost under the experience rated GHI/EBCBS coverage.</p> <p>The valuation assumes 15% of employees not eligible for OPEB elect COBRA coverage for 15 months based on experience of other large employers. A lump-sum COBRA cost of \$1,475 was assumed for terminations during Fiscal Year 2022. This amount is increased by the Pre-Medicare HCCTR for future years but is not adjusted for age-related morbidity.</p> <p>Census data was not available for surviving spouses of POLICE, FIRE, Correction, or Sanitation members who are entitled to lifetime COBRA continuation coverage, as this benefit is administered directly by the insurance carriers. The number and obligation for the surviving spouses with lifetime coverage were estimated based on current census of POLICE and FIRE retirees and the projected number of deaths that would have occurred since the inception of this benefit on November 13, 2001 (and on August 31, 2010 for the Departments of Correction and Sanitation).</p>
Active Off Payroll (AOP) Liabilities	<p>Active members off payroll is no longer treated as a separate status as of June 30, 2020. Those on a known short-term leave of absence are treated as actives, and the remaining members are included as inactive members entitled to but not yet receiving benefits if they have met the OPEB vesting requirements. Otherwise, they are not included in the valuation.</p>
Stabilization Fund	<p>A 0.5% load is applied on all City GASB 75 obligations to reflect certain benefits paid for retirees directly from the Stabilization Fund which is a 0.1% increase from the Fiscal Year 2021 OPEB valuation. The load is not applicable to Component Units.</p> <p>This amount is based on the historical five-year average allocation between active and retired participants in the Fiscal Years 2018 through 2022 Stabilization Fund benefits provided by OLR. The allocation takes into consideration retirees on average are older and have costlier medical benefits than actives, and also separates out Welfare Fund contribution reimbursements from other Stabilization Fund benefits.</p> <p>Also, since Welfare Fund contributions reimbursed by the Stabilization Fund are considered a part of Welfare Fund benefits, they are not included in the determination of this load.</p>
Educational Construction Fund	<p>The actuarial assumptions used for determining GASB 75 obligations for ECF are shown starting on page 114 of the Fiscal Year 2022 GASB 74/75 Report dated September 9, 2022. The Report is available at the Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007 and on the website of the New York City Office of the Actuary (www.nyc.gov/actuary).</p>

5. Pensions

Plan Descriptions

The City sponsors or participates in five pension trusts providing benefits to its employees, the majority of whom are members of one of these pension trusts (collectively referred to as NYCERS). Each of the trusts administers a qualified pension plan (QPP) and one or more variable supplements funds (VSFs) or tax-deferred annuity programs (TDA Programs) that supplement the pension benefits provided by the QPP. The trusts administered by NYCERS function in accordance with existing State statutes and City laws, which are the basis by which benefit terms and employer and member contribution requirements are established. The QPPs combine features of defined benefit pension plans with those of defined contribution pension plans; however, they are considered defined benefit plans for financial reporting purposes. The VSFs are considered defined benefit pension plans and the TDA Programs are considered defined contribution plans for financial reporting purposes. A brief description of each of the NYCERS and the individual plans they administer follows:

1. New York City Employees' Retirement System (NYCERS) administers the NYCERS QPP and five VSFs. The NYCERS QPP is a cost-sharing multiple-employer pension plan that provides pension benefits for employees of the City not covered by one of the other NYCERS, and employees of certain component units of the City and certain other governmental units.

NYCERS administers the following VSFs, which operate pursuant to the provisions of Title 13, Chapter 1 of the Administrative Code of The City of New York (ACNY):

- Transit Police Officer's Variable Supplements Fund (TPOVSF), which provides supplemental benefits to NYCERS QPP members who retire from service on or after July 1, 1987 with 20 or more years of service as Transit Police Officers.
- Transit Police Superior Officers' Variable Supplements Fund (TPSOVSF), which provides supplemental benefits to NYCERS QPP members who retire from service on or after July 1, 1987 as Transit Police Superior Officers with 20 or more years of service.
- Housing Police Officer's Variable Supplements Fund (HPOVSF), which provides supplemental benefits to NYCERS QPP members who retire from service on or after July 1, 1987 with 20 or more years of service as Housing Police Officers.
- Housing Police Superior Officers' Variable Supplements Fund (HPSOVSF), which provides supplemental benefits to NYCERS QPP members who retire from service on or after July 1, 1987 as Housing Police Superior Officers with 20 or more years of service.
- Correction Officers' Variable Supplements Fund (COVSF), which provides supplemental benefits to NYCERS QPP members who retire for service on or after July 1, 1999 (with 20 or 25 years of service, depending upon the plan) as members of the Uniformed Correction Force.

TPOVSF, TPSOVSF, HPOVSF, and HPSOVSF are closed to new entrants.

2. Teachers' Retirement System of The City of New York (TRS) administers the TRS QPP and the TRS TDA Program. The TRS QPP is a cost-sharing, multiple-employer pension plan for pedagogical employees in the public schools of the City and certain Charter Schools and certain other specified school and CUNY employees. The TRS TDA Program was established and is administered pursuant to Internal Revenue Code Section 403(b) and Chapter 4 of Title 13 of ACNY. The TRS TDA Program provides a means of deferring income tax payments on members' voluntary pre-tax contributions and earnings thereon until the periods after retirement or upon withdrawal of contributions. Members of the TRS QPP have the option to participate in the TRS TDA Program.
3. New York City Board of Education Retirement System (BERS) administers the BERS QPP and the BERS TDA Program. The BERS QPP is a cost-sharing, multiple-employer pension plan for non-pedagogical employees of the Department of Education and certain Charter Schools and certain employees of the School Construction Authority. The BERS TDA Program was established and is administered pursuant to Internal Revenue Code Section 403(b), the New York State Education Law and the BERS Rules and Regulations. The BERS TDA Program provides a means of deferring income tax payments on members' voluntary pre-tax contributions and earnings thereon until the periods after retirement or upon withdrawal of contributions. Members of the BERS QPP have the option to participate in the BERS TDA Program.
4. New York City Police Pension Fund (POLICE) administers the POLICE QPP, along with the Police Officer's Variable Supplements Fund (POVSF) and Police Superior Officers' Variable Supplements Fund (PSOVSF). The POLICE QPP is a single-employer pension plan for all full-time uniformed employees of the New York City Police Department.

POVSF and PSOVSF operate pursuant to the provisions of Title 13, Chapter 2 of the ACNY. POVSF provides supplemental benefits to POLICE QPP members who retire for service as police officers on or after October 1, 1968 with 20 or more years of service. PSOVSF provides supplemental benefits to POLICE QPP members who retire for service on or after October 1, 1968 as police superior officers with 20 or more years of service.

5. New York City Fire Pension Fund (FIRE) administers the FIRE QPP, along with the Firefighter's Variable Supplements Fund (FFVSF) and the Fire Officers' Variable Supplements Fund (FOVSF). The FIRE QPP is a single-employer pension plan for all full-time uniformed employees of the New York City Fire Department.

FFVSF and FOVSF operate pursuant to the provisions of Title 13, Chapter 3 of the ACNY. FFVSF provides supplemental benefits to FIRE QPP members who retire for service as firefighters or wipers on or after October 1, 1968 with 20 or more years of service. FOVSF provides supplemental benefits to FIRE QPP members who retire for service on or after October 1, 1968 as fire officers, and all pilots and marine uniformed engineers, with 20 or more years of service.

Except for NYCERS and BERS, permanent, full-time employees are generally required to become members of a NYCERS QPP upon employment. Permanent full-time employees who are eligible to participate in the NYCERS QPP and BERS QPP are generally required to become members within six months of their permanent employment status but may elect to become members earlier. Other employees who are eligible to participate in the NYCERS QPP and BERS QPP may become members at their option.

As of June 30, 2021 and June 30, 2020, the dates of the most recent actuarial valuations, system-wide membership data for the QPPs are as follows:

	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>Total</u>
QPP Membership at June 30, 2021						
Retirees and Beneficiaries Receiving Benefits	162,149	89,997	19,448	52,837	16,578	341,009
Deferred Vested Members Not Yet						
Receiving Benefits	26,383	15,128	1,972	851	62	44,396
Terminated Nonvested	32,058	4,574	8,922	1,713	2	47,269
Active Members	<u>185,732</u>	<u>123,211</u>	<u>27,556</u>	<u>35,006</u>	<u>10,793</u>	<u>382,298</u>
Total QPP Membership	<u>406,322</u>	<u>232,910</u>	<u>57,898</u>	<u>90,407</u>	<u>27,435</u>	<u>814,972</u>
	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>Total</u>
QPP Membership at June 30, 2020						
Retirees and Beneficiaries Receiving Benefits	159,906	89,536	19,120	51,465	16,624	336,651
Deferred Vested Members Not Yet						
Receiving Benefits	23,034	15,502	1,972	753	64	41,325
Terminated Nonvested	32,027	5,604	8,826	1,544	—	48,001
Active Members	<u>191,237</u>	<u>124,276</u>	<u>28,183</u>	<u>35,895</u>	<u>11,079</u>	<u>390,670</u>
Total QPP Membership	<u>406,204</u>	<u>234,918</u>	<u>58,101</u>	<u>89,657</u>	<u>27,767</u>	<u>816,647</u>

As of June 30, 2021 and June 30, 2020, the dates of the most recent actuarial valuations, membership data for the NYCERS VSFs are as follows:

	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>COVSF</u>	<u>Total</u>
Membership at June 30, 2021						
Retirees Receiving or Eligible to Receive Benefits . . .	263	219	127	194	8,544	9,347
Active Members	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,054</u>	<u>8,054</u>
Total Membership	<u>263</u>	<u>219</u>	<u>127</u>	<u>194</u>	<u>16,598</u>	<u>17,401</u>
	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>COVSF</u>	<u>Total</u>
Membership at June 30, 2020						
Retirees Receiving or Eligible to Receive Benefits . . .	267	227	138	201	8,312	9,145
Active Members	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,988</u>	<u>8,988</u>
Total Membership	<u>267</u>	<u>227</u>	<u>138</u>	<u>201</u>	<u>17,300</u>	<u>18,133</u>

As of June 30, 2021 and 2020, the dates of the most recent actuarial valuations, membership data for the POLICE and FIRE VSFs are as follows:

	<u>PSOVSF</u>	<u>POVSF</u>	<u>Total POLICE</u>	<u>FOVSF</u>	<u>FFVSF</u>	<u>Total FIRE</u>
Membership at June 30, 2021						
Retirees Receiving or Eligible to Receive Benefits . . .	21,101	13,378	34,479	1,467	3,130	4,597
Active Members	<u>11,874</u>	<u>23,132</u>	<u>35,006</u>	<u>2,590</u>	<u>8,203</u>	<u>10,793</u>
Total Membership	<u>32,975</u>	<u>36,510</u>	<u>69,485</u>	<u>4,057</u>	<u>11,333</u>	<u>15,390</u>

	<u>PSOVSF</u>	<u>POVSF</u>	<u>Total POLICE</u>	<u>FOVSF</u>	<u>FFVSF</u>	<u>Total FIRE</u>
Membership at June 30, 2020						
Retirees Receiving or Eligible to Receive Benefits . . .	19,999	12,976	32,975	1,490	3,215	4,705
Active Members	<u>12,538</u>	<u>23,357</u>	<u>35,895</u>	<u>2,690</u>	<u>8,389</u>	<u>11,079</u>
Total Membership	<u>32,537</u>	<u>36,333</u>	<u>68,870</u>	<u>4,180</u>	<u>11,604</u>	<u>15,784</u>

Summary of Plan

Benefits QPPs

The NYCERS QPPs provide pension benefits to retired employees generally based on salary, length of service, and pension tier. For certain members of the NYCERS QPPs, voluntary member contributions also impact pension benefits provided. The NYCERS also provide automatic Cost-of-Living Adjustments (COLA) and other supplemental pension benefits to certain retirees and beneficiaries. In the event of disability during employment, participants may receive retirement allowances based on satisfaction of certain service requirements and other provisions. The NYCERS QPPs also provide death benefits. Subject to certain conditions, members become fully vested as to benefits upon the completion of 5 years of service. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions, including accumulated interest, less any outstanding loan balances.

The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983 and 2012, significant amendments made to the State Retirement and Social Security Law (RSSL) modified certain benefits for employees joining the QPPs on or after the effective date of such amendments, creating membership tiers. Currently, there are several tiers referred to as Tier I, Tier II, Tier III, Tier IV and Tier VI. Members are assigned a tier based on membership date. The specific membership dates for each tier may vary depending on the respective QPP. In particular, the Tier II Extender for POLICE, FIRE and the District Attorney Investigators ended as of June 30, 2009. As a result, new hires into the uniformed forces of the New York City Police Department and the New York City Fire Department (new members of the POLICE QPP and FIRE QPP) on or after July 1, 2009 and District Attorney Investigators who become new members of the NYCERS QPP on or after July 1, 2009 became Tier III members. Chapter 18 of the Laws of 2012 (Chapter 18/12) amended the retirement benefits of public employees who establish membership in one of the NYCERS on or after April 1, 2012. Chapter 18/12 is commonly referred to as Tier VI.

VSFs

The VSFs provide supplemental benefits for their respective eligible members at a maximum annual amount of \$12,000. For COVSF prior to Calendar Year 2019, total supplemental benefits paid, although determined in the same manner as for other VSFs, were only paid if the assets of COVSF were sufficient to pay the full amount due to all eligible retirees or if the Actuary determined that the fair value of the assets of the COVSF was greater than the actuarial present value of benefits payable through December, 2018. Scheduled benefits to COVSF participants were paid for Calendar Years 2000 to 2005, 2014, 2015, 2017, and 2018. Due to insufficient assets, no benefits were paid to COVSF participants from Calendar Year 2006 to Calendar Year 2013 and for Calendar Year 2016. For Calendar Years 2019 and later, COVSF provides for supplemental benefits to be paid regardless of the sufficiency of assets in the COVSF.

VSFs are presented with their respective retirement systems for financial reporting purposes. Instead, they provide scheduled supplemental payments, in accordance with applicable statutory provisions. While a portion of these payments are guaranteed by the City, the Legislature has reserved to itself and the State, the right and power to amend, modify, or repeal VSFs and the payments they provide. However, any assets transferred to the VSFs are held in trust solely for the benefit of its members.

TDA Programs

Benefits provided under the TRS and BERS TDA Programs are derived from members' accumulated contributions. TDA Programs are presented with their respective retirement systems for financial reporting purposes. No direct contributions are provided by employers; however certain investment options, if selected by members, may indirectly create employer financial obligations or benefits, as discussed below. A participant may withdraw all or part of the balance of his or her account at the time of retirement or termination of employment. Beginning January 1, 1989, the tax laws restricted withdrawals of tax-deferred annuity contributions and accumulated earnings thereon for reasons other than retirement or termination. Contributions made after December 31, 1988, and investment earnings credited after December 31, 1988, may only be withdrawn upon attainment of age 59½ or for reasons of hardship (as defined by Internal Revenue Service regulations). Hardship withdrawals are limited to contributions only.

When a member resigns before attaining vested rights under the respective QPP, he or she may withdraw the value of his or her TDA Program account or leave the account in the TDA Program for a period of up to seven school years after the date of resignation for TRS TDA members or for a period of up to five years after the date of resignation for BERS TDA members. If a member resigns after attaining vested rights under the respective QPP, he or she may leave his or her account in the TDA Program.

Upon retirement, a member may elect to leave his or her entire balance in the plan, elect to withdraw all or a portion of the balance, or choose to take the balance in the form of an annuity that is calculated based on a statutory rate of interest and statutory mortality assumptions, which may differ from the pension funding assumptions.

The TDA Programs have several investment options broadly categorized as fixed return funds and variable return funds. Under the fixed return funds, accounts are credited with a statutory rate of interest, currently 7% for UFT members and 8.25% for all other members (the Statutory Rates). Deposits from members' TDA Program accounts are used by the respective QPP to purchase investments; If earnings on the respective QPP are less than the amount credited to the TDA Program members' accounts, then additional payments by the City to the respective QPP, as determined by the Actuary, may be required. If the earnings are higher, then lower payments by the City to the QPP may be required.

All investment securities held in the fixed return funds are owned and reported by the QPP. A payable due from the QPP equal to the aggregate original principal amounts contributed by TDA Program members to the fixed return funds, plus accrued interest at the statutory rate, less member withdrawals, is owned by the TDA Program. The balance of TDA Program fixed return funds held by the TRS QPP as of June 30, 2022 and 2021 were \$31.9 billion and \$30.0 billion, respectively, and interest paid on TDA Program fixed return funds by the TRS QPP for the years then ended were \$2.1 billion and \$2.0 billion, respectively. The balance of TDA Program fixed return funds held by the BERS QPP as of June 30, 2022 and 2021 are \$2,374.1 million and \$2,168.0 million, respectively, and interest paid on TDA Program fixed return funds by the BERS QPP for the years then ended were \$191.1 million and \$171.8 million, respectively. Under the variable return funds, members' TDA Program accounts are adjusted for actual returns on the underlying investments of the specific fund selected. Members may switch all or a part of their TDA contributions between the fixed and variable return funds on a quarterly basis.

Contributions and Funding Policy

QPPs

The City's funding policy is to contribute statutorily-required contributions (Statutory Contributions). Statutory Contributions for the NYCERS, determined by the Actuary in accordance with State statutes and City laws, are generally funded by the employers within the appropriate Fiscal Year. The Statutory Contributions are determined under the One-Year Lag Methodology (OYLM). Under OYLM, the actuarial valuation date is used for calculating the Employer Contributions for the second following Fiscal Year. For example, the June 30, 2020 actuarial valuation was used for determining the Fiscal Year 2022 Statutory Contributions. Statutory Contributions are determined annually to be an amount that, together with member contributions and investment income, provides for QPP assets to be sufficient to pay benefits when due. The aggregate Statutory Contributions due to each QPP from all participating employers for Fiscal Years 2022 and 2021 and the amount of the City's Statutory and Actual contribution to each QPP for such fiscal years are as follows (in millions):

QPP	Fiscal Year 2022 Aggregate Statutory Contribution	Fiscal Year 2022 City Statutory/Actual Contribution	Fiscal Year 2021 Aggregate Statutory Contribution	Fiscal Year 2021 City Statutory/Actual Contribution
	(in millions)			
NYCERS.....	\$ 3,831	\$2,283	\$ 3,763	\$2,218
TRS.....	3,304	3,201	3,131	3,035
BERS.....	262	262	183	183
POLICE.....	2,490	2,490	2,438	2,438
FIRE.....	1,447	1,447	1,437	1,437
Total.....	<u>\$11,334</u>	<u>\$9,683</u>	<u>\$10,952</u>	<u>\$9,311</u>

Member contributions are established by law and vary by QPP. In general, Tier I and Tier II member contribution rates are dependent upon the employee's age at membership and retirement plan election. In general, Tier III and Tier IV members make basic contributions of 3.0% of salary regardless of age at membership. Effective October 1, 2000, in accordance with Chapter 126 of the Laws of 2000, these members, except for certain Transit Authority employees, are not required to make basic contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. Effective December 2000, certain Transit Authority Tier III and Tier IV members make basic member contributions of 2.0% of salary in accordance with Chapter 10 of the Laws of 2000. Tier VI members contribute between 3.0% and 6.0% of salary, depending on salary level. Finally, certain special plan members of the NYCERS make additional member contributions.

VSFs

ACNY provides that the POLICE QPP and FIRE QPP transfer to their respective VSFs amounts equal to certain excess earnings on QPP equity investments, generally limited to the unfunded accumulated benefit obligation for each VSF. ACNY also provides that the NYCERS QPP transfer to COVSF a fraction of certain excess earnings on NYCERS QPP equity investments, such fraction reflecting the ratio of Uniformed Correction member salaries to the salaries of all active members of the NYCERS QPP. Any transfer of excess earnings to the COVSF is limited to the unfunded accumulated benefit obligation of the COVSF. In each case, the earnings to be transferred (or the appropriate fraction thereof in the case of COVSF) are the amount by which earnings on equity investments exceed what the earnings would have been had such funds been invested at a yield comparable to that available from fixed income securities, less any cumulative past deficiencies (Excess Earnings).

In addition to the transfer of Excess Earnings, under Chapter 3 of the Laws of 2013, should the assets of the POVVSF or the PSOVVSF be insufficient to pay annual benefits, the POLICE QPP is required to transfer amounts sufficient to make such benefit payments. Similarly, under Chapter 3 of the Laws of 2013, should the assets of the COVSF be insufficient to pay annual benefits beginning in Calendar Year 2018, the NYCERS QPP is required to transfer amounts sufficient to make such benefit payments. Additionally, under Chapter 583 of the Laws of 1989, should the assets of the FFVSF or the FOVSF be insufficient to pay annual benefits, the City is required to transfer amounts sufficient to make such benefit payments. Further, under Chapter 255 of the Laws of 2000, the NYCERS QPP is required to make transfers to TPOVSF, TPSOVVSF, HPOVSF and HPSOVVSF sufficient to meet their annual benefit payments.

For Fiscal Year 2022, there were no Excess Earnings on equity investments, and therefore, no transfers of assets from the QPPs to their respective VSFs were required other than to TPOVSF, TPSOVVSF, HPOVSF, and HPSOVVSF. For Fiscal Year 2022, the NYCERS QPP made required transfers of \$3.3 million, \$2.7 million, \$1.6 million, and \$2.4 million to TPOVSF, TPSOVVSF, HPOVSF, and HPSOVVSF, respectively, to fund annual benefits.

For Fiscal Year 2021, Excess Earnings on equity investments, inclusive of prior year's cumulative deficiencies, exceeded zero, for NYCERS QPP, POLICE QPP and FIRE QPP, and therefore, transfers of assets from the NYCERS QPP, POLICE QPP and FIRE QPP to their respective VSFs were potentially required. As of the date of this report, the amount of such transfers due for Fiscal Year 2021 from the NYCERS QPP to the COVSF is estimated to be \$925 million. As a result of the unfunded accumulated benefit obligation limit, the amounts of such transfers due for Fiscal Year 2021 from the POLICE QPP to POVVSF and PSOVVSF are estimated to be \$0 and from the FIRE QPP to FFVSF and FOVSF are estimated to be \$0. Additionally, in Fiscal Year 2021, the NYCERS QPP made required transfers of \$3.3 million, \$2.8 million, \$1.7 million, and \$2.5 million to TPOVSF, TPSOVVSF, HPOVSF, and HPSOVVSF, respectively, to fund annual benefits.

The annual employer contribution calculated in conjunction with the actuarial valuation for POLICE, FIRE and NYCERS includes the cost to pay for the VSF benefits.

TDA Programs

Contributions to the TDA Programs are made by the members only and are voluntary. Active members of the respective QPP are required to submit a salary reduction agreement and an enrollment request to make contributions. A participant may elect to exclude an amount of his or her compensation from current taxable income by contributing it to the TDA Programs. The maximum amount that can be contributed is determined annually by the IRS for each calendar year. Additionally, members can elect either a fixed or variable investment program for investment of their contributions.

No employer contributions are made to the TDA Programs. However, the TDA Programs offer a fixed return investment option as discussed above which could increase or decrease the City’s contribution to the respective QPPs.

Net Pension Liability

The City’s net pension liabilities for each of the QPPs reported at June 30, 2022 and 2021 were measured as of those fiscal year end dates. The total pension liabilities used to calculate those net pension liabilities were determined by actuarial valuations as of June 30, 2021 and June 30, 2020, respectively, and rolled forward to the respective fiscal year-end measurement dates. Information about the fiduciary net position of each QPP and additions to and deductions from each QPP’s fiduciary net position has been determined on the same basis as they are reported by the respective QPP. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the respective qualified pension plan and investments are reported at fair value.

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 and June 30, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<i>Investment Rate of Return</i>	<i>7.0% per annum, net of investment expenses (Actual Return for Variable Funds).</i>	<i>7.0% per annum, net of investment expenses (Actual Return for Variable Funds).</i>
<i>Post-Retirement Mortality</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries.</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries.</i>
<i>Active Service: Withdrawal, Death, Disability, Retirement</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds.</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds.</i>
<i>Salary Increases⁽¹⁾</i>	<i>In general, Merit and Promotion increases, plus assumed General Wage Increases of 3.0% per year.</i>	<i>In general, Merit and Promotion increases, plus assumed General Wage Increases of 3.0% per year.</i>
<i>Cost-of-Living Adjustments⁽¹⁾ . . .</i>	<i>1.5% per annum for AutoCOLA. 2.5% per annum for Escalation.</i>	<i>1.5% per annum for AutoCOLA. 2.5% per annum for Escalation.</i>

⁽¹⁾ *Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.*

Pursuant to Section 96 of the New York City Charter, audits of the actuarial assumptions used to value liabilities of the five actuarially-funded QPPs are conducted by an independent actuarial firm every two years.

In accordance with the ACNY and with appropriate practice, the Boards of Trustees of the five actuarially-funded QPPs are to periodically review and adopt certain actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions, which are also generally used to determine the total pension liability, as applicable.

In June 2019, Bolton, Inc. issued their actuarial experience study report for the four-year and ten-year periods ended June 30, 2017. Based, in part, on this report, the Actuary proposed and the Boards of Trustees of the NYCRS adopted changes in actuarial assumptions including a change to Mortality Improvement Scale MP-2018 beginning in Fiscal Year 2019. Milliman, Inc. is performing the current experience study that covers the period through June 30, 2021.

In July 2021, the Actuary proposed and the Boards of Trustees of the NYCERS adopted changes in actuarial assumptions including a change to Mortality Improvement Scale MP-2020 beginning in Fiscal Year 2021.

The long-term expected rate of return for each of the pension funds is 7.0% per annum. This is based upon weighted expected real rates of return (RROR) ranging from 4.5% to 6.1% and a long-term Consumer Price Inflation assumption of 2.5% offset by investment related expenses. The target asset allocation of each of the funds and the expected RROR for each of the asset classes are summarized in the following tables:

NYCERS		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	27.0%	7.0%
Developed Public Market Equities	12.0%	7.2%
Emerging Public Market Equities	5.0%	9.0%
Fixed Income	30.5%	2.5%
Private Equity	8.0%	11.3%
Private Real Estate	7.5%	6.7%
Infrastructure	4.0%	6.0%
Opportunistic Fixed Income	6.0%	7.4%
Total	100.0%	
TRS		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	25.0%	5.3%
Developed Public Market Equities	10.0%	5.7%
Emerging Public Market Equities	9.5%	7.1%
Fixed Income	32.5%	1.4%
Private Equity	7.0%	10.8%
Private Real Estate	7.0%	8.0%
Infrastructure	4.0%	7.7%
Opportunistic Fixed Income	5.0%	6.0%
Total	100.0%	
BERS		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	31.0%	6.6%
Developed Public Market Equities	10.0%	7.0%
Emerging Public Market Equities	6.0%	8.6%
Fixed Income	27.0%	1.4%
Private Equity	9.0%	10.5%
Private Real Estate	8.0%	6.8%
Infrastructure	4.0%	5.6%
Opportunistic Fixed Income	5.0%	5.5%
Total	100.0%	

<u>Asset Class</u>	<u>POLICE</u>	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	30.0%	5.7%
Developed Public Market Equities	8.0%	6.4%
Emerging Public Market Equities	5.0%	7.8%
Fixed Income	28.0%	3.2%
Private Equity	8.0%	11.0%
Private Real Estate	7.0%	7.4%
Infrastructure	3.0%	4.7%
Hedge Funds	6.0%	4.5%
Opportunistic Fixed Income	5.0%	5.9%
Total	100.0%	

<u>Asset Class</u>	<u>FIRE</u>	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	27.0%	5.1%
Developed Public Market Equities	9.0%	5.5%
Emerging Public Market Equities	6.0%	9.3%
Fixed Income	31.0%	1.4%
Private Equity	8.0%	9.8%
Private Real Estate	7.0%	4.8%
Infrastructure	3.0%	4.5%
Hedge Funds	5.0%	3.5%
Opportunistic Fixed Income	4.0%	6.2%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability of each QPP as of June 30, 2022 and June 30, 2021 was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current tier for each member and that employer contributions will be made based on rates determined by the Actuary. Based on those assumptions, each QPP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active QPP members. Therefore, the long-term expected rate of return on QPP investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability-POLICE and FIRE

Changes in the City’s net pension liability for POLICE and FIRE for the Fiscal Years ended June 30, 2022 and June 30, 2021 are as follows:

	POLICE			FIRE		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in millions)					
Balances at June 30, 2020	\$57,268	\$46,462	\$10,806	\$24,082	\$15,929	\$ 8,153
Changes for the Year 2021:						
Service Cost	1,474	—	1,474	571	—	571
Interest	3,980	—	3,980	1,673	—	1,673
Changes of Benefit Terms	—	—	—	—	—	—
Differences b/t Expected and Actual Experience	276	—	276	(27)	—	(27)
Changes of Assumptions	137	—	137	113	—	113
Contributions—Employer	—	2,438	(2,438)	—	1,437	(1,437)
Contributions—Employee	—	256	(256)	—	113	(113)
Net Investment Income	—	11,962	(11,962)	—	3,963	(3,963)
Benefit Payments	(3,832)	(3,832)	—	(1,541)	(1,541)	—
Administrative Expenses	—	(25)	25	—	(10)	10
Other Changes	—	5	(5)	—	1	(1)
Net Changes	<u>\$ 2,035</u>	<u>\$10,804</u>	<u>\$ (8,769)</u>	<u>\$ 789</u>	<u>\$ 3,963</u>	<u>\$ (3,174)</u>
Balances at June 30, 2021	<u>\$59,303</u>	<u>\$57,266</u>	<u>\$ 2,037</u>	<u>\$24,871</u>	<u>\$19,892</u>	<u>\$ 4,979</u>
Changes for the Year 2022:						
Service Cost	1,432	—	1,432	586	—	586
Interest	4,121	—	4,121	1,726	—	1,726
Changes of Benefit Terms	—	—	—	—	—	—
Differences b/t Expected and Actual Experience	473	—	473	165	—	165
Changes of Assumptions	—	—	—	—	—	—
Contributions—Employer	—	2,490	(2,490)	—	1,447	(1,447)
Contributions—Employee	—	281	(281)	—	134	(134)
Net Investment Income	—	(4,405)	4,405	—	(1,583)	1,583
Benefit Payments	(3,814)	(3,814)	—	(1,621)	(1,621)	—
Administrative Expenses	—	(24)	24	—	(13)	13
Other Changes	—	5	(5)	—	1	(1)
Net Changes	<u>\$ 2,212</u>	<u>\$ (5,467)</u>	<u>\$ 7,679</u>	<u>\$ 856</u>	<u>\$ (1,635)</u>	<u>\$ 2,491</u>
Balances at June 30, 2022	<u>\$61,515</u>	<u>\$51,799</u>	<u>\$ 9,716</u>	<u>\$25,727</u>	<u>\$18,257</u>	<u>\$ 7,470</u>

The following table presents the City’s net pension liability for POLICE and FIRE calculated using the discount rate of 7.0%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	Fiscal Year 2022			Fiscal Year 2021		
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
	(in millions)					
POLICE	\$16,828	\$9,716	\$3,794	\$8,958	\$2,037	\$(3,727)
FIRE	10,381	7,470	5,023	7,803	4,979	2,607

City Proportion of Net Pension Liability-NYCERS, TRS and BERS (Excluding TDAs)

The following table presents the City's proportionate share of the net pension liability of NYCERS, TRS and BERS at June 30, 2022 and June 30, 2021, and the proportion percentage of the aggregate net pension liability allocated to the City:

	Fiscal Year 2022			Fiscal Year 2021		
	NYCERS	TRS	BERS	NYCERS	TRS	BERS
	(in millions, except for %)					
City's Proportion of the Net Pension Liability	59.58%	96.88%	99.95%	58.94%	96.93%	99.93%
City's Proportionate Share of the Net Pension Liability	\$10,786	\$14,253	\$124	\$3,780	\$69	\$(1,267)

The City's proportion of the respective net pension liability was based on actual required contributions of each of the participating employers.

The following table presents the City's proportionate share of net pension liability for NYCERS, TRS, and BERS calculated using the discount rate of 7.0%, as well as what the City's proportionate share of the respective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

QPPs	Fiscal Year 2022			Fiscal Year 2021		
	1% Decrease	Current	1% Increase	1% Decrease	Current	1% Increase
	(6.0%)	Discount Rate (7.0%)	(8.0%)	(6.0%)	Discount Rate (7.0%)	(8.0%)
	(in millions)					
NYCERS	\$17,165	\$10,786	\$5,399	\$9,919	\$3,780	\$(1,428)
TRS	22,925	14,253	6,968	8,460	69	(6,981)
BERS	837	124	(476)	(580)	(1,267)	(1,847)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense recognized by the City for the Fiscal Years ended June 30, 2022 and June 30, 2021 related to the NYCERS are as follows:

NYCRS	2022	2021
	(in millions)	
NYCERS	\$1,521	\$ 85
TRS (Excluding TDA)	1,771	(1,013)
BERS (Excluding TDA)	235	(448)
POLICE	1,267	(200)
FIRE	1,055	563
Total	<u>\$5,849</u>	<u>\$(1,013)</u>

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Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2022 and June 30, 2021 for each NYCERS are as follows:

	Fiscal Year 2022							
	NYCERS		TRS		BERS		POLICE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)							
Differences between expected and actual experience	\$ 935,551	\$ 237,079	\$ 162,806	\$ 1,905,403	\$ 74,342	\$ 74,254	\$ 717,479	\$ 168,993
Changes of assumptions	1,775	345,051	—	640,316	—	102,511	81,166	70,654
Net difference between projected and actual earnings on pension plan investments	1,971,329	—	1,372,600	—	81,923	—	1,916,065	—
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	607,282	68,420	(64,200)	(360)	(166)	(12)	—	—
Total	<u>\$3,515,937</u>	<u>\$ 650,550</u>	<u>\$1,471,206</u>	<u>\$2,545,359</u>	<u>\$156,098</u>	<u>\$176,753</u>	<u>\$2,714,709</u>	<u>\$239,647</u>
	Fiscal Year 2021							
	NYCERS		TRS		BERS		POLICE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)							
Differences between expected and actual experience	\$ 970,380	\$ 437,305	\$ 298,626	\$ 2,129,187	\$ 107,212	\$ 81,090	\$ 485,559	\$ 344,885
Changes of assumptions	3,496	468,980	—	783,223	—	155,723	108,962	138,591
Net difference between projected and actual earnings on pension plan investments	—	5,547,647	—	14,074,183	—	1,309,346	—	6,538,104
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	650,158	72,230	(56,327)	2,362	(294)	(45)	—	—
Total	<u>\$1,624,034</u>	<u>\$6,526,162</u>	<u>\$ 242,299</u>	<u>\$16,988,955</u>	<u>\$106,918</u>	<u>\$1,546,114</u>	<u>\$594,521</u>	<u>\$7,021,580</u>

	Fiscal Year 2022			
	FIRE		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)			
Differences between expected and actual experience	\$ 236,348	\$ 17,304	\$2,126,526	\$2,403,033
Changes of assumptions	224,828	—	307,769	1,158,532
Net difference between projected and actual earnings on pension plan investments	810,543	—	6,152,460	—
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	—	—	542,916	68,047
Total	<u>\$1,271,719</u>	<u>\$ 17,304</u>	<u>\$9,129,671</u>	<u>\$3,629,613</u>
	Fiscal Year 2021			
	FIRE		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)			
Differences between expected and actual experience	\$ 178,653	\$ 22,409	\$2,040,430	\$ 3,014,876
Changes of assumptions	350,350	—	462,808	1,546,517
Net difference between projected and actual earnings on pension plan investments	—	2,134,947	—	29,604,227
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	—	—	593,537	74,547
Total	<u>\$ 529,003</u>	<u>\$ 2,157,356</u>	<u>\$3,096,775</u>	<u>\$34,240,167</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2022 will be recognized in pension expense as follows:

	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TOTAL</u>
	(in thousands)					
Year ending June 30,						
2023.....	\$ 414,061	\$(1,278,390)	\$(129,890)	\$ 207,766	\$ 300,709	\$ (485,744)
2024.....	567,330	(1,017,773)	(87,301)	405,319	229,350	96,925
2025.....	179,470	(956,253)	(51,219)	101,853	85,591	(640,558)
2026.....	1,650,315	2,486,947	252,164	1,760,124	632,720	6,782,270
2027.....	54,212	(137,212)	(4,409)	—	6,045	(81,364)
Thereafter.....	—	(171,472)	—	—	—	(171,472)
Total.....	<u>\$2,865,388</u>	<u>\$(1,074,153)</u>	<u>\$ (20,655)</u>	<u>\$2,475,062</u>	<u>\$1,254,415</u>	<u>\$5,500,057</u>

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The City of New York

Annual Comprehensive Financial Report of the Comptroller

Part II-B

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

The pension and other postemployment benefit plan schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Fiscal Years Ended June 30, 2022 and 2021

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THE CITY OF NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

A. Schedule of Changes in City's Net Pension Liability and Related Ratios for POLICE at June 30,

	2022	2021	2020	2019	2018
1. Total Pension Liability					
a. Service Cost	\$ 1,431,720,079	\$ 1,473,815,656	\$ 1,483,109,352	\$ 1,498,909,863	\$ 1,386,278,934
b. Interest	4,120,230,291	3,980,110,444	3,833,636,348	3,782,996,761	3,649,115,174
c. Changes of Benefit Terms	—	—	—	—	104,671,094
d. Differences b/t Expected and Actual Experience	473,140,931	275,949,731	441,654,144	(818,966,821)	(144,119,939)
e. Change of Assumptions	—	136,758,940	—	(342,401,789)	—
f. Benefit Payments	(3,813,713,000)	(3,831,639,000)	(3,487,402,000)	(3,278,745,000)	(3,193,553,000)
g. Net Changes	2,211,378,301	2,034,995,771	2,270,997,844	841,793,014	1,802,392,263
2. Total Pension Liability—Beginning	59,303,424,994	57,268,429,223	54,997,431,379	54,155,638,365	52,353,246,102
3. Total Pension Liability—Ending	61,514,803,295	59,303,424,994	57,268,429,223	54,997,431,379	54,155,638,365
4. Plan Fiduciary Net Position					
a. Contributions—Employer	2,490,134,000	2,437,728,000	2,458,907,000	2,558,256,000	2,415,153,000
b. Contributions—Employee	281,185,000	255,789,000	280,129,000	278,087,000	267,031,000
c. Net Investment Income	(4,405,904,000)	11,961,703,000	2,038,305,000	2,861,544,000	3,964,010,000
d. Benefit Payments	(3,813,713,000)	(3,831,639,000)	(3,487,402,000)	(3,278,745,000)	(3,193,553,000)
e. Administrative Expenses	(24,301,000)	(24,925,000)	(26,803,000)	(29,005,000)	(21,146,000)
f. Other Changes	5,301,000	4,458,000	6,541,000	4,183,000	3,465,000
g. Net Changes	(5,467,298,000)	10,803,114,000	1,269,677,000	2,394,320,000	3,434,960,000
5. Plan Fiduciary Net Position—Beginning	57,265,970,000	46,462,856,000	45,193,179,000	42,798,859,000	39,363,899,000
6. Plan Fiduciary Net Position—Ending	51,798,672,000	57,265,970,000	46,462,856,000	45,193,179,000	42,798,859,000
7. POLICE Net Pension Liability	<u>\$ 9,716,131,295</u>	<u>\$ 2,037,454,994</u>	<u>\$10,805,573,223</u>	<u>\$ 9,804,252,379</u>	<u>\$11,356,779,365</u>
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>84.2%</u>	<u>96.6%</u>	<u>81.1%</u>	<u>82.2%</u>	<u>79.0%</u>
9. Covered Payroll ¹	\$ 4,262,625,521	\$ 4,299,648,848	\$ 4,244,806,289	\$ 4,047,772,414	\$ 3,673,054,287
10. POLICE Net Pension Liability as a Percentage of Covered Payroll	<u>227.9%</u>	<u>47.4%</u>	<u>254.6%</u>	<u>242.2%</u>	<u>309.2%</u>

¹ Projected payroll at time 1.0 under previous roll-forward methodology through 2018. Actual payroll at valuation date (time = 0) beginning in 2019.

A. Schedule of Changes in City's Net Pension Liability and Related Ratios for POLICE at June 30, (Cont.)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
1. Total Pension Liability					
a. Service Cost	\$ 1,320,416,462	\$ 1,340,614,909	\$ 1,325,807,839	\$ 1,301,753,171	\$ 1,263,838,030
b. Interest	3,524,331,362	3,441,398,429	3,245,225,246	3,117,317,330	2,998,478,091
c. Changes of Benefit Terms	—	—	—	—	—
d. Differences b/t Expected and Actual Experience	(645,248,116)	233,461,664	(215,417,691)	—	—
e. Change of Assumptions	—	794,679,950	—	—	—
f. Benefit Payments	<u>(2,987,000,000)</u>	<u>(2,878,451,000)</u>	<u>(2,746,784,000)</u>	<u>(2,682,223,000)</u>	<u>(2,525,475,000)</u>
g. Net Changes	1,212,499,708	2,931,703,952	1,608,831,394	1,736,847,501	1,736,841,121
2. Total Pension Liability—Beginning	<u>51,140,746,394</u>	<u>48,209,042,442</u>	<u>46,600,211,048</u>	<u>44,549,855,738</u>	<u>42,813,014,617</u>
3. Total Pension Liability—Ending	<u>52,353,246,102</u>	<u>51,140,746,394</u>	<u>48,209,042,442</u>	<u>46,286,703,239</u>	<u>44,549,855,738</u>
4. Plan Fiduciary Net Position					
a. Contributions—Employer	2,293,840,000	2,393,940,000	2,309,619,000	2,320,910,000	2,424,690,000
b. Contributions—Employee	276,301,000	249,921,000	241,102,000	228,783,000	229,675,000
c. Net Investment Income	4,286,894,000	403,534,000	1,098,220,000	5,147,483,000	3,101,564,000
d. Benefit Payments	(2,987,000,000)	(2,878,451,000)	(2,746,784,000)	(2,682,223,000)	(2,525,475,000)
e. Administrative Expenses	(18,917,000)	(18,478,000)	(17,903,000)	(17,450,000)	(17,548,000)
f. Other Changes	<u>10,507,000</u>	<u>6,756,000</u>	<u>4,616,000</u>	<u>6,911,000</u>	<u>6,118,000</u>
g. Net Changes	3,861,625,000	157,222,000	888,870,000	5,004,414,000	3,219,024,000
5. Plan Fiduciary Net Position—Beginning	<u>35,502,274,000</u>	<u>35,345,052,000</u>	<u>34,456,182,000</u>	<u>29,451,768,000</u>	<u>26,232,744,000</u>
6. Plan Fiduciary Net Position—Ending	<u>39,363,899,000</u>	<u>35,502,274,000</u>	<u>35,345,052,000</u>	<u>34,456,182,000</u>	<u>29,451,768,000</u>
7. POLICE Net Pension Liability	<u>\$12,989,347,102</u>	<u>\$15,638,472,394</u>	<u>\$12,863,990,442</u>	<u>\$ 11,830,521,239</u>	<u>\$15,098,087,738</u>
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>75.2%</u>	<u>69.4%</u>	<u>73.3%</u>	<u>74.4%</u>	<u>66.1%</u>
9. Covered Payroll ¹	\$ 3,509,985,075	\$ 3,540,326,198	\$ 3,512,777,844	\$ 3,420,312,390	\$ 3,459,871,779
10. POLICE Net Pension Liability as a Percentage of Covered Payroll	<u>370.1%</u>	<u>441.7%</u>	<u>366.2%</u>	<u>345.9%</u>	<u>436.4%</u>

B. Schedule of Changes in City’s Net Pension Liability and Related Ratios for FIRE at June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
1. Total Pension Liability					
a. Service Cost	\$ 586,319,415	\$ 570,829,158	\$ 572,654,633	\$ 484,827,782	\$ 436,368,702
b. Interest	1,726,200,591	1,672,680,868	1,616,535,939	1,523,611,014	1,484,608,815
c. Changes of Benefit Terms	—	—	—	—	11,602,422
d. Differences b/t Expected and Actual Experience	165,148,630	(27,513,079)	143,725,611	140,780,365	124,635,710
e. Change of Assumptions	—	113,160,630	—	571,767,848	—
f. Benefit Payments	<u>(1,620,806,000)</u>	<u>(1,540,705,000)</u>	<u>(1,517,723,000)</u>	<u>(1,446,114,000)</u>	<u>(1,379,533,000)</u>
g. Net Changes	856,862,636	788,452,577	815,193,183	1,274,873,009	677,682,649
2. Total Pension Liability—Beginning	<u>24,870,430,949</u>	<u>24,081,978,372</u>	<u>23,266,785,189</u>	<u>21,991,912,180</u>	<u>21,314,229,531</u>
3. Total Pension Liability—Ending	<u>25,727,293,585</u>	<u>24,870,430,949</u>	<u>24,081,978,372</u>	<u>23,266,785,189</u>	<u>21,991,912,180</u>
4. Plan Fiduciary Net Position					
a. Contributions—Employer	1,446,992,000	1,436,977,000	1,419,270,000	1,398,565,000	1,200,417,000
b. Contributions—Employee	134,469,000	112,566,000	106,821,000	108,015,000	108,338,000
c. Net Investment Income	(1,582,857,000)	3,963,257,000	718,739,000	982,348,000	1,249,731,000
d. Benefit Payments	(1,620,806,000)	(1,540,705,000)	(1,517,723,000)	(1,446,114,000)	(1,379,533,000)
e. Administrative Expenses	(12,711,000)	(10,345,000)	(9,131,000)	(9,861,000)	(6,412,000)
f. Other Changes	<u>953,000</u>	<u>758,000</u>	<u>2,842,000</u>	<u>2,057,000</u>	<u>9,411,000</u>
g. Net Changes	(1,633,960,000)	3,962,508,000	720,818,000	1,035,010,000	1,181,952,000
5. Plan Fiduciary Net Position—Beginning	<u>19,891,598,000</u>	<u>15,929,090,000</u>	<u>15,208,272,000</u>	<u>14,173,262,000</u>	<u>12,991,310,000</u>
6. Plan Fiduciary Net Position—Ending	<u>18,257,638,000</u>	<u>19,891,598,000</u>	<u>15,929,090,000</u>	<u>15,208,272,000</u>	<u>14,173,262,000</u>
7. FIRE Net Pension Liability	<u>\$ 7,469,655,585</u>	<u>\$ 4,978,832,949</u>	<u>\$ 8,152,888,372</u>	<u>\$ 8,058,513,189</u>	<u>\$ 7,818,650,180</u>
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>71.0%</u>	<u>80.0%</u>	<u>66.1%</u>	<u>65.4%</u>	<u>64.4%</u>
9. Covered Payroll ¹	\$ 1,401,377,517	\$ 1,348,006,398	\$ 1,336,843,002	\$ 1,302,871,992	\$ 1,164,528,195
10. FIRE Net Pension Liability as a Percentage of Covered Payroll	<u>533.0%</u>	<u>369.3%</u>	<u>609.9%</u>	<u>618.5%</u>	<u>671.4%</u>

¹ Projected payroll at time 1.0 under previous roll-forward methodology through 2018. Actual payroll at valuation date (time = 0) beginning in 2019.

B. Schedule of Changes in City's Net Pension Liability and Related Ratios for FIRE at June 30, (Cont.)

	2017	2016	2015	2014	2013
1. Total Pension Liability					
a. Service Cost	\$ 432,482,302	\$ 431,267,723	\$ 419,575,546	\$ 412,911,205	\$ 400,884,665
b. Interest	1,438,804,602	1,395,735,250	1,312,813,977	1,215,276,517	1,184,217,313
c. Changes of Benefit Terms	—	—	—	—	—
d. Differences b/t Expected and Actual Experience	134,478,099	323,609,267	171,347,136	—	—
e. Change of Assumptions	—	405,497,988	—	—	—
f. Benefit Payments	(1,335,343,000)	(1,359,095,000)	(1,220,441,000)	(1,171,998,000)	(1,135,469,000)
g. Net Changes	670,422,003	1,197,015,228	683,295,659	456,189,722	449,632,978
2. Total Pension Liability—Beginning	20,643,807,528	19,446,792,300	18,763,496,641	17,524,302,616	17,074,669,638
3. Total Pension Liability—Ending	21,314,229,531	20,643,807,528	19,446,792,300	17,980,492,338	17,524,302,616
4. Plan Fiduciary Net Position					
a. Contributions—Employer	1,061,170,000	1,054,478,000	988,784,000	969,956,000	962,173,000
b. Contributions—Employee	108,368,000	116,619,000	108,582,000	108,859,000	104,816,000
c. Net Investment Income	1,371,721,000	203,104,000	302,567,000	1,689,485,000	1,042,431,000
d. Benefit Payments	(1,335,343,000)	(1,359,095,000)	(1,220,441,000)	(1,171,998,000)	(1,135,469,000)
e. Administrative Expenses	—	—	—	—	—
f. Other Changes	47,284,000	43,673,000	41,201,000	39,980,000	38,965,000
g. Net Changes	1,253,200,000	58,779,000	220,693,000	1,636,282,000	1,012,916,000
5. Plan Fiduciary Net Position—Beginning	11,738,110,000	11,679,331,000	11,458,638,000	9,822,356,000	8,809,440,000
6. Plan Fiduciary Net Position—Ending	12,991,310,000	11,738,110,000	11,679,331,000	11,458,638,000	9,822,356,000
7. FIRE Net Pension Liability	\$ 8,322,919,531	\$ 8,905,697,528	\$ 7,767,461,300	\$ 6,521,854,338	\$ 7,701,946,616
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.0%	56.9%	60.1%	63.7%	56.0%
9. Covered Payroll ¹	\$ 1,145,919,396	\$ 1,129,469,957	\$ 1,111,744,091	\$ 1,102,396,453	\$ 1,129,926,037
10. FIRE Net Pension Liability as a Percentage of Covered Payroll	726.3%	788.5%	698.7%	591.6%	681.6%

C. Schedule of the City's Proportionate Share of the Net Pension Liabilities of Cost-Sharing Multiple-Employer Pensions Plans at June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(in millions except %)				
1. NYCERS					
a. City's Proportion of the Net Pension Liability	59.58%	58.94%	55.98%	55.47%	54.44%
b. City's Proportion share of the Net Pension Liability . .	\$10,786.4	\$ 3,780.4	\$11,799.2	\$10,274.3	\$ 9,898.5
c. City's Covered Payroll	\$ 8,412.5	\$ 8,436.8	\$ 8,203.9	\$ 7,833.4	\$ 6,729.9
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	128.22%	44.81%	143.82%	131.16%	147.08%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.28%	93.14%	76.93%	78.84%	78.82%
2. TRS					
a. City's Proportion of the Net Pension Liability	96.88%	96.93%	97.12%	97.22%	97.19%
b. City's Proportion share of the Net Pension Liability . .	\$14,253.0	\$ 69.0	\$15,342.1	\$14,929.0	\$18,184.9
c. City's Covered Payroll	\$11,119.0	\$10,863.8	\$10,572.4	\$10,107.6	\$ 8,961.5
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	128.19%	0.64%	145.11%	147.70%	202.92%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.31%	99.91%	78.97%	79.06%	74.45%
3. BERS					
a. City's Proportion of the Net Pension Liability	99.95%	99.93%	99.95%	99.98%	99.97%
b. City's Proportion share of the Net Pension Liability . .	\$ 124.4	\$ (1,267.3)	\$ 277.1	\$ 274.2	\$ 501.2
c. City's Covered Payroll	\$ 1,483.7	\$ 1,476.0	\$ 1,352.7	\$ 1,263.5	\$ 1,101.6
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	8.38%	(85.86)%	20.48%	21.70%	45.50%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.93%	121.96%	94.92%	94.79%	90.31%

C. Schedule of the City's Proportionate Share of the Net Pension Liabilities of Cost-Sharing Multiple-Employer Pensions Plans at June 30, (Cont.)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
1. NYCERS					
a. City's Proportion of the Net Pension Liability	54.33%	54.77%	55.64%	55.54%	55.54%
b. City's Proportion share of the Net Pension Liability . .	\$11,281.7	\$13,307.9	\$11,262.0	\$10,008.2	\$12,815.3
c. City's Covered Payroll	\$ 6,556.7	\$ 6,462.2	\$ 6,500.5	\$ 6,506.4	\$ 6,322.1
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	172.06%	205.93%	173.25%	153.83%	202.71%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.80%	69.57%	73.13%	75.32%	67.18%
2. TRS					
a. City's Proportion of the Net Pension Liability	97.62%	97.07%	97.27%	97.28%	97.28%
b. City's Proportion share of the Net Pension Liability . .	\$22,674.0	\$25,599.9	\$20,219.1	\$17,331.1	\$23,010.2
c. City's Covered Payroll	\$ 8,612.8	\$ 8,039.3	\$ 7,869.8	\$ 7,772.8	\$ 7,683.5
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	263.26%	318.43%	256.92%	222.97%	299.48%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.32%	62.33%	68.04%	71.41%	60.91%
3. BERS					
a. City's Proportion of the Net Pension Liability	99.96%	99.99%	99.98%	99.99%	99.99%
b. City's Proportion share of the Net Pension Liability . .	\$ 973.4	\$ 1,384.1	\$ 1,006.1	\$ 906.5	\$ 1,315.6
c. City's Covered Payroll	\$ 1,051.6	\$ 1,007.5	\$ 1,016.8	\$ 988.8	\$ 885.5
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	92.56%	137.38%	98.95%	91.68%	148.57%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.81%	71.17%	77.44%	78.34%	66.85%

D. Schedule of City's Contributions for All Pension Plans for the Fiscal Years ended June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
	(in thousands except %)						
NYCERS							
Contractually required contribution . .	\$ 2,282,671	\$ 2,217,956	\$ 2,086,530	\$ 2,049,222	\$ 1,838,554	\$ 1,808,067	\$ 1,843,323
Contributions in relation to the contractually required contributions	\$ 2,282,671	\$ 2,217,956	\$ 2,086,530	\$ 2,049,222	\$ 1,838,554	\$ 1,808,067	\$ 1,843,323
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 8,412,517	\$ 8,436,814	\$ 8,203,879	\$ 7,833,362	\$ 6,729,880	\$ 6,556,720	\$ 6,462,231
Contributions as a percentage of covered payroll	27.134%	26.289%	25.433%	26.160%	27.319%	27.576%	28.524%
TRS							
Contractually required contribution . .	\$ 3,200,858	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742	\$ 3,779,638	\$ 3,795,657	\$ 3,594,301
Contributions in relation to the contractually required contributions	\$ 3,200,858	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742	\$ 3,779,638	\$ 3,795,657	\$ 3,594,301
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 11,118,967	\$ 10,863,830	\$ 10,572,449	\$ 10,107,561	\$ 8,961,509	\$ 8,612,809	\$ 8,039,326
Contributions as a percentage of covered payroll	28.787%	27.942%	32.986%	35.555%	42.176%	44.070%	44.709%
BERS							
Contractually required contribution . .	\$ 262,279	\$ 182,855	\$ 257,367	\$ 269,594	\$ 318,540	\$ 288,116	\$ 265,497
Contributions in relation to the contractually required contributions	\$ 262,279	\$ 182,855	\$ 257,367	\$ 269,594	\$ 318,540	\$ 288,116	\$ 265,497
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 1,483,750	\$ 1,476,030	\$ 1,352,676	\$ 1,263,450	\$ 1,101,553	\$ 1,051,567	\$ 1,007,499
Contributions as a percentage of covered payroll	17.677%	12.388%	19.027%	21.338%	28.917%	27.399%	26.352%
POLICE							
Contractually required contribution . .	\$ 2,490,134	\$ 2,437,728	\$ 2,458,907	\$ 2,558,256	\$ 2,415,153	\$ 2,293,840	\$ 2,393,940
Contributions in relation to the contractually required contributions	\$ 2,490,134	\$ 2,437,728	\$ 2,458,907	\$ 2,558,256	\$ 2,415,153	\$ 2,293,840	\$ 2,393,940
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 4,262,626	\$ 4,299,649	\$ 4,244,806	\$ 4,047,772	\$ 3,673,054	\$ 3,509,985	\$ 3,540,326
Contributions as a percentage of covered payroll	58.418%	56.696%	57.927%	63.202%	65.753%	65.352%	67.619%
FIRE							
Contractually required contribution . .	\$ 1,446,992	\$ 1,436,977	\$ 1,419,270	\$ 1,398,565	\$ 1,200,417	\$ 1,061,170	\$ 1,054,478
Contributions in relation to the contractually required contributions	\$ 1,446,992	\$ 1,436,977	\$ 1,419,270	\$ 1,398,565	\$ 1,200,417	\$ 1,061,170	\$ 1,054,478
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 1,401,378	\$ 1,348,006	\$ 1,336,843	\$ 1,302,872	\$ 1,164,528	\$ 1,145,919	\$ 1,129,470
Contributions as a percentage of covered payroll	103.255%	106.600%	106.166%	107.345%	103.082%	92.604%	93.360%

D. Schedule of City's Contributions for All Pension Plans for the Fiscal Years ended June 30, (Cont.)

	2015	2014	2013
NYCERS			
Contractually required contribution . .	\$ 1,758,378	\$ 1,729,616	\$ 1,692,278
Contributions in relation to the contractually required contributions.	<u>\$ 1,758,378</u>	<u>\$ 1,729,616</u>	<u>\$ 1,692,278</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$ 6,500,475	\$ 6,506,353	\$ 6,322,125
Contributions as a percentage of covered payroll.	27.050%	26.583%	26.768%
TRS			
Contractually required contribution . .	\$ 3,180,865	\$ 2,917,129	\$ 2,777,966
Contributions in relation to the contractually required contributions.	<u>\$ 3,180,865</u>	<u>\$ 2,917,129</u>	<u>\$ 2,777,966</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$ 7,869,774	\$ 7,772,827	\$ 7,683,465
Contributions as a percentage of covered payroll.	40.419%	37.530%	36.155%
BERS			
Contractually required contribution . .	\$ 258,055	\$ 214,574	\$ 196,231
Contributions in relation to the contractually required contributions.	<u>\$ 258,055</u>	<u>\$ 214,574</u>	<u>\$ 196,231</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$ 1,016,277	\$ 988,757	\$ 885,491
Contributions as a percentage of covered payroll.	25.392%	21.701%	22.161%
POLICE			
Contractually required contribution . .	\$ 2,309,619	\$ 2,320,910	\$ 2,424,690
Contributions in relation to the contractually required contributions.	<u>\$ 2,309,619</u>	<u>\$ 2,320,910</u>	<u>\$ 2,424,690</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$ 3,512,778	\$ 3,420,312	\$ 3,459,872
Contributions as a percentage of covered payroll.	65.749%	67.857%	70.080%
FIRE			
Contractually required contribution . .	\$ 988,784	\$ 969,956	\$ 962,173
Contributions in relation to the contractually required contributions.	<u>\$ 988,784</u>	<u>\$ 969,956</u>	<u>\$ 962,173</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$ 1,111,744	\$ 1,102,396	\$ 1,129,926
Contributions as a percentage of covered payroll.	88.940%	87.986%	85.154%

Notes to Schedule D:

The above actuarially determined and contractually required contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the employer contribution for the second following fiscal year (e.g. Fiscal Year 2022 contributions were determined using an actuarial valuation as of June 30, 2020). The methods and assumptions used to determine the actuarially determined and contractually required contributions are as follows:

Fiscal Year	2023	2022	2021	2020	2019	2018	2017
Valuation Dates	June 30, 2021 (Lag)	June 30, 2020 (Lag)	June 30, 2019 (Lag)	June 30, 2018 (Lag)	June 30, 2017 (Lag)	June 30, 2016 (Lag)	June 30, 2015 (Lag)
Actuarial cost method ¹	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method for Unfunded Accrued Liabilities (UAL):							
Initial 2010 UAL	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments
Post-2010 UALs	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
Remaining amortization period:							
Initial 2010 UAL	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)
2010 ERI	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	1 Year (Closed)
2011 (G)/L	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)
2012 (G)/L	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)
2013 (G)/L	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
2013 Transit Refunds	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	1 Years (Closed)	2 Years (Closed)	3 Years (Closed)
2014 (G)/L	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 years (Closed)	12 years (Closed)	13 years (Closed)	14 years (Closed)
2014 Assumption Change	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)
2015 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2016 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2017 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2017 Assumption Change	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA
2017 Method Change	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA
2018 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2019 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA
2019 Assumption Change	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA	NA
2019 Method Change	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA	NA
2020 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA	NA
2021 (G)/L	15 Years (Closed)	NA	NA	NA	NA	NA	NA
Actuarial Asset Valuation Method ²	5-year moving average of Market Value	5-year moving average of Market Value	5-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value
Actuarial assumptions:							
Assumed rate of return ³	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)
Post-retirement mortality ⁴	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2016	Tables adopted by Boards of Trustees during Fiscal Year 2016

¹ Beginning with the June 30, 2010 (Lag) actuarial valuation under the 2012 A&M, the Entry Age Normal Cost Method (EAN) of funding is utilized by the Actuary to calculate the contributions required of the Employer. Under this method, the Actuarial Present Value (APV) of Benefits (APVB) of each individual included in the actuarial valuation is allocated on a level basis over the earnings (or service) of the individual between entry age and assumed exit ages. The employer portion of this APV allocated to a valuation year is the Normal Cost. The portion of this APV not provided for at a valuation date by the APV of Future Normal Costs or future member contributions is the Accrued Liability (AL). The excess, if any, of the AL over the Actuarial Value of Assets (AVA) is the Unfunded Accrued Liability (UAL). Under this method, actuarial gains (losses), as they occur, reduce (increase) the UAL and are explicitly identified and amortized. Increases (decreases) in obligations due to benefit changes, actuarial assumption changes and/or actuarial method changes are also explicitly identified and amortized.

² Market Value Restart as of June 30, 2019. Previously, Market Value Restart as of June 30, 2011. The June 30, 2010 AVA is derived as equal to the June 30, 2011 Market Value of Assets, discounted by the Actuarial Interest Rate assumption (adjusted for cash flow) to June 30, 2010. Beginning with June 30, 2014, the AVA is constrained to be no more than 20% from the Market Value of Assets.

Notes to Schedule D: (Cont.)

Fiscal Year	2016	2015	2014	2013
Valuation Dates	June 30, 2014 (Lag)	June 30, 2013 (Lag)	June 30, 2012 (Lag)	June 30, 2011 (Lag)
Actuarial cost method ¹	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method for Unfunded Accrued Liabilities (UAL):				
Initial 2010 UAL	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments
Post-2010 UALs	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
Remaining amortization period:				
Initial 2010 UAL	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	21 Years (Closed)
2010 ERI	2 Years (Closed)	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)
2011 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2012 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2013 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA
2013 Transit Refunds	4 Years (Closed)	5 Years (Closed)	NA	NA
2014 (G)/L	15 years (Closed)	NA	NA	NA
2014 Assumption Change	20 Years (Closed)	NA	NA	NA
2015 (G)/L	NA	NA	NA	NA
2016 (G)/L	NA	NA	NA	NA
2017 (G)/L	NA	NA	NA	NA
2017 Assumption Change	NA	NA	NA	NA
2017 Method Change	NA	NA	NA	NA
2018 (G)/L	NA	NA	NA	NA
2019 (G)/L	NA	NA	NA	NA
2019 Assumption Change	NA	NA	NA	NA
2019 Method Change	NA	NA	NA	NA
2020 (G)/L	NA	NA	NA	NA
2021 (G)/L	NA	NA	NA	NA
Actuarial Asset Valuation Method ²	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value
Actuarial assumptions:				
Assumed rate of return ³	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)
Post-retirement mortality ⁴	Tables adopted by Boards of Trustees during Fiscal Year 2016	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012

Notes to Schedule D: (Cont.)

Fiscal Year	2023	2022	2021	2020	2019	2018	2017
Active service: withdrawal, death, disability, service retirement ⁴	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012
Salary Increases ³	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year
Cost-of-Living Adjustments ³	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation

³ Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

⁴ As of June 30, 2019, applied mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for deferred vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

Notes to Schedule D: (Cont.)

<u>Fiscal Year</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Active service: withdrawal, death, disability, service retirement ⁴	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012
Salary Increases ³	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year
Cost-of-Living Adjustments ³	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation

E. Schedule of the Net OPEB Liability at June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>
1. Total OPEB Liability			
a. Service Cost	\$ 6,252,924,365	\$ 5,574,231,539	\$ 5,293,736,382
b. Interest	2,775,746,623	3,142,299,330	3,278,703,940
c. Differences b/t Expected and Actual Experience.	(1,809,027,928)	220,744,272	(5,819,834,778)
d. Changes of Assumptions	(31,086,237,440)	3,188,999,201	2,507,951,510
e. Benefit Payments	(3,430,789,509)	(3,183,940,823)	(3,014,860,319)
f. Other Changes	—	—	(1,457,899,183)
g. Net Changes in Total OPEB Liability	\$ (27,297,383,889)	\$ 8,942,333,519	\$ 787,797,552
2. Total OPEB Liability – Beginning	\$122,199,740,871	\$113,257,407,352	\$112,469,609,800
3. Total OPEB Liability – Ending	\$ 94,902,356,981	\$122,199,740,871	\$113,257,407,352
4. Plan Fiduciary Net Position			
a. Contributions – Employer	\$ 4,583,897,302	\$ 3,600,386,859	\$ 2,059,853,571
b. Contributions – Employee	—	—	—
c. Net Investment Income	3,112,581	3,801,273	76,119,735
d. Benefit Payments	(3,430,789,509)	(3,183,940,823)	(3,014,860,319)
e. Administrative Expenses	(54,000)	(54,000)	—
f. Other Changes	(175,000)	(175,000)	(175,000)
g. Net Changes in Plan Fiduciary Net Position	\$ 1,155,991,374	\$ 420,018,309	\$ (879,062,013)
5. Plan Fiduciary Net Position – Beginning	\$ 4,220,507,470	\$ 3,800,489,161	\$ 4,679,551,174
6. Plan Fiduciary Net Position – Ending	\$ 5,376,498,844	\$ 4,220,507,470	\$ 3,800,489,161
7. Net OPEB Liability	\$ 89,525,858,137	\$117,979,233,401	\$109,456,918,191
8. Plan Fiduciary Net Position as a Percentage of			
Total OPEB Liability	5.7%	3.5%	3.4%
9. Covered Employee Payroll	\$ 28,974,273,294	\$ 29,110,588,626	\$ 28,201,101,945
10. Net OPEB Liability as a Percentage of Covered			
Employee Payroll	309.0%	405.3%	388.1%

E. Schedule of the Net OPEB Liability at June 30, (Cont.)

	2019	2018	2017
1. Total OPEB Liability			
a. Service Cost	\$ 5,726,465,371	\$ 4,861,692,657	\$ 4,522,135,121
b. Interest	3,238,121,016	3,131,933,077	2,899,170,607
c. Differences b/t Expected and Actual Experience.	9,363,503,239	2,295,728,531	520,672,737
d. Changes of Assumptions	(6,280,596,177)	2,513,755,510	(10,978,714,816)
e. Benefit Payments	(2,839,899,082)	(2,617,669,829)	(2,425,375,364)
f. Other Changes	—	—	—
g. Net Changes in Total OPEB Liability	\$ 9,207,594,367	\$ 10,185,439,946	\$ (5,462,111,715)
2. Total OPEB Liability – Beginning	\$ 103,262,015,433	\$ 93,076,575,487	\$ 98,538,687,202
3. Total OPEB Liability – Ending	\$ 112,469,609,800	\$ 103,262,015,433	\$ 93,076,575,487
4. Plan Fiduciary Net Position			
a. Contributions – Employer	\$ 2,653,131,741	\$ 2,681,645,593	\$ 3,021,551,454
b. Contributions – Employee	—	—	—
c. Net Investment Income	100,740,410	48,093,613	21,515,588
d. Benefit Payments	(2,839,899,082)	(2,617,669,829)	(2,425,375,364)
e. Administrative Expenses	(46,110)	(43,105)	(41,100)
f. Other Changes	(175,000)	(130,323)	(78,516)
g. Net Changes in Plan Fiduciary Net Position	\$ (86,248,041)	\$ 111,895,949	\$ 617,572,062
5. Plan Fiduciary Net Position – Beginning	\$ 4,765,799,215	\$ 4,653,903,266	\$ 4,036,331,204
6. Plan Fiduciary Net Position – Ending	\$ 4,679,551,174	\$ 4,765,799,215	\$ 4,653,903,266
7. Net OPEB Liability	\$ 107,790,058,626	\$ 98,496,216,218	\$ 88,422,672,221
8. Plan Fiduciary Net Position as a Percentage of			
Total OPEB Liability	4.2%	4.6%	5.0%
9. Covered Employee Payroll	\$ 27,760,352,747	\$ 26,303,995,573	\$ 25,180,497,465
10. Net OPEB Liability as a Percentage of Covered			
Employee Payroll	388.3%	374.5%	351.2%

Notes to Schedule E

- **Benefit changes:** None
- **Assumption changes:**
 - Certain demographic assumptions including health Plan participation elections, dependent coverage elections, participation rates, and the percentage of pre-65 disabled retirees eligible for Medicare were updated to reflect more recent experience. CUNY/TIAA demographic assumptions were set equal to TRS except where otherwise specified.
 - The valuation discount rate as of June 30, 2022, was updated to 4.09% for benefits provided by the City and for benefits provided by Component Units. The valuation discount rate as of June 30, 2021, was 2.19% for benefits provided by the City, and 2.18% for Component Units.
 - The Stabilization Fund Load was updated from 0.40% as of June 30, 2021 to 0.50% as of June 30, 2022, to reflect more recent experience.
 - Certain per capita claims costs were updated based on recent experience.
- **Measure of payroll:** Covered-employee payroll since the City’s contributions are not based on a measure of pay.
- **Methods and Assumptions:** The methods and assumptions used to determine the actuarially determined contributions are as follows:

	2022	2021	2020
Valuation Date	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Discount Rate	4.09% - City	2.19% - City	2.68% - City
	4.09% - Component Units	2.18% - Component Units	2.66% - Component Units
Post-retirement mortality	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation
Active service: withdrawal, death, disability, service retirement	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation
Long-term			
Expected Rate of Return	4.0%	4.0%	4.0%
General Wage Increases	3.0%	3.0%	3.0%
Consumer Price Index	2.5%	2.5%	2.5%

All additional actuarial assumptions used for determining the net OPEB liability are shown starting on page 96 of the Fiscal Year 2022 GASB 74/75 Report dated September 9, 2022. The Report is available at the Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007 and on the website of the New York City Office of the Actuary (www.nyc.gov/actuary).

Notes to Schedule E (Cont.)

	2019	2018	2017
Valuation Date	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Discount Rate	2.82% - City 2.79% - Component Units	3.01% - City 2.98% - Component Units	3.17% - City 3.13% - Component Units
Post-retirement mortality	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation
Active service: withdrawal, death, disability, service retirement	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation
Long-term			
Expected Rate of Return	4.0%	4.0%	4.0%
General Wage Increases	3.0%	3.0%	3.0%
Consumer Price Index	2.5%	2.5%	2.5%

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THE CITY OF NEW YORK
ACFR Related Combining Schedule of Financial Information and Other
Supplementary Information
For the year ended June 30, 2022

The accompanying basic financial statements of The City of New York (“The City”) and related notes thereto, including all Required Supplementary Information (“RSI”), are as presented within The City’s Annual Comprehensive Financial Report (“ACFR”) for the fiscal year ended June 30, 2022. The City’s ACFR, which contains additional information, is available on the City Comptroller’s website at www.comptroller.nyc.gov or by request to: Office of the New York City Comptroller, Bureau of Accountancy - 1 Centre Street, Room 200 South, New York, New York 10007.

The City of New York

Single Audit Report

**SUPPLEMENTARY INFORMATION - UNIFORM
GUIDANCE REPORTING**

Fiscal Year Ended June 30, 2022

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Agriculture						
Agriculture and Food Research Initiative (AFRI)	10.310	NYU School of Medicine	16-A1-00-007087, 20-A0-00-1004926	\$ 213	\$ —	\$ —
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	NYS ED	N/A	179	—	—
National School Lunch Program	10.555	NYS ED	N/A	308	—	55,995
COVID-19 Summer Food Service Program for Children	10.559	NYS ED	2R0758A 01	583,126	—	—
Summer Food Service Program for Children	10.559	NYS ED	2R1958A 01	26,770	—	—
	10.559	NYS DOH	C032609	155	—	—
<i>Total Child Nutrition Cluster</i>				<u>610,538</u>	<u>—</u>	<u>55,995</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	NYS DOH	C35515GG, C35498GG, C35499GG, C35505GG, C35477GG, C35479GG, C35500GG, C35517GG, C35482GG, C35480GG, C35490GG, C35516GG, C35516GG, C35490GG, C35516GG, C35516GG	17,471	—	54,353
Child and Adult Care Food Program	10.558	NYS DOH	6499, CACFP 4316	29,990	—	—
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Direct Federal		2,541	—	—
	10.561	NYS DOH	DOH01-C33039GG-3450000, DOH01-C33659GG-3450000, C36060GG, C36059GG	1,972	—	—
	10.561	NYS OTDA	N/A	268,837	—	—
	10.561	NYS OCFS	1000036076	1,551	—	—
<i>Total SNAP Cluster</i>				<u>274,901</u>	<u>—</u>	<u>—</u>
<i>Food Distribution Cluster - Commodity Supplemental Food Program</i>	10.565	NYS DOH	C34842GG	517	—	—
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580	Direct Federal		207	—	—
Fresh Fruit and Vegetable Program	10.582	NYS ED	2R1458B 01	1,352	—	—
Cooperative Forestry Assistance	10.664	Direct Federal		2,835	—	—
Emergency Watershed Protection Program	10.923	Direct Federal		2,130	—	—
Emergency Watershed Protection Program - Disaster Relief Appropriations Act	10.927	Direct Federal		146	—	—
Urban Agriculture and Innovative Production	10.935	Direct Federal		44	—	—
Total U.S. Department of Agriculture				<u>940,344</u>	<u>—</u>	<u>110,348</u>
U.S. Department of Defense						
Procurement Technical Assistance for Business Firms	12.002	Direct Federal		374	—	—
Troops to Teachers Grant Program	12.620	Direct Federal		31	—	—
Total U.S. Department of Defense				<u>405</u>	<u>—</u>	<u>—</u>

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Housing and Urban Development						
<i>CDBG - Entitlement Grants Cluster - Community Development</i>						
Block Grants/Entitlement Grants	14.218	Direct Federal		\$ 391,159	\$ —	\$ —
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	12011, 6791	5,662	—	—
	14.228	Direct Federal		7,244	—	—
COVID-19 Emergency Solutions Grants Program	14.231	Direct Federal		147,300	—	—
Emergency Solutions Grants Program	14.231	Direct Federal		12,615	119	—
Supportive Housing Program	14.235	Direct Federal		968	—	—
Home Investment Partnerships Program	14.239	Direct Federal		48,997	—	—
COVID-19 Housing Opportunities for Persons with AIDS	14.241	Direct Federal		1,045	1,045	—
Housing Opportunities for Persons with AIDS	14.241	Direct Federal		40,462	15,938	—
<i>Section 8 Project-Based Cluster:</i>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Direct Federal		10,155	—	—
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	Direct Federal		7,156	—	—
<i>Total Section 8 Project-Based Cluster</i>				17,311	—	—
Continuum of Care Program	14.267	Direct Federal		44,700	—	—
<i>CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster:</i>						
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269	Direct Federal		133,628	—	—
	14.269	NYS DOT	N/A	5,455	—	—
	14.269	NYS GOSR	NYCR-0310	2,160	2,160	—
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>				141,243	2,160	—
Youth Homelessness Demonstration Program	14.276	Direct Federal		80	—	—
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers	14.871	Direct Federal		551,303	—	—
Mainstream Vouchers	14.879	Direct Federal		1,569	—	—
<i>Total Housing Voucher Cluster</i>				552,872	—	—
Family Self-Sufficiency Program	14.896	Direct Federal		1,492	—	—
Lead Hazard Reduction Demonstration Grant Program	14.905	Direct Federal		697	—	—
Total U.S. Department of Housing and Urban Development				1,413,847	19,262	—
U.S. Department of the Interior						
Hurricane Sandy Disaster Relief - Coastal Resiliency Grants	15.153	NFWF	42959	798	798	—
Total U.S. Department of the Interior				798	798	—

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Justice						
Law Enforcement Assistance Narcotics and Dangerous Drugs Training	16.004	Direct Federal		\$ 4,524	\$ —	\$ —
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	Direct Federal		2,232	—	—
Law Enforcement Assistance-National Crime Information Center	16.304	Direct Federal		5	—	—
Services for Trafficking Victims	16.320	Direct Federal		320	—	—
Enhanced Training and Services to End Violence and Abuse of Missing Children's Assistance	16.543	Direct Federal		705	—	—
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Direct Federal		468	—	—
Crime Victim Assistance	16.575	NYS OVS	OVS01-C11014GG-1080200, C10758GG, C11046GGC11011GG, C11009GG, C11010GG, C11013GG, C11012GG	2,585	—	—
	16.575	NYS DCJS	C662366	361	—	—
Crime Victim Assistance/Discretionary Grants	16.582	Direct Federal		331	84	—
Violence Against Women Formula Grants	16.588	Direct Federal		113	—	—
	16.588	NYS DCJS	DCJ01-C00359GG-1090000, C00287GGC00358GG, C00313GG	232	—	—
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	Direct Federal		228	4	—
Public Safety Partnership and Community Policing Grants	16.710	Direct Federal		2,034	—	—
PREA Program: Strategic Support for PREA Implementation	16.735	Direct Federal		179	—	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Federal		4,130	—	—
	16.738	NYS DCJS	2020-DJ-B X-0457, 15PBJA-21-GG-01719-JAGX, 2020-DJ-BX-0457	635	—	—
DNA Backlog Reduction Program	16.741	Direct Federal		1,818	—	—
	16.741	NYS DCJS	15PBJA-21-GG-04370-DNAX	91	—	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Direct Federal		42	—	—
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	Direct Federal		539	—	—
Northern Border Prosecution Initiative Program	16.814	Direct Federal		393	—	—
Smart Prosecution Initiative	16.825	Direct Federal		383	22	—
National Sexual Assault Kit Initiative	16.833	Direct Federal		104	—	—
Comprehensive Opioid Abuse Site-Based Program	16.838	Direct Federal		165	135	—
Equitable Sharing Program	16.922	Direct Federal		44,430	—	—
Total U.S. Department of Justice				67,047	245	—
U.S. Department of Labor						
Senior Community Service Employment Program	17.235	Direct Federal		1,169	—	—
	17.235	NYS OFA	C18014GG	2,976	—	—
Trade Adjustment Assistance	17.245	Direct Federal		1,207	—	—
<i>WIOA Cluster:</i>						
WIOA Adult Program	17.258	NYS DOL	AA-36336-21-55-A-36, AA-33247-19-55-A-36	17,237	8,605	—
WIOA Youth Activities	17.259	NYS DOL	C445406, C445324	21,617	14,693	—
WIOA Dislocated Workers Formula Grants	17.278	NYS DOL	AA-36336-21-55-A-36, AA-33247-19-55-A-36	13,169	6,567	—
<i>Total WIOA Cluster</i>				<i>52,023</i>	<i>29,865</i>	<i>—</i>
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Direct Federal		437	327	—
Total U.S. Department of Labor				57,812	30,192	—

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Transportation						
Highway Research and Development Program	20.200	FHWA	N/A	\$ 845	\$ —	\$ —
<i>Highway Planning and Construction Cluster:</i>						
Highway Planning and Construction	20.205	Direct Federal		4,568	—	—
	20.205	NYS DOT	D034983, D035246, D035837, D035863, NY700006, D017542, D030296, D031753, D033720, D033845, D033860, D033930, D034180, D034191, D034196, D034211, D034772, D034787, D034788, D035073, D035086, D035358, D035367, D035862, D035897, D035910, D035974, D035974, D036204, D040000, D040001, D040010, D040011/D040016, D040114, D040241, D040283, D040375, D040649, D032178, D032186, D032515, D032516, D033946, D034250, D034645, D034926, D035072, D035260, D035282, D035362, D035372, D035775, D035779, D035846, D035853, D035854, D035961, D036010, D036031, D036036, D036090, D036189, D036282, D036496, D040141, DA33665, D035024, D035318, D035025, D035836, D035022, D035021, D040109	170,289	8,465	—
<i>Total Highway Planning and Construction Cluster</i>	20.205	NYMTC	D000641, D035910	1,267	—	—
				176,124	8,465	—
<i>Federal Transit Cluster:</i>						
Federal Transit - Capital Investment Grants	20.500	Direct Federal		403	—	—
Federal Transit - Formula Grants	20.507	Direct Federal		64,903	—	—
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Direct Federal		53	—	—
<i>Total Federal Transit Cluster</i>				65,359	—	—
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Direct Federal		545	—	—
	20.505	NYMTC	D000641, C033467	1,921	—	—
<i>Transit Services Programs Cluster:</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Direct Federal		2,279	—	—
New Freedom Program	20.521	Direct Federal		612	—	—
<i>Total Transit Services Programs Cluster</i>				2,891	—	—
Paul S. Sarbanes Transit in the Parks	20.520	Direct Federal		6	—	—
Public Transportation Emergency Relief Program	20.527	Direct Federal		16,469	—	—
<i>Highway Safety Cluster - State and Community Highway Safety</i>	20.600	NYS GTSC	N/A	621	—	—
National Infrastructure Investments	20.933	Direct Federal		2	—	—
Total U.S. Department of Transportation				264,783	8,465	—

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Treasury						
Equitable Sharing	21.016	Direct Federal		\$ 11,955	\$ —	\$ —
COVID-19 Coronavirus Relief Fund	21.019	Direct Federal		195,452	—	—
Emergency Rental Assistance Program	21.023	NYS OTDA	TDA01-T00074GG-3410000	13,403	—	—
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		<u>2,875,180</u>	<u>95,702</u>	<u>—</u>
Total U.S. Treasury				<u>3,095,990</u>	<u>95,702</u>	<u>—</u>
COVID-19 Emergency Connectivity Fund Program	32.009	Direct Federal		<u>19,782</u>	<u>—</u>	<u>—</u>
Total Federal Communications Commission				<u>19,782</u>	<u>—</u>	<u>—</u>
National Endowment For The Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		<u>118</u>	<u>—</u>	<u>—</u>
Total National Endowment For The Arts				<u>118</u>	<u>—</u>	<u>—</u>
National Science Foundation						
Computer and Information Science and Engineering	47.070	Direct Federal		<u>10</u>	<u>—</u>	<u>—</u>
Total National Science Foundation				<u>10</u>	<u>—</u>	<u>—</u>
U.S. Department of Veterans Affairs						
VA Homeless Providers Grant and Per Diem Program	64.024	Direct Federal		<u>6,478</u>	<u>—</u>	<u>—</u>
Total U.S. Department of Veterans Affairs				<u>6,478</u>	<u>—</u>	<u>—</u>
U.S. Environmental Protection Agency						
Long Island Sound Program	66.437	Direct Federal		1,420	—	—
<i>Clean Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Clean Water State Revolving Fund	66.458	NYS EFC	CS - 36000021	106,357	—	—
Storm Mitigation Loan Program For Clean Water State Revolving Fund	66.482	NYS EFC	3W - 36000314	67,622	—	—
<i>Total Clean Water State Revolving Fund Cluster</i>				<u>173,979</u>	<u>—</u>	<u>—</u>
Regional Wetland Program Development Grants	66.461	Direct Federal		74	—	—
<i>Drinking Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Drinking Water State Revolving Fund	66.468	NYS EFC	FS - 99290521	75,864	—	—
Storm Mitigation Loan Program For Drinking Water State Revolving Fund	66.483	NYS EFC	3F - 96283014	9,539	—	—
<i>Total Drinking Water State Revolving Fund Cluster:</i>				<u>85,403</u>	<u>—</u>	<u>—</u>
Beach Monitoring and Notification Program Implementation Grants	66.472	NYS DOH	C-029641	<u>60</u>	<u>—</u>	<u>—</u>

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct Federal		\$ 122	\$ —	\$ —
Total U.S. Environmental Protection Agency				261,058	—	—
U.S. Department of Energy Conservation Research and Development	81.086	Direct Federal		22	—	—
Total U.S. Department of Energy				22	—	—
U.S. Department of Education Adult Education - Basic Grants to States	84.002	NYS ED	N/A	4,058	—	—
Title I Grants to Local Educational Agencies	84.010	NYS ED	1R4502B 01, 1R4503B 01, 1R4507M 01, 1R4507N 01, 1R4507P 01, 1R4508H 01, 1R4510L 01, 1R4510M 01, 1R4511L 01, 1R4511M 01, 1R4512H 01, 1R4513B 01, 1R4513J 01, 1R4513K 01, 1R4515B 01, 1R4519E 01, 1R4519F 01, 1R4523H 01, 1R4524B 01, 1R4527L 01, 1R4530B 01, 1R4532L 01, 1R4551H 01, 1R4551J 01, 1R4551M 01, 2R4502B 01, 2R4503B 01, 2R4513B 01, 2R4515A 01, 2R4524B 01, 2R4530B 01, 2R4551J 01, 2R4551M 01, 2R4551N 01, 1R1235A 01, 1R1240A 01, 1R1251A 01, 1R1251D 01, 1R1251K 01, 1R1251L 01, 1R1251N 01, 1R1264A 01, 2R1235A 01, 2R1240A 01, 2R1251A 01, 2R1251B 01, 2R1251D 01, 2R1251D 01, 2R1251H 01, 2R1251J 01, 2R1251K 01, 2R1251L 01, 2R1251N 01, 2R1264A 01, 7R4519A 01	722,161	—	—
<i>Special Education Cluster:</i> Special Education - Grants to States	84.027	NYS ED	2R1551B 01	333,719	—	—
Special Education - Preschool Grants	84.173	NYS ED	1R1551A 01, 2R1551A 01	11,749	—	—
<i>Total Special Education Cluster</i>				345,468	—	—
Impact Aid	84.041	Direct Federal		4,624	—	—
<i>TRIO Cluster</i> - TRIO - Student Support Services	84.042	CUNY	N/A	130	—	—
Career and Technical Education - Basic Grants to States	84.048	NYS ED	1R0551A 01, 2R0551A 01, 2R0579A 01, 3R0551A 01	13,532	—	—
Magnet Schools Assistance	84.165	Direct Federal		10,200	—	—
Special Education - Grants for Infants and Families	84.181	NYS DOH	C36417GG	4,157	—	—
Education for Homeless Children and Youth	84.196	NYS ED	2R3622A 01	2,911	—	—
Twenty-First Century Community Learning Centers	84.287	NYS ED	1R3901A 01, 1R3922A 01, 2R3901A 01, 2R3902A 01, 2R3903A 01, 2R3904A 01, 2R3905A 01, 2R3906A 01, 2R3907A 01, 2R3910A 01, 2R3911A 01, 2R3912A 01, 2R3913A 01, 2R3914A 01, 2R3915A 01, 2R3916A 01, 2R3918A 01, 2R3919A 01, 2R3920A 01, 2R3921A 01, 2R3922A 01, 2R3923A 01, 2R3925A 01, 2R3930A 01, 2R3931A 01	15,993	—	—
Arts in Education	84.351	Direct Federal		512	—	—
English Language Acquisition Grants	84.365	NYS ED	1R4142A 01, 1R4151A 01, 1R4151C 01, 1R4164A 01, 2R4142A 01, 2R4151A 01, 2R4151C 01, 2R4164A 01	33,892	—	—

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Supporting Effective Instruction State Grants	84.367	NYS ED	0R2664A 01, 1R2640A 01, 1R2651A 01, 1R2664A 01, 2R2651A 01, 2R2651B 01, 2R2651C 01, 2R2664A 01, 5R2651A 01	\$ 56,030	\$ —	\$ —
Teacher and School Leader Incentive Grants	84.374	Direct Federal		2,766	—	—
Student Support and Academic Enrichment Program	84.424	NYS ED	1R1951A 01, 1R1951B 01, 1R1964A 01, 2R1951A 01, 2R1951B 01, 2R1964A 01	54,772	—	—
COVID-19 Education Stabilization Fund - GEER	84.425C	NYS ED	5895211729	9,085	—	—
COVID-19 Education Stabilization Fund - ESSER	84.425D	NYS ED	5890211729	45,850	—	—
COVID-19 Education Stabilization Fund - ESSER II	84.425D	NYS ED	5891210001, 5891210002, 5891210003	1,233,906	—	—
COVID-19 Education Stabilization Fund - ARP ESSER	84.425U	NYS ED	5880210001, 5880210002, 5880210003, 5880210004, 5880210005, 5880210006, 5880210007	1,474,397	—	—
Total U.S. Department of Education				4,034,444	—	—
U.S. Department of Health and Human Services						
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	NYS OFA	N/A	667	193	—
<i>Aging Cluster:</i>						
COVID-19 Special Programs for the Aging - Title III, Part B -- Grants for COVID-19 Supportive Services and Senior Centers	93.044	NYS OFA		5,959	4,663	—
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	4,438	4,438	—
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	28,441	28,160	—
Nutrition Services Incentive Program	93.053	NYS OFA	N/A	9,989	9,989	—
<i>Total Aging Cluster</i>				48,827	47,250	—
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	Direct Federal		156	—	—
COVID-19 National Family Caregiver Support - Title III, Part E	93.052	NYS OFA	N/A	2,357	2,357	—
National Family Caregiver Support - Title III Part E	93.052	NYS OFA	N/A	4,407	4,407	—
Training in General, Pediatric, and Public Health Dentistry	93.059	Direct Federal		687	—	—
Public Health Emergency Preparedness	93.069	PHS	NU90TP922035	12,682	—	—
Environmental Public Health and Emergency Response	93.070	FPHNY	84273, 83938	911	—	—
Medicare Enrollment Assistance Program	93.071	NYS OFA	N/A	398	—	—
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	Direct Federal		798	—	—
Guardianship Assistance	93.090	NYS OCFS	2001NYGARD; 2101NYGARD; 2201NYGARD	10,970	—	—
Food and Drug Administration Research	93.103	Direct Federal		492	—	—
Comprehensive Community Mental Health Services for Children with Serious Disturbances	93.104	Direct Federal		386	125	—
Environmental Health - National Institute of Environmental Health Sciences	93.113	Direct Federal		13	—	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Direct Federal		3,695	—	—
Injury Prevention and Control Research, State and Community Based Programs	93.136	HRI	6211-03	271	—	—
Community Programs to Improve Minority Health Grant Program	93.137	Direct Federal		1,013	—	—
Projects for Assistance in Transition from Homelessness (PATH)	93.150	NYS OMH	N/A	2,512	2,178	—

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	Direct Federal		\$ 768	\$ —	\$ —
	93.153	Montefiore Medical Center	H12HA24849	563	—	—
	93.153	NYU School of Medicine	17-A0-00-008205	246	—	—
Grants to States for Loan Repayment	93.165	NYS DOH	T36037GG, T36036GG	80	—	—
Graduate Psychology Education	93.191	Direct Federal		243	—	—
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Direct Federal		557	—	—
Family-Planning Services	93.217	NYS DOH	C35209GG, C35217GG, C37868GG, C36273GG, C36275GG, C36277GG, C36278GG, C35215GG, C35218GG, C35216GG	342	—	—
<i>Health Center Program Cluster - Health Center Program</i>	93.224	Direct Federal		17,003	—	—
Research on Healthcare Costs, Quality and Outcomes	93.226	Direct Federal		267	—	—
Mental Health Research Grants**	93.242	CUNY	CM00006502-01, CM00000911-04, CM00001625-05	385	—	—
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		4,246	—	—
Poison Center Support and Enhancement Grant	93.253	Direct Federal		787	—	—
Occupational Safety and Health Program**	93.262	Stony Brook	90387	4,317	—	—
COVID-19 Immunization Cooperative Agreements	93.268	Direct Federal		41,377	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		10,534	—	141,667
Viral Hepatitis Prevention and Control	93.270	Direct Federal		343	180	—
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	18-A1-00-007933	266	—	—
Minority Health and Health Disparities Research**	93.307	Boston University	5105521-1	157	—	—
Trans-NIH Research Support**	93.310	Columbia University	30T2OD026556-01S2	247	—	—
Public Health Preparedness and Response Science, Research, and Practice	93.316	FPHNY	84287	409	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		435,584	133	—
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		4,502	—	—
Public Health Emergency Response - National Center for Advancing Translational Sciences	93.350	NYU School of Medicine	20-A2-00-004185, 16-A0-00-007000, 16-A0-00-007000, 20-A2-00-004185, 18-A0-00-1000880	1,210	—	—
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	MSKCC	1 U01 CA243644-01A1	10	—	—
Nursing Research**	93.361	NYU School of Medicine	1R01NR019535-01	17	—	—
Sickle Cell Treatment Demonstration Program**	93.365	John Hopkins University	UIEMC27864-05-00	172	—	—
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	NACCHO	2020-040202, 2021-032502	378	—	—
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	PHS	6 NU58DP006621-04-02	18	—	—
Every Student Succeeds Act/Preschool Development	93.434	NYS CCF	N/A	7	—	—
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund	93.461	Direct Federal		53,161	—	—
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	HRI	6214-03	138	—	—

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
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For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	Direct Federal		\$ 172,348	\$ —	\$ —
MaryLee Allen Promoting Safe and Stable Families	93.556	NYS OCFS	2101NYFPSS; 2201NYFPSS; 2101NYCWSS	17,560	—	—
Temporary Assistance for Needy Families	93.558	Direct Federal		977	—	—
	93.558	NYS OTDA	N/A	911,674	—	—
	93.558	NYS OCFS	2001NYTANF; 2101NYTANF; 2201NYTANF	122,393	—	—
	93.558	NYS OPDV	T00145GG	188	—	—
Child Support Enforcement	93.563	Direct Federal		380	—	—
	93.563	NYS OTDA	N/A	62,402	—	—
Low-Income Home Energy Assistance	93.568	Direct Federal		26	—	—
	93.568	NYS OTDA	N/A	102,987	—	—
Community Services Block Grant	93.569	NYS DOS	C1001474	29,766	12,633	—
<i>CCDF Cluster:</i>						
Child Care and Development Block Grant	93.575	Direct Federal		397	—	—
	93.575	NYS OCFS	2001NYCCDD; 2101NYCCDF; 2101NYCCDD; 2101NYCCDM; 2101NYCCC5; 2101NYCCC6; 2201NYCCDF; 2201NYCCDD; 2201NYCCDM; C029082	290,921	—	—
<i>Total CCDF Cluster</i>				291,318	—	—
Refugee and Entrant Assistance - Discretionary Grants	93.576	NYS OTDA	N/A	535	—	—
<i>Head Start Cluster - Head Start</i>						
	93.600	Direct Federal		62,000	—	—
Assistance for Torture Victims	93.604	Direct Federal		1,329	—	—
Foster Care - Title IV - E	93.658	Direct Federal		1,627	—	—
	93.658	NYS OCFS	2001NYFOST; 2101NYFOST; 2201NYFOST	192,643	—	—
Adoption Assistance	93.659	Direct Federal		3	—	—
	93.659	NYS OCFS	2001NYADPT; 2101NYADPT; 2201NYADPT	76,547	—	—
Social Services Block Grant	93.667	NYS OCFS	2001NYSOSR; 2101NYSOSR; 2201NYSOSR	205,881	184	—
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	NYS DOH	2001NYCILP; 2101NYCILP	8,993	—	—
Ending the HIV Epidemic: A Plan for America —						
Ryan White HIV/AIDS Program Parts A and B	93.686	Direct Federal		8,320	6,162	—
	93.686	PHS	21-DTC-583 , 22-DTC-583P	251	—	—
Mental and Behavioral Health Education and Training Grants	93.732	Direct Federal		195	—	—
	93.732	NYU School of Medicine	20-00-00-1004899	15	—	—
Elder Abuse Prevention Intervention Program	93.747	NYS OCFS	N/A	299	—	—
Evidence-Based Falls Prevention Programs Financed Solely by						
Prevention and Public Health Funds (PPHF)	93.761	Direct Federal		127	—	—
Children's Health Insurance Program (SCHIP)	93.767	NYS DOH	C022805	39,680	—	—

** Denotes programs with R&D Cluster expenditures

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THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
<i>Medicaid Cluster:</i>						
Medical Assistance Program (Medicaid)	93.778	Direct Federal		\$ 10,830	\$ —	\$ —
	93.778	NYS DOH	1000036076	3,166,725	—	—
	93.778	NYS OFA	N/A	3,560	2,950	—
	93.778	NYS OMH	N/A	5,361	—	—
	93.778	NYS OTDA		1,910	—	—
<i>Total Medicaid Cluster</i>				<u>3,188,386</u>	<u>2,950</u>	<u>—</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	NYS OFA	N/A	617	—	—
Opioid State Targeted Response	93.788	NYS DOH	C32125GG	92	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	PHS	15-BHC-02 / ACCT# P077920, P079120, P079421, P079622, 15-BHC-02, 15-BHC-02, 15-BHC-02, 15-BHC-02	1,193	—	—
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	Direct Federal		861	—	—
National Ebola Training and Education Center (NETEC)	93.825	Direct Federal		791	—	—
	93.825	Emory University	U3REP150549/A652949, U3REP150549/A242587	515	—	—
Cardiovascular Diseases Research**	93.837	University of Buffalo	7R01HL13755803	19	—	—
Lung Diseases Research**	93.838	Mount Sinai	0255-C022-4609	15	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research**	93.847	AECOM	3111597	216	—	—
	93.847	RF SUNY	85485	13	—	—
Extramural Research Programs in the Neurosciences and Neurological Disorders**	93.853	Temple University	SIREN-200-CSPR # 002	50	—	—
	93.853	University of Cincinnati	012340-137218, 012343-137218	3	—	—
Allergy and Infections Diseases Research**	93.855	UCLA	1560 B YC313	32	—	—
	93.855	Duke University	ACTIV-1/8120	45	—	—
COVID 19 - Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	T36886	9	—	—
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C33494GG	1,443	1,443	—
Grants for Primary Care Training and Enhancement	93.884	RF SUNY	K02HP32100	140	—	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-BHC-01 / ACCT# P073722, 20-HHC-01, 19-HHC-01, 19-JMC-01	2,074	—	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		85,118	82,448	—
	93.914	PHS	19-CCR-573, 23-CCR-573P, 18-CCR-583, 23-CCR-583P, 19-CCR-360, 23-CCR-360P, 16-HRM-567, 23-HRM-567P, 16-HRM-361, 23-HRM-361P, 16-MHV-505, 23-MHV-505P, 16-MHV-150, 23-MHV-150P	3,807	—	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Direct Federal		1,986	—	—
	93.918	NYU School of Medicine	21-A0-00-1000300	13	—	—

** Denotes programs with R&D Cluster expenditures

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THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership	93.924	Direct Federal		\$ 1,567	\$ —	\$ —
Healthy Start Initiative	93.926	FPHNY	84167	369	—	—
HIV Prevention Activities - Non-Governmental Organization Based	93.939	Direct Federal		320	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		33,834	7,850	—
	93.940	PHS	18-NCT-573, 22-NCT-573, 18-NCT-583, 18-NCT-360, 22-NCT-360PL, 18-NCT-563, 22-NCT-563PL, 18-NCT-115	600	—	—
Human Immunodeficiency Virus / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance**	93.944	Direct Federal		1,305	—	—
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs**	93.946	Direct Federal		143	—	—
Block Grants for Community Mental Health Services	93.958	Direct Federal			—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	C21181GG; C21187GG, C21179GG	14,847	13,258	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	C004357, 1R2251A 01, 2R2251A 01	12,224	—	—
COVID 19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	Direct Federal		134	—	—
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	Direct Federal		3,690	—	—
Preventive Health and Health Services Block Grant	93.991	NYS DOH	C030509	280	—	—
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	DOH01-C32672GG-3450000, DOH01-C30933GG-345000, C36783GG, C32124GG, C35209GG, C35217GG, C37868GG, C36273GG, C36275GG, C36277GG, C36278GG, C35215GG, C35218GG, C35216GG, C37171GG, C32403GG, C32412GG, C32388GG, C32403GG, C32412GG	4,436	—	—
Total U.S. Department of Health and Human Services				6,341,227	183,751	141,667
Corporation for National and Community Services						
AmeriCorps State and National	94.006	Direct Federal		119	—	—
Foster Grandparent/Senior Companion Cluster - Foster Grandparent Program	94.011	Direct Federal		1,472	—	—
Total Corporation for National and Community Services				1,591	—	—
Social Security Administration						
Disability Insurance/SSI Cluster - Supplemental Security Income	96.006	Direct Federal		106	—	—
Total Social Security Administration				106	—	—
U.S. Department of Homeland Security						
National Urban Search and Rescue (US&R) Response System	97.025	Direct Federal		4,415	—	—
	97.025	NYS DHSES	TR19-1008-E00	64	—	—
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES		2,075,659	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES		235,874	—	—
Hazard Mitigation Grant	97.039	NYS DHSES	C000758	2,245	—	—
Emergency Management Performance Grants	97.042	NYS DHSES	C159445, C159455, C833295, C833205, C971804	5,336	—	—
Assistance to Firefighters Grant	97.044	Direct Federal		5,561	—	—

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Cooperating Technical Partners	97.045	Direct Federal		\$ 13	\$ —	\$ —
BRIC: Building Resilient Infrastructure and Communities	97.047	NYS DHSES	C000828	295	—	—
Port Security Grant Program	97.056	Direct Federal		9,598	—	—
Homeland Security Advanced Research Projects	97.065	Direct Federal		9	—	—
Homeland Security Grant Program	97.067	Direct Federal		82	—	—
	97.067	NYS DHSES	C833283, C159493, C971803, C159413 WM18159480 WM20971802 CP19-1035-E01, BS19-1008-D00 WM18833283 WM19971892, WM18159480 WM20971802 CP19-1035-E01, BS19-1008-D00 WM18833283 WM19971892 WM20971803 WM21159413 TR18-1004-E00, WM-18-833283, WM-19-159493, WM-20-971803	175,174	—	—
Rail and Transit Security Grant Program	97.075	MTA	EMW-2017-RA-00024, EMW-2018-RA-00017, EMW-2019-RA-0004, EMW-2020-RA-0005	11,269	—	—
Homeland Security Biowatch Program	97.091	Direct Federal		2,391	—	—
Securing the Cities	97.106	Direct Federal		3,717	—	—
Total U.S. Department of Homeland Security				2,531,702	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 19,037,564	\$ 338,415	\$ 252,015
TOTAL R&D CLUSTER EXPENDITURES				\$ 7,402	\$ -	\$ -

The accompanying notes to the Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule.

THE CITY OF NEW YORK
Notes to Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

1. BASIS OF PRESENTATION

- (a) **Reporting Entity** - For purposes of complying with the Federal Single Audit Act of 1984, as amended by Title 2 *U.S. Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), The City of New York (“The City”) consists of the primary government, including the Department of Education (“DOE”) as defined in Note A.1 to the basic financial statements, except as follows: 1) the accounts and transactions of the community colleges of The City University of New York are excluded; and 2) all other separately administered component unit organizations identified in Note A.1 to the basic financial statements are also excluded. However, The New York City Health and Hospitals Corporation (“HHC”), New York City Economic Development Corporation (“EDC”), and New York City Municipal Water Finance Authority (“Water Authority”) are included. Therefore, the expenditures of Federal awards, if any, of the community colleges of The City University of New York and the excluded separately administered component unit organizations are not included in the accompanying Consolidated Schedule of Expenditures of Federal Awards (“Consolidated SEFA”).
- (b) **Pass-Through Programs** - When The City receives Federal funds from a not-for-profit organization or government entity other than the Federal government (“pass-through grantor”) such funds are aggregated based upon the Federal Assistance Listing (“FAL”) number provided by the pass-through grantor.
- (c) **Noncash Federal Assistance** - The City is the recipient of Federal financial assistance programs that do not result in cash receipts or disbursements, termed “Noncash Assistance.” Noncash Assistance received by The City is included in the Consolidated SEFA.
- (d) **New York City Municipal Water Finance Authority (“Water Authority”)** - The New York State Environmental Facilities Corporation (“EFC”) provides financial assistance under the Clean Water State Revolving Fund (“CWSRF”) and Drinking Water State Revolving Fund (“DWSRF”) through: 1) long-term leveraged financings, 2) short-term and long-term direct financings, 3) grants and principal forgiveness, and 4) loan guarantees. In providing awards to the Water Authority, EFC utilizes Federal grants along with a 20 percent State match, as well as proceeds from bonds that EFC periodically issues in the bond market on behalf of its recipients.

During the year ended June 30, 2022, the Water Authority expended \$174.0 million and \$85.4 million on project expenditures under the CWSRF and DWSRF programs, respectively, which are included in the Consolidated SEFA for the year ended June 30, 2022.

2. BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported in The City’s basic financial statements.

Specifically, the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which The City either gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations which are

THE CITY OF NEW YORK
Notes to Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

recorded on the accrual basis of accounting. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The accompanying Consolidated SEFA was also prepared on the accrual basis of accounting and presents the federal awards expenditures of the reporting entity as defined in Note 1(a), above.

Reconciliation of Federal Expenditures related to Disaster Grants - Public Assistance (Presidentially Declared Disasters) (“Disaster Grant”) FAL # 97.036; reported in the Consolidated SEFA to The City’s Basic Financial Statements

Superstorm Sandy

In connection with Superstorm Sandy (“Sandy”) The City incurred costs for emergency response and storm related damages to, and destruction of, City buildings and other assets. In response to the damages caused by Sandy, former President Barack Obama signed a major disaster declaration authorizing the Federal Emergency Management Agency (“FEMA”) to provide Public Assistance grants (“PA”) to governmental entities for response and recovery efforts. The emergency declaration provides for the reimbursement of eligible costs for emergency work (categorized as Emergency Protective Measures and Debris Removal) and permanent work (categorized as restoration of Roads and Bridges, Water Control Facilities, Buildings and Equipment, Utilities and Parks and Recreational facilities) at a 90% rate.

In the accompanying Consolidated SEFA, The City is required to report expenditures made by The City that correspond to FEMA obligations that have been made through June 30, 2022, regardless of which of The City’s fiscal year(s) the expenditures were actually incurred, except those amounts for which The City’s expenditures and FEMA obligations both occurred in prior years, thus having been previously reported as federal award expenditures in prior years’ Consolidated SEFA.

For Fiscal Year 2022, The City had \$235.9 million of expenditures correlating to obligations through June 30, 2022. Any potential changes to this amount are predicated on adjustments to existing 2022 obligations and enhanced visibility of grant expenditure association.

Approximately \$36,400 of the amount obligated in Fiscal Year 2022 corresponds to eligible expenditures incurred by The City in prior fiscal years and were recognized in The City’s Basic Financial Statements in prior fiscal years, but are included in the Fiscal Year 2022 Consolidated SEFA.

A reconciliation of The City’s Basic Financial Statements to the Federal Expenditures reported in The City’s Fiscal Year 2022 Consolidated SEFA, follows:

	<u>(in thousands)</u>
Total Fiscal Year 2022 Disaster Grant expenditures as reported in The City’s Basic Financial Statements	\$ 235,838
Add: Disaster Grant expenditures incurred prior to Fiscal Year 2022 for which obligations were made during Fiscal Year 2022	36
Fiscal Year 2022 Disaster grant expenditures included in the Consolidated SEFA	<u>\$ 235,874</u>

THE CITY OF NEW YORK
Notes to Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

In addition to the FEMA PA grants, The City has been awarded Community Development Block Grant Disaster Recovery (“CDBG-DR”) funding through the U.S. Department of Housing and Urban Development. The principal portion of these funds is being used in a variety of home restoration and replacement programs, small business assistance programs, and resiliency/hazard mitigation programs. The remainder is being used to pay certain Sandy-related costs that are not reimbursable by FEMA as well as the 10% non-FEMA share of eligible costs, to the extent that those are eligible for CDBG-DR funding.

COVID-19 Pandemic

In connection with the COVID-19 pandemic, The City incurred costs for emergency response and protective measures. In response to the pandemic, former President Donald Trump signed a major disaster declaration authorizing FEMA to provide PA grants to governmental entities for response efforts. The emergency declaration provides for the reimbursement of eligible costs for emergency work at a 75% rate. Subsequently, President Joe Biden ordered FEMA to reimburse eligible costs at a 100% rate.

As noted previously, The City is required to report expenditures made by The City that correspond to FEMA obligations that have been made through June 30, 2022, regardless of which of The City’s fiscal year(s) the expenditures were actually incurred.

For Fiscal Year 2022, The City incurred \$2,075.7 million of expenditures corresponding to obligations through June 30, 2022. Any potential changes to these amounts are predicated on adjustments to existing 2022 obligations and enhanced visibility of grant expenditures association.

Approximately \$1,677.5 million of the amount obligated in Fiscal Year 2022 corresponds to eligible expenditures incurred by The City in prior fiscal years, but are included in the Fiscal Year 2022 Consolidated SEFA.

A reconciliation of The City’s Basic Financial Statements to the Federal Expenditures reported in the City’s Fiscal Year Consolidate SEFA follows:

	<u>(in thousands)</u>
Total Fiscal Year 2022 Disaster Grant expenditures as reported in The City’s Basic Financial Statements	\$ 2,161,306
Add: Disaster Grant expenditures incurred prior to Fiscal Year 2022 for which obligations were made during Fiscal Year 2022	1,677,465
Less: Fiscal Year 2022 Disaster Grant expenditures for which no obligations had been made as of June 30, 2022, but for which obligations are expected to be made in future years	<u>(1,763,114)</u>
Fiscal Year 2022 Disaster grant expenditures included in the Consolidated SEFA	<u>\$ 2,075,657</u>

3. MATCHING COSTS

Matching costs (i.e., the non-Federal share of certain program costs) provided by The City or New York State, are not included in the accompanying Consolidated SEFA. For awards that provide Federal funding for matching costs (i.e., Department of Homeland Security awards), expenditures are reported in the accompanying Consolidated SEFA to the extent that such expenditures are eligible and allowable.

THE CITY OF NEW YORK
Notes to Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

The regulations and guidelines governing the preparation of Federal and State financial reports vary by Federal and State agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal and State financial reports may not necessarily agree with the amounts reported in the accompanying Consolidated SEFA, which is prepared as described in Notes 1 and 2.

5. INDIRECT COSTS

The City has not made the election to use the 10% de minimus indirect cost rate as provided by Uniform Guidance Section 200.414, Indirect (F&A) Costs.

6. GLOSSARY OF PASS-THROUGH GRANTORS

The following is a glossary of pass-through grantor acronyms and names, which may have been used in the Consolidated SEFA and/or related Exhibits:

AECOM	Albert Einstein College of Medicine
APHL	Association of Public Health Laboratories
BFL	Barrier Free Living
Columbia University	Columbia University in the City of New York
CUNY	City University of New York
FHWA	Federal Highway Administration
FPHNY	Fund for Public Health - New York Inc.
HRI	Health Research, Inc.
LMDC	Lower Manhattan Development Corporation
MSKCC	Memorial Sloan Kettering Cancer Center
MTA	Metropolitan Transportation Authority
NACCHO	National Association of County and City Health Officials
NAVAA	National Association of VOCA Assistance Administrators
NFWF	National Fish and Wildlife Foundation
NYMTC	New York Metropolitan Transportation Council
NYS	New York State
NYS CCF	New York State Council on Children and Families
NYS DCJS	New York State Division of Criminal Justice Services
NYS DHSES	New York State Division of Homeland Security and Emergency Services

THE CITY OF NEW YORK

Notes to Consolidated Schedule of Expenditures of Federal Awards

For the year ended June 30, 2022

NYS DMV	New York State Department of Motor Vehicle
NYS DOH	New York State Department of Health
NYS DOL	New York State Department of Labor
NYS DOS	New York State Department of State
NYS DOT	New York State Department of Transportation
NYS ED	New York State Education Department
NYS EFC	New York State Environmental Facilities Corporation
NYS GOSR	New York State Governor's Office of Storm Recovery
NYS GTSC	New York State Governor's Traffic Safety Committee
NYS OASAS	New York State Office of Alcohol and Substance Abuse Services
NYS OCFS	New York State Office of Children and Family Services
NYS OFA	New York State Office for the Aging
NYS OMH	New York State Office of Mental Health
NYS OPDV	New York State Office for the Prevention of Domestic Violence
NYS OTDA	New York State Office of Temporary and Disability Services
NYS OVS	New York State Office of Victim Services
PHS	Public Health Solutions
RF SUNY	The Research Foundation for the State University of New York
RFMH	Research Foundation for Mental Hygiene

THE CITY OF NEW YORK

Introduction to Exhibits – Consolidated Schedule of Expenditures of Federal Awards For the year ended June 30, 2022

The accompanying Exhibits to the Consolidated Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis with respect to The City, The City of New York Health and Hospitals Corporation, The City of New York Department of Education, the New York City Economic Development Corporation and the District Attorney’s Office of New York, which are covered by the City’s Single Audit Report. These separate Exhibits are not a required part of the financial reporting package stipulated by Title 2 *U.S. Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Accordingly, such Exhibits should be used in conjunction with the Consolidated Schedule of Expenditures of Federal Awards from which they were derived.

The information presented in the accompanying Exhibits is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the Consolidated Schedule of Expenditures of Federal Awards for the year ended June 30, 2022.

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Agriculture						
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	NYS ED	N/A	\$ 179	\$ —	\$ —
National School Lunch Program	10.555	NYS ED	N/A	308	—	—
Summer Food Service Program for Children	10.559	NYS DOH	C032609	155	—	—
<i>Total Child Nutrition Cluster</i>				642	—	—
Child and Adult Care Food Program	10.558	NYS DOH	6499, CACFP 4316	1,945	—	—
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Direct Federal		2,541	—	—
	10.561	NYS DOH	DOH01-C33039GG-3450000, DOH01-C33659GG-3450000, C36060GG, C36059GG	1,972	—	—
	10.561	NYS OTDA	N/A	268,837	—	—
	10.561	NYS OCFS	1000036076	1,551	—	—
<i>Total SNAP Cluster</i>				274,901	—	—
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580	Direct Federal		207	—	—
Cooperative Forestry Assistance	10.664	Direct Federal		2,835	—	—
Emergency Watershed Protection Program	10.923	Direct Federal		2,130	—	—
Emergency Watershed Protection Program - Disaster Relief Appropriations Act	10.927	Direct Federal		146	—	—
Urban Agriculture and Innovative Production	10.935	Direct Federal		44	—	—
Total U.S. Department of Agriculture				282,850	—	—
U.S. Department of Defense						
Procurement Technical Assistance for Business Firms	12.002	Direct Federal		374	—	—
Total U.S. Department of Defense				374	—	—
U.S. Department of Housing and Urban Development						
<i>CDBG - Entitlement Grants Cluster - Community Development</i>						
Block Grants/Entitlement Grants	14.218	Direct Federal		391,159	—	—
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	12011, 6791	5,662	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share	Noncash
					of Total Expenditures	Assistance
COVID-19 Emergency Shelter Grants Program	14.231	Direct Federal		\$ 147,300	\$ —	\$ —
Emergency Shelter Grants Program	14.231	Direct Federal		12,615	119	—
Supportive Housing Program	14.235	Direct Federal		968	—	—
Home Investment Partnerships Program	14.239	Direct Federal		48,997	—	—
COVID-19 Housing Opportunities for Persons with AIDS	14.241	Direct Federal		1,045	1,045	—
Housing Opportunities for Persons with AIDS	14.241	Direct Federal		40,462	15,938	—
<i>Section 8 Project-Based Cluster :</i>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Direct Federal		10,155	—	—
Lower Income Housing Assistance Program- Section 8 Moderate Rehabilitation	14.856	Direct Federal		7,156	—	—
<i>Total Section 8 Project-Based Cluster</i>				<u>17,311</u>	<u>—</u>	<u>—</u>
Continuum of Care Program	14.267	Direct Federal		44,700	—	—
<i>CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster:</i>						
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269	Direct Federal		127,187	—	—
	14.269	NYS DOT	N/A	5,455	—	—
	14.269	NYS GOSR	NYCR-0310	2,160	2,160	—
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>				<u>134,802</u>	<u>2,160</u>	<u>—</u>
Youth Homelessness Demonstration Program	14.276	Direct Federal		80	—	—
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers	14.871	Direct Federal		551,303	—	—
Mainstream Vouchers	14.879	Direct Federal		1,569	—	—
<i>Total Housing Voucher Cluster</i>				<u>552,872</u>	<u>—</u>	<u>—</u>
Family Self-Sufficiency Program	14.896	Direct Federal		1,492	—	—
Lead Hazard Reduction Demonstration Grant Program	14.905	Direct Federal		697	—	—
Total U.S. Department of Housing and Urban Development				<u>1,400,162</u>	<u>19,262</u>	<u>—</u>
U.S. Department of the Interior						
Hurricane Sandy Disaster Relief - Costal Resiliency Grants	15.153	NFWF	42959	798	798	—
Total U.S. Department of the Interior				<u>798</u>	<u>798</u>	<u>—</u>

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Justice						
Law Enforcement Assistance-Narcotics and Dangerous-Drugs Training	16.004	Direct Federal		\$ 4,524	\$ —	\$ —
Coronavirus Emergency Supplemental Funding Program	16.034	Direct Federal		2,232	—	—
Law Enforcement Assistance-National Crime Information Center	16.304	Direct Federal		5	—	—
Services for Trafficking Victims	16.320	Direct Federal		320	—	—
Missing Children's Assistance	16.543	Direct Federal		705	—	—
National Institute of Justice Research, Evaluation, and Development						
Project Grants	16.560	Direct Federal		468	—	—
Crime Victim Assistance	16.575	NYS OVS	OVS01-C11014GG-1080200, C10758GG, C11046GG	951	—	—
Crime Victim Assistance/Discretionary Grants	16.582	Direct Federal		331	84	—
Violence Against Women Formula Grants	16.588	Direct Federal		113	—	—
	16.588	NYS DCJS	DCJ01-C00359GG-1090000, C00287GG	157	—	—
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	Direct Federal		228	4	—
Public Safety Partnership and Community Policing Grants	16.710	Direct Federal		2,034	—	—
PREA Program: Strategic Support for PREA Implementation	16.735	Direct Federal		179	—	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Federal		4,130	—	—
	16.738	NYS DCJS	2020-DJ-B X-0457, 15PBJA-21-GG-01719-JAGX, 2020-DJ-BX-0457	635	—	—
DNA Backlog Reduction Program	16.741	Direct Federal		1,818	—	—
	16.741	NYS DCJS	15PBJA-21-GG-04370-DNAX	91	—	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Direct Federal		42	—	—
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	Direct Federal		539	—	—
Northern Border Prosecution Initiative Program	16.814	Direct Federal		393	—	—
Smart Prosecution Initiative	16.825	Direct Federal		383	22	—
National Sexual Assault Kit Initiative	16.833	Direct Federal		104	—	—
Comprehensive Opioid Abuse Site-Based Program	16.838	Direct Federal		165	135	—
Equitable Sharing Program	16.922	Direct Federal		9,766	—	—
				30,313	245	—
Total U.S. Department of Justice						
U.S. Department of Labor						
Senior Community Service Employment Program	17.235	Direct Federal		1,169	—	—
	17.235	NYS OFA	C18014GG	2,976	—	—
Trade Adjustment Assistance	17.245	Direct Federal		1,207	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
<i>WIOA Cluster:</i>						
WIOA Adult Program	17.258	NYS DOL	AA-36336-21-55-A-36, AA-33247-19-55-A-36	\$ 17,237	\$ 8,605	\$ —
WIOA Youth Activities	17.259	NYS DOL	AA-36336-21-55-A-36, AA-33247-19-55-A-36	20,817	14,693	—
WIOA Dislocated Workers Formula Grants	17.278	NYS DOL	AA-36336-21-55-A-36, AA-33247-19-55-A-36	13,169	6,567	—
<i>Total WIOA Cluster</i>				51,223	29,865	—
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Direct Federal		437	327	—
Total U.S. Department of Labor				57,012	30,192	—
U.S. Department of Transportation						
Highway Research and Development Program	20.200	FHWA	N/A	845	—	—
<i>Highway Planning and Construction Cluster:</i>						
Highway Planning and Construction	20.205	Direct Federal		4,568	—	—
	20.205	NYS DOT	D034983, D035246, D035837, D035863, NY700006, D017542, D030296, D031753, D033720, D033845, D033860, D033930, D034180, D034191, D034196, D034211, D034772, D034787, D034788, D035073, D035086, D035358, D035367, D035862, D035897, D035910, D035974, D035974, D036204, D040000, D040001, D040010, D040011/D040016, D040114, D040241, D040283, D040375, D040649, D032178, D032186, D032515, D032516, D033946, D034250, D034645, D034926, D035072, D035260, D035282, D035362, D035372, D035775, D035779, D035846, D035853, D035854, D035961, D036010, D036031, D036036, D036090, D036189, D036282, D036496, D040141, DA33665, D035024, D035318, D035025, D035836, D035022, D035021, D040109	170,289	8,465	—
	20.205	NYMTC	D000641, D035910	1,267	—	—
<i>Total Highway Planning and Construction Cluster</i>				176,124	8,465	—
<i>Federal Transit Cluster:</i>						
Federal Transit - Capital Investment Grants	20.500	Direct Federal		403	—	—
Federal Transit - Formula Grants	20.507	Direct Federal		64,903	—	—
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Direct Federal		53	—	—
<i>Total Federal Transit Cluster</i>				65,359	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	NYMTC	D000641, C033467	\$ 1,921	\$ —	\$ —
<i>Transit Services Programs Cluster:</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Direct Federal		2,279	—	—
New Freedom Program	20.521	Direct Federal		612	—	—
<i>Total Transit Services Programs Cluster</i>				<u>2,891</u>	<u>—</u>	<u>—</u>
Paul S. Sarbanes Transit in the Parks	20.520	Direct Federal		6	—	—
Public Transportation Emergency Relief Program	20.527	Direct Federal		16,469	—	—
<i>Highway Safety Cluster:</i>						
State and Community Highway Safety	20.600	NYS GTSC	N/A	621	—	—
Total U.S. Department of Transportation				<u>264,236</u>	<u>8,465</u>	<u>—</u>
U.S. Treasury						
Equitable Sharing	21.016	Direct Federal		124	—	—
COVID-19 Coronavirus Relief Fund	21.019	Direct Federal		195,452	—	—
Emergency Rental Assistance Program	21.023	NYS OTDA	TDA01-T00074GG-3410000	13,403	—	—
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		2,493,288	95,702	—
Total U.S. Treasury				<u>2,702,267</u>	<u>95,702</u>	<u>—</u>
National Endowment For The Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		78	—	—
Total National Endowment For The Arts				<u>78</u>	<u>—</u>	<u>—</u>
U.S. Department of Veterans Affairs						
VA Homeless Providers Grant and Per Diem Program	64.024	Direct Federal		6,478	—	—
Total U.S. Department of Veterans Affairs				<u>6,478</u>	<u>—</u>	<u>—</u>
U.S. Environmental Protection Agency						
Long Island Sound Program	66.437	Direct Federal		1,420	—	—
Regional Wetland Program Development Grants	66.461	Direct Federal		74	—	—
Beach Monitoring and Notification Program Implementation Grants	66.472	NYS DOH	C-029641	60	—	—

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct Federal		\$ 64	\$ —	\$ —
Total U.S. Environmental Protection Agency				1,618	—	—
U.S. Department of Energy Conservation Research and Development	81.086	Direct Federal		22	—	—
Total U.S. Department of Energy				22	—	—
U.S. Department of Education <i>TRIO Cluster</i> - TRIO - Student Support Services	84.042	CUNY	N/A	130	—	—
Special Education - Grants for Infants and Families	84.181	NYS DOH	C36417GG	4,157	—	—
Total U.S. Department of Education				4,287	—	—
U.S. Department of Health and Human Services Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	NYS OFA	N/A	667	193	—
<i>Aging Cluster:</i> Special Programs for the Aging - Title III, Part B - Grants for COVID-19 Supportive Services and Senior Centers	93.044	NYS OFA	N/A	5,959	4,663	—
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	4,438	4,438	—
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	28,441	28,160	—
Nutrition Services Incentive Program	93.053	NYS OFA	N/A	9,989	9,989	—
<i>Total Aging Cluster</i>				48,827	47,250	—
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	Direct Federal		156	—	—
COVID-19 National Family Caregiver Support - Title III, Part E	93.052	NYS OFA	N/A	2,357	2,357	—
National Family Caregiver Support - Title III, Part E	93.052	NYS OFA	N/A	4,407	4,407	—
Public Health Emergency Preparedness	93.069	PHS	NU90TP922035	12,682	—	—
Environmental Public Health and Emergency Response	93.070	FPHNY	84273, 83938	911	—	—
Medicare Enrollment Assistance Program	93.071	NYS OFA	N/A	398	—	—
Guardianship Assistance	93.090	NYS OCFS	2001NYGARD; 2101NYGARD; 2201NYGARD	10,970	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share	Noncash
					of Total Expenditures	Assistance
Food and Drug Administration Research	93.103	Direct Federal		\$ 492	\$ —	\$ —
Comprehensive Community Mental Health Services for Children with Serious Disturban	93.104	Direct Federal		386	125	—
Environmental Health - National Institute of Environmental Health Sciences	93.113	Direct Federal		13	—	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Direct Federal		3,695	—	—
Injury Prevention and Control Research, State and Community Based Programs	93.136	HRI	6211-03	271	—	—
Community Programs to Improve Minority Health Program	93.137	Direct Federal		183	—	—
Projects for Assistance in Transition from Homelessness (PATH)	93.150	NYS OMH	N/A	2,512	2,178	—
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Direct Federal		557	—	—
Research on Healthcare Costs, Quality and Outcomes	93.226	Direct Federal		267	—	—
Mental Health Research Grants**	93.242	CUNY	CM00006502-01, CM00000911-04, CM00001625-05	385	—	—
Occupational Safety and Health Program**	93.262	Stony Brook	90387	4,317	—	—
COVID-19 Immunization Cooperative Agreements	93.268	Direct Federal		41,377	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		10,487	—	118,524
Viral Hepatitis Prevention and Control	93.270	Direct Federal		343	180	—
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	18-A1-00-007933	149	—	—
Public Health Preparedness and Response Science, Research, and Practice	93.316	FPHNY	84287	409	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		381,083	133	—
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		4,502	—	—
Improve and Protect the Nation's Health	93.421	NACCHO	2020-040202, 2021-032502	378	—	—
Diabetes and Heart Disease and Stroke	93.426	FPH	6 NU58DP006621-04-02	18	—	—
Every Student Succeeds Act/Preschool Development	93.434	NYS CCF	N/A	7	—	—
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund	93.461	Direct Federal		7,539	—	—
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	HRI	6214-03	138	—	—
MaryLee Allen Promoting Safe and Stable Families	93.556	NYS OCFS	2101NYFPSS; 2201NYFPSS; 2101NYCWSS	17,560	—	—
Temporary Assistance for Needy Families	93.558	Direct Federal		977	—	—
	93.558	NYS OTDA	N/A	911,674	—	—
	93.558	NYS OCFS	2001NYTANF; 2101NYTANF; 2201NYTANF	122,393	—	—
Child Support Enforcement	93.563	Direct Federal		380	—	—
	93.563	NYS OTDA	N/A	62,402	—	—
Low-Income Home Energy Assistance	93.568	Direct Federal		26	—	—
	93.568	NYS OTDA	N/A	102,987	—	—
Community Services Block Grant	93.569	NYS DOS	C1001474	29,766	12,633	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Subrecipient's Share		Noncash
				Expenditures	of Total Expenditures	Assistance
CCDF Cluster - Child Care and Development Block Grant	93.575	Direct Federal		\$ 119	\$ —	\$ —
	93.575	NYS OCFS	2001NYCCDD; 2101NYCCDF; 2101NYCCDD; 2101NYCCDM; 2101NYCCC5; 2101NYCCC6; 2201NYCCDF; 2201NYCCDD; 2201NYCCDM; C029082	290,921	—	—
<i>Total CCDF Cluster</i>				<u>291,040</u>	<u>—</u>	<u>—</u>
	93.576	NYS OTDA	N/A	535	—	—
Head Start Cluster - Head Start	93.600	Direct Federal		5,428	—	—
<i>Total Head Start Cluster</i>				<u>5,428</u>	<u>—</u>	<u>—</u>
Foster Care - Title IV - E	93.658	Direct Federal		1,627	—	—
	93.658	NYS OCFS	2001NYFOST; 2101NYFOST; 2201NYFOST	192,643	—	—
Adoption Assistance	93.659	Direct Federal		3	—	—
	93.659	NYS OCFS	2001NYADPT; 2101NYADPT; 2201NYADPT	76,547	—	—
Social Services Block Grant	93.667	NYS OCFS	2001NYSOSR; 2101NYSOSR; 2201NYSOSR	205,881	184	—
	93.674	NYS DOH	2001NYCILP; 2101NYCILP	8,993	—	—
Ending the HIV Epidemic: A Plan for America-Ryan White HIV/AIDS Program Parts A and B	93.686	Direct Federal		8,320	6,162	—
Elder Abuse Prevention Intervention Program	93.747	NYS OCFS	N/A	299	—	—
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	Direct Federal		127	—	—
<i>Medicaid Cluster:</i>						
Medical Assistance Program (Medicaid)	93.778	Direct Federal		10,830	—	—
	93.778	NYS DOH	1000036076	3,093,225	—	—
	93.778	NYS OFA	N/A	3,560	2,950	—
	93.778	NYS OMH	N/A	5,361	—	—
	93.778	NYS OTDA		1,910	—	—
<i>Total Medicaid Cluster</i>				<u>3,114,886</u>	<u>2,950</u>	<u>—</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	NYS OFA	N/A	617	—	—
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	Direct Federal		861	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research**	93.847	AECOM	311597	216	—	—
COVID 19 - Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	T36886	9	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
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For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share	Noncash
					of Total Expenditures	Assistance
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C33494GG	\$ 1,443	\$ 1,443	\$ —
National Bioterrorism Hospital Preparedness Program	93.889	PHS		1,233	—	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		83,281	82,448	—
Healthy Start Initiative	93.926	FPHNY	84167	369	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		33,032	7,850	—
Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance**	93.944	Direct Federal		1,305	—	—
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs**	93.946	Direct Federal		143	—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	N/A	13,589	13,258	—
COVID 19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	Direct Federal		134	—	—
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	Direct Federal		3,690	—	—
Preventative Health and Health Services Block Grant	93.991	NYS DOH	C030509	280	—	—
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	DOH01-C32672GG-3450000, DOH01-C30933GG-345000	3,448	—	—
Total U.S. Department of Health and Human Services				5,839,027	183,751	118,524
Corporation for National and Community Services						
AmeriCorps State and National	94.006	Direct Federal		119	—	—
Foster Grandparent/Senior Companion Cluster - Foster Grandparent Program	94.011	Direct Federal		1,472	—	—
Total Corporation for National and Community Service				1,591	—	—
Social Security Administration						
Disability Insurance/SSI Cluster - Supplemental Security Income	96.006	Direct Federal		106	—	—
Total Social Security Administration				106	—	—
U.S. Department of Homeland Security						
National Urban Search and Rescue (US&R) Response System	97.025	Direct Federal		4,415	—	—
	97.025	NYS DHSES	TR19-1008-E00	64	—	—
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES		1,287,837	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES		18,586	—	—
Emergency Management Performance Grants	97.042	NYS DHSES	C159445, C159455, C833295, C833205, C971804	5,336	—	—
Assistance to Firefighters Grant	97.044	Direct Federal		5,561	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Cooperating Technical Partners	97.045	Direct Federal		\$ 13	\$ —	\$ —
BRIC: Building Resilient Infrastructure and Communities	97.047	NYS DHSES	C000828	295	—	—
Port Security Grant Program	97.056	Direct Federal		9,598	—	—
Homeland Security Advanced Research Projects	97.065	Direct Federal		9	—	—
Homeland Security Grant Program	97.067	Direct Federal		82	—	—
	97.067	NYS DHSES		175,174	—	—
			C833283, C159493, C971803, C159413 WM18159480			
			WM20971802 CP19-1035-E01, BS19-1008-D00			
			WM18833283 WM19971892, WM18159480			
			WM20971802 CP19-1035-E01, BS19-1008-D00			
			WM18833283 WM19971892 WM20971803			
			WM21159413 TR18-1004-E00, WM-18-833283, WM-19-159493, WM-20-971803			
Rail and Transit Security Grant Program	97.075	MTA	EMW-2017-RA-00024, EMW-2018-RA-00017, EMW-2019-RA-0004, EMW-2020-RA-0005	11,269	—	—
Homeland Security Biowatch Program	97.091	Direct Federal		2,391	—	—
Securing the Cities	97.106	Direct Federal		3,717	—	—
Total U.S. Department of Homeland Security				<u>1,524,347</u>	<u>—</u>	<u>—</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 12,115,566</u>	<u>\$ 338,415</u>	<u>\$ 118,524</u>
TOTAL R&D CLUSTER EXPENDITURES				<u>\$ 6,515</u>	<u>\$ —</u>	<u>\$ —</u>

The accompanying Introduction to Exhibits - Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule.

THE CITY OF NEW YORK
HEALTH AND HOSPITALS CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 2

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Agriculture						
Agriculture and Food Research Initiative (AFRI)	10.310	NYU School of Medicine	16-A1-00-007087, 20-A0-00-1004926	\$ 213	\$ —	\$ —
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	NYS DOH	C35515GG, C35498GG, C35499GG, C35505GG, C35477GG, C35479GG, C35500GG, C35517GG, C35482GG, C35480GG, C35490GG, C35516GG, C35516GG, C35490GG, C35516GG, C35516GG	17,471	—	54,353
<i>Food Distribution Cluster - Commodity Supplemental Food Program</i>	10.565	NYS DOH	C34842GG	517	—	—
Total U.S. Department of Agriculture				<u>18,201</u>	<u>—</u>	<u>54,353</u>
U.S. Department of Justice						
Crime Victim Assistance	16.575	NYS OVS	C11011GG, C11009GG, C11010GG, C11013GG, C11012GG	1,634	—	—
	16.575	NYS DCJS	C662366	361	—	—
Violence Against Women Formula Grants	16.588	NYS DCJS	C00358GG, C00313GG	75	—	—
Total U.S. Department of Justice				<u>2,070</u>	<u>—</u>	<u>—</u>
U.S. Department of Labor						
WIOA Youth Activities	17.259	NYS DOL	C445406, C445324	800	—	—
Total U.S. Department of Labor				<u>800</u>	<u>—</u>	<u>—</u>
U.S. Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		286,615	—	—
Total U.S. Treasury				<u>286,615</u>	<u>—</u>	<u>—</u>
U.S. Department of Health and Human Services						
Training in General, Pediatric, and Public Health Dentistry	93.059	Direct Federal		687	—	—
Community Programs to Improve Minority Health Grant Program	93.137	Direct Federal		830	—	—
Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	Direct Federal		768	—	—
	93.153	Montefiore Medical Center	H12HA24849	563	—	—
	93.153	NYU School of Medicine	17-A0-00-008205	246	—	—
Grants to States for Loan Repayment	93.165	NYS DOH	T36037GG, T36036GG	80	—	—
Graduate Psychology Education	93.191	Direct Federal		243	—	—

** Denotes programs with R&D Cluster expenditures

(Continued)

**THE CITY OF NEW YORK
HEALTH AND HOSPITALS CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)**

Exhibit 2

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Family Planning-Services	93.217	NYS DOH	C35209GG, C35217GG, C37868GG, C36273GG, C36275GG, C36277GG, C36278GG, C35215GG, C35218GG, C35216GG	\$ 342	\$ —	\$ —
<i>Health Center Program Cluster - Health Center Program</i>	93.224	Direct Federal		17,003	—	—
Poison Center Support and Enhancement Grant	93.253	Direct Federal		787	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		47	—	23,143
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	17-A0-00-1000021-01	117	—	—
Minority Health and Health Disparities Research**	93.307	Boston University	5105521-1	157	—	—
Trans-NIH Research Support**	93.310	Columbia University	3OT2OD026556-01S2	247	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		54,501	—	—
	93.350	NYU School of Medicine	20-A2-00-004185, 16-A0-00-007000, 16-A0-00-007000, 20-A2-00-004185, 18-A0-00-1000880	1,210	—	—
National Center for Advancing Translational Sciences						
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	MSKCC	1 U01 CA243644-01A1	10	—	—
Nursing Research**	93.361	NYU School of Medicine	1R01NR019535-01	17	—	—
Sickle Cell Treatment Demonstration Program**	93.365	John Hopkins University	UIEMC27864-05-00	172	—	—
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund	93.461	Direct Federal		45,622	—	—
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	Direct Federal		172,348	—	—
Temporary Assistance for Needy Families	93.558	NYS OPDV	T00145GG	188	—	—
<i>CCDF Cluster - Child Care and Development Block Grant</i>	93.575	Direct Federal		278	—	—
Assistance for Torture Victims	93.604	Direct Federal		1,329	—	—
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	PHS	21-DTC-583 , 22-DTC-583P	251	—	—
Mental and Behavioral Health Education and Training Grants	93.732	Direct Federal		195	—	—
	93.732	NYU School of Medicine	20-00-00-1004899	15	—	—
State Children's Health Insurance Program	93.767	NYS DOH	C022805	39,680	—	—
Opioid STR Cluster - Opioid State Targeted Response	93.788	NYS DOH	C32125GG	92	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	PHS	15-BHC-02 / ACCT# P077920, P079120, P079421, P079622, 15-BHC-02, 15-BHC-02, 15-BHC-02, 15-BHC-02	1,193	—	—
National Ebola Training and Education Center (NETEC)	93.825	Direct Federal		791	—	—
	93.825	Emory University	U3REP150549/A652949, U3REP150549/A242587	515	—	—
Cardiovascular Diseases Research**	93.837	University of Buffalo	7R01HL13755803	19	—	—
Lung Diseases Research**	93.838	Mount Sinai	0255-C022-4609	15	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
HEALTH AND HOSPITALS CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 2

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Diabetes, Digestive, and Kidney Diseases Extramural Research**	93.847	RF SUNY	85485	\$ 13	\$ —	\$ —
Extramural Research Programs in the Neurosciences and Neurological Disorders**	93.853	Temple University	SIREN-200-CSPR # 002	50	—	—
	93.853	University of Cincinnati	012340-137218, 012343-137218	3	—	—
Allergy, Immunology and Transplantation Research**	93.855	UCLA	1560 B YC313	32	—	—
	93.855	Duke University	ACTIV-1/8120	45	—	—
Grants for Primary Care Training and Enhancement	93.884	RF SUNY	K02HP32100	140	—	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-BHC-01 / ACCT# P073722, 20-HHC-01, 19-HHC-01, 19-JMC-01	841	—	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		1,837	—	—
	93.914	PHS	19-CCR-573, 23-CCR-573P, 18-CCR-583, 23-CCR-583P, 19-CCR-360, 23-CCR-360P, 16-HRM-567, 23-HRM-567P, 16-HRM-361, 23-HRM-361P, 16-MHV-505, 23-MHV-505P, 16-MHV-150, 23-MHV-150P	3,807	—	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Direct Federal		1,986	—	—
	93.918	NYU School of Medicine	21-A0-00-1000300	13	—	—
Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership	93.924	Direct Federal		1,567	—	—
HIV Prevention Activities - Non-Governmental Organization Based	93.939	Direct Federal		320	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		802	—	—
	93.940	PHS	18-NCT-573, 22-NCT-573, 18-NCT-583, 18-NCT-360, 22-NCT-360PL, 18-NCT-563, 22-NCT-563PL, 18-NCT-115	600	—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	C21181GG; C21187GG, C21179GG	1,258	—	—
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	C36783GG, C32124GG, C35209GG, C35217GG, C37868GG, C36273GG, C36275GG, C36277GG, C36278GG, C35215GG, C35218GG, C35216GG, C37171GG, C32403GG, C32412GG, C32388GG, C32403GG, C32412GG	988	—	—
Total U.S. Department of Health and Human Services				354,860	—	23,143
U.S. Department of Homeland Security						
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES		763,770	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES		42,463	—	—
Hazard Mitigation Grant	97.039	NYS DHSES	C000758	2,245	—	—
Total U.S. Department of Homeland Security				808,478	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 1,471,024	\$ —	\$ 77,496
TOTAL R&D CLUSTER EXPENDITURES				\$ 887	\$ —	\$ —

THE CITY OF NEW YORK
DEPARTMENT OF EDUCATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 3

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Agriculture						
<i>Child Nutrition Cluster:</i>						
COVID-19 Summer Food Service Program for Children	10.559	NYS ED	2R0758A 01	\$ 583,126	\$ —	\$ —
Summer Food Service Program for Children	10.559	NYS ED	2R1958A 01	26,770	—	—
<i>Total Child Nutrition Cluster</i>				<u>609,896</u>	<u>—</u>	<u>55,995</u>
Child and Adult Care Food Program	10.558	NYS DOH	N/A	28,045	—	—
Fresh Fruit and Vegetable Program	10.582	NYS ED	2R1458B 01	1,352	—	—
Total U.S. Department of Agriculture				<u>639,293</u>	<u>—</u>	<u>55,995</u>
U.S. Department of Defense						
Troops to Teachers Grant Program	12.620	Direct Federal		31	—	—
Total U.S. Department of Defense				<u>31</u>	<u>—</u>	<u>—</u>
Federal Communications Commission						
COVID-19 Emergency Connectivity Fund Program	32.009	Direct Federal		19,782	—	—
Total Federal Communications Commission				<u>19,782</u>	<u>—</u>	<u>—</u>
National Endowment for The Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		40	—	—
Total National Endowment for The Arts				<u>40</u>	<u>—</u>	<u>—</u>
National Science Foundation						
Computer and Information Science and Engineering	47.070	Direct Federal		10	—	—
Total National Science Foundation				<u>10</u>	<u>—</u>	<u>—</u>

THE CITY OF NEW YORK
DEPARTMENT OF EDUCATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 3

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Education						
Adult Education - Basic Grants to States	84.002	NYS ED	N/A	\$ 4,058	\$ —	\$ —
Title I Grants to Local Educational Agencies	84.010	NYS ED	1R4502B 01, 1R4503B 01, 1R4507M 01, 1R4507N 01, 1R4507P 01, 1R4508H 01, 1R4510L 01, 1R4510M 01, 1R4511L 01, 1R4511M 01, 1R4512H 01, 1R4513B 01, 1R4513J 01, 1R4513K 01, 1R4515B 01, 1R4519E 01, 1R4519F 01, 1R4523H 01, 1R4524B 01, 1R4527L 01, 1R4530B 01, 1R4532L 01, 1R4551H 01, 1R4551J 01, 1R4551M 01, 2R4502B 01, 2R4503B 01, 2R4513B 01, 2R4515A 01, 2R4524B 01, 2R4530B 01, 2R4551J 01, 2R4551M 01, 2R4551N 01, 1R1235A 01, 1R1240A 01, 1R1251A 01, 1R1251D 01, 1R1251K 01, 1R1251L 01, 1R1251N 01, 1R1264A 01, 2R1235A 01, 2R1240A 01, 2R1251A 01, 2R1251B 01, 2R1251D 01, 2R1251D 01, 2R1251H 01, 2R1251J 01, 2R1251K 01, 2R1251L 01, 2R1251N 01, 2R1264A 01, 7R4519A 01	722,161	—	—
<i>Special Education Cluster:</i>						
Special Education - Grants to States	84.027	NYS ED	2R1551B 01	333,719	—	—
Special Education - Preschool Grants	84.173	NYS ED	1R1551A 01, 2R1551A 01	11,749	—	—
<i>Total Special Education Cluster</i>				345,468	—	—
Impact Aid	84.041	Direct Federal		4,624	—	—
Career and Technical Education - Basic Grants to States	84.048	NYS ED	1R0551A 01, 2R0551A 01, 2R0579A 01, 3R0551A 01	13,532	—	—
Magnet Schools Assistance	84.165	Direct Federal		10,200	—	—
Education for Homeless Children and Youth	84.196	NYS ED	2R3622A 01	2,911	—	—
Twenty-First Century Community Learning Centers	84.287	NYS ED	1R3901A 01, 1R3922A 01, 2R3901A 01, 2R3902A 01, 2R3903A 01, 2R3904A 01, 2R3905A 01, 2R3906A 01, 2R3907A 01, 2R3910A 01, 2R3911A 01, 2R3912A 01, 2R3913A 01, 2R3914A 01, 2R3915A 01, 2R3916A 01, 2R3918A 01, 2R3919A 01, 2R3920A 01, 2R3921A 01, 2R3922A 01, 2R3923A 01, 2R3925A 01, 2R3930A 01, 2R3931A 01	15,993	—	—
Arts in Education	84.351	Direct Federal		512	—	—
	84.351	NYS ED			—	—
English Language Acquisition Grants	84.365	NYS ED	1R4142A 01, 1R4151A 01, 1R4151C 01, 1R4164A 01, 2R4142A 01, 2R4151A 01, 2R4151C 01, 2R4164A 01	33,892	—	—
Supporting Effective Instruction State Grants	84.367	NYS ED	0R2664A 01, 1R2640A 01, 1R2651A 01, 1R2664A 01, 2R2651A 01, 2R2651B 01, 2R2651C 01, 2R2664A 01, 5R2651A 01	56,030	—	—
Teacher and School Leader Incentive Grants	84.374	Direct Federal		2,766	—	—

THE CITY OF NEW YORK
DEPARTMENT OF EDUCATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 3

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Student Support and Academic Enrichment Program	84.424	NYS ED	1R1951A 01, 1R1951B 01, 1R1964A 01, 2R1951A 01, 2R1951B 01,	\$ 54,772	\$ —	\$ —
COVID-19 Education Stabilization Fund - GEER	84.425C	NYS ED	5895211729	9,085	—	—
COVID-19 Education Stabilization Fund - ESSER	84.425D	NYS ED	5890211729	45,850	—	—
COVID-19 Education Stabilization Fund - ESSER II	84.425D	NYS ED	5891210001, 5891210002, 5891210003	1,233,906	—	—
COVID-19 Education Stabilization Fund - ARP ESSER	84.425U	NYS ED	5880210001, 5880210002, 5880210003, 5880210004, 5880210005, 5880210006, 5880210007	1,474,397	—	—
Total U.S. Department of Education				4,030,157	—	—
U.S. Department of Health & Human Services						
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	Direct Federal		798	—	—
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		4,246	—	—
<i>Head Start Cluster - Head Start</i>	93.600	Direct Federal		56,572	—	—
<i>Medicaid Cluster - Medical Assistance Program (New Medicaid)</i>	93.778	NYS DOH	N/A	73,500	—	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	C004357, 1R2251A 01, 2R2251A 01	12,224	—	—
Total U.S. Department of Health & Human Services				147,340	—	—
U.S. Department of Homeland Security						
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES		24,052	—	—
Total U.S. Department of Homeland Security				24,052	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 4,860,705	\$ —	\$ 55,995

The accompanying Introduction to Exhibits - Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule.

THE CITY OF NEW YORK
ECONOMIC DEVELOPMENT CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 4

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Housing and Urban Development						
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Direct Federal		\$ 7,244	\$ —	\$ —
<i>CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster - Hurricane Sandy</i> Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.269	Direct Federal		6,441	—	—
Total U.S. Department of Housing and Urban Development				13,685	—	—
U.S. Department of Transportation						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Direct Federal		545	—	—
National Infrastructure Investments	20.933	Direct Federal		2	—	—
Total U.S. Department of Transportation				547	—	—
U.S. Department of Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		95,277	—	—
Total U.S. Department of Treasury				95,277	—	—
U.S. Environmental Protection Agency						
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct Federal		58	—	—
Total U.S. Environmental Protection Agency				58	—	—
U.S. Department of Homeland Security						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES		174,825	—	—
Total U.S. Department of Homeland Security				174,825	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 284,392	\$ —	\$ —

The accompanying Introduction to Exhibits - Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule.

THE CITY OF NEW YORK
NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 5

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Environmental Protection Agency						
<i>Clean Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Clean Water State Revolving Fund	66.458	NYS EFC	CS - 36000021	\$ 106,357	\$ —	\$ —
Storm Mitigation Loan Program For Clean Water State Revolving Fund	66.482	NYS EFC	3W - 36000314	67,622	—	—
<i>Total Clean Water State Revolving Fund Cluster</i>				173,979	—	—
<i>Drinking Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Drinking Water State Revolving Fund	66.468	NYS EFC	FS - 99290521	75,864	—	—
Storm Mitigation Loan Program For Drinking Water State Revolving Fund	67.483	NYS EFC	3F - 96283014	9,539	—	—
<i>Total Drinking Water State Revolving Fund Cluster</i>				85,403	—	—
Total U.S Environmental Protection Agency				259,382	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 259,382	\$ —	\$ —

* Catalog of Federal Domestic Assistance

** The schedule of expenditures of federal awards presented is based on NYS EFC's fiscal year 2022.

See accompanying Notes to Consolidated Schedule of Expenditures of Federal Awards.

The accompanying Introduction to Exhibits - Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule.

THE CITY OF NEW YORK
District Attorney's Office of New York - Equitable Sharing Agreement
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022
(In Thousands)

Exhibit 6

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Justice Equitable Sharing Program	16.922	Direct Federal		\$ 34,664	\$ —	\$ —
U.S. Treasury Equitable Sharing Program	21.016	Direct Federal		\$ 11,831	\$ —	\$ —
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 46,495	\$ —	\$ —

The accompanying Introduction to Exhibits - Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

To the People of The City of New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The City of New York ("The City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated October 27, 2022.

Our report includes a reference to other auditors who audited the financial statements of those entities disclosed in Note E.1 to the financial statements, as described in our report on The City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Further, the financial statements of the Hudson Yards Development Corporation, Brooklyn Public Library, New York City School Construction Authority, New York City Housing Development Corporation, Queens Borough Public Library, Brooklyn Bridge Park Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Support Services, Inc., New York City Transitional Finance Authority, Sales Tax Asset Receivable Corporation, and TSASC, Inc. were not audited in accordance with *Government Auditing Standards*.

Report on internal control over financial reporting

In planning and performing our audit of the financial statements, we considered The City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The City's internal control. Accordingly, we do not express an opinion on the effectiveness of The City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies,

in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether The City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

New York, New York

October 27, 2022, except for the Consolidated Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State of New York Department of Transportation Assistance Award Program, which is as of March 31, 2023

GRANT THORNTON LLP

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the People of The City of New York:

Report on compliance for each major federal program

Qualified and unmodified opinions

We have audited the compliance of The City of New York (“The City”) with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* that could have a direct and material effect on each of The City’s major federal programs for the year ended June 30, 2022. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Qualified opinion on HOME Investment Partnerships Program, Housing Opportunities for Persons with AIDS and Child Care and Development Block Grant

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, The City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the HOME Investment Partnerships Program, Housing Opportunities for Persons with AIDS, and Child Care and Development Block Grant for the year ended June 30, 2022.

Unmodified opinion on each of the other major federal programs

In our opinion, The City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for qualified and unmodified opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of The City's compliance with the compliance requirements referred to above.

Matters giving rise to qualified opinion on HOME Investment Partnerships Program, Housing Opportunities for Persons with AIDS, and Child Care Development Block Grant

As described in the accompanying schedule of findings and questioned costs, The City did not comply with requirements regarding FAL #14.239 HOME Investment Partnerships Program as described in finding numbers 2022-011 for Special Tests and Provisions and 2022-012 for Allowable Costs and Eligibility, FAL #14.241 Housing for Persons with AIDS as described in finding numbers 2022-007 for Reporting and 2022-013 for Eligibility, and FAL #93.575 Child Care and Development Block Grant as described in finding number 2022-015 for Allowable Costs and Eligibility.

Compliance with such requirements is necessary, in our opinion, for The City to comply with the requirements applicable to that program.

Other matter – federal expenditures not included in the compliance audit

Our audit of, and opinion on, The City's compliance for each major federal program includes the major programs of The City of New York Health and Hospitals Corporation, The City of New York Department of Education, the New York City Economic Development Corporation, and New York City Municipal Water Finance Authority, and does not include the major programs associated with federal award expenditures, if any, of those entities listed in Note E.1 to The City's financial statements, other than as listed above. Those entities that may have expended federal awards for the year ended June 30, 2022 are not covered by this report because those entities engaged other auditors to audit their compliance with the types of compliance requirements described in the OMB Compliance Supplement.

Responsibilities of management for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to The City's federal programs.

Auditor's responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other matters

The results of our audit procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004, 2022-005, 2022-006, 2022-008, 2022-009, 2022-010, 2022-014, and 2022-016. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on The City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on The City's response.

Report on internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is

a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2022-007, 2022-011, 2022-012, 2022-013, and 2022-015 that we consider to be material weaknesses in The City's internal control over compliance. We also identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2022-005, 2022-009, 2022-010, 2022-014, and 2022-016, that we consider to be significant deficiencies in The City's internal control over compliance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on The City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on The City's response.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

New York, New York
March 31, 2023

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over each major program:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for the major programs:

HOME Investment Partnerships Program, Housing Opportunities for Persons with AIDS, and Child Care and Development Block Grant	Qualified
Other major federal programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Subpart F, section 200.516(a) of the Uniform Guidance? yes no

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

IDENTIFICATION OF MAJOR FEDERAL PROGRAMS:

Federal Grantor/Program Title	Federal Assistance Listing Number
Department of Agriculture:	
Special Supplemental Nutrition Program for Woman, Infants, and Children	10.557
Child and Adult Care Food Program	10.558
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561
Department of Housing and Urban Development:	
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228
Emergency Solutions Grants Program	14.231
Home Investment Partnerships Program	14.239
Housing Opportunities for Persons with AIDS	14.241
Department of Justice:	
Equitable Sharing Program	16.922
Department of Labor:	
<i>WIOA Cluster:</i>	
WIOA Adult Program	17.258
WIOA Youth Activities	17.259
WIOA Dislocated Workers Formula Grants	17.278
Department of Transportation:	
<i>Highway Planning and Construction Cluster:</i>	
Highway Planning and Construction	20.205
Treasury:	
Coronavirus Relief Fund	21.019
Emergency Rental Assistance Program	21.023
Coronavirus State and Local Fiscal Recovery Funds	21.027

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

New York City Department of Education (“DOE”)

Finding #: 2022-001

Funding Year(s): 9/1/2020 – 8/31/2022

Title I Grants to Local Educational Agencies (FAL #84.010)

Contract Numbers: 1R4551J01, 1R4551M01, 1R4510M01, 1R4511L01, 1R4519F01

Career & Technical Education - Basic Grants to States (FAL #84.048)

Contract Numbers: 1R0551A01, 1R0579A01

Twenty-First Century Community Learning Centers (FAL #84.287)

Contract Numbers: 1R3902A01, 1R3907A01, 1R3912A01, 1R3918A01, 1R3920A01, 1R3930A01, 1R3903A01, 1R3925A01

English Language Acquisition Grants (FAL #84.365)

Contract Number: 1R4142A01, 1R4151A01, 1R4164A01

Supporting Effective Instruction State Grant (FAL #84.367)

Contract Numbers: 1R2664A01

Student Support and Academic Enrichment (FAL #84.424)

Contract Numbers: 1R1951A01, 1R1951B01

Pass-Through Agency: New York State Department of Education

Federal Agency: U.S. Department of Education

Type of Finding: Reporting Compliance

Criteria:

As stipulated by the New York State Education Department (“NYSED”) Fiscal Guidelines for Federal and State Grants, program recipients are required to submit to NYSED a signed copy of the Final Expenditure Report for a Federal Project (“FS-10F”) within 90 days following the end of the grant award period.

Condition/Context:

Of the sixty-six (66) FS-10F reports submitted by the DOE during fiscal year 2022, we selected a sample of twenty-six (26) FS-10F reports and found that twenty-one (21) of the reports tested were submitted after the required due date, as follows:

- Title I Grants to Local Educational Agencies (FAL #84.010): of the nine (9) FS-10F reports tested, five (5) reports were submitted between 70 and 126 days late.
- Career & Technical Education - Basic Grants to States (FAL #84.048): of the two (2) FS-10F reports tested, such reports were submitted between 21 and 43 days late.
- Twenty-First Century Community Learning Centers (FAL #84.287): of the eight (8) FS-10F reports tested, such reports were submitted between 3 and 36 days late.
- English Language Acquisition Grants (FAL #84.365): of the three (3) FS-10F reports tested, such reports were submitted between 70 and 123 days late.
- Supporting Effective Instruction State Grants (FAL #84.367): of the two (2) FS-10F reports tested, one (1) report was submitted 123 days late.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

- Student Support and Academic Enrichment (FAL #84.424): of the two (2) FS-10F reports tested, such reports were submitted between 112 and 123 days late.

Cause/Effect:

We were informed that due to open encumbrances which had not been fully liquidated by the FS-10F due date, the DOE was unable to complete and submit the FS-10F financial reports within the stipulated 90-day period, thus resulting in late-filed reports.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This finding is similar to finding #2021-001, included on pages 228 and 229 of the Fiscal 2021 Single Audit report.

Recommendation:

We recommend the DOE consider establishing procedures and operational practices whereby disposition of open encumbrances is accelerated such that all FS-10F expenditure reports are prepared and submitted within the required 90-day timeframe.

Views of Responsible Official:

The DOE continues to recognize the importance of fiscal reporting requirements and has developed and maintains processes and procedures to monitor grant award programs with respect to the timely submission of Final Expenditure Reports (“FS-10F”). In addition to the established measures taken in prior years, for FY21 and FY22 a new report listing encumbrances open in excess of 29 days was developed by the Division of Financial Operations (“DFO”), System Development and Support, in conjunction with the Office of Revenue Operations (“ORO”) and contains separate tabs reflecting whether a good or service has received, partially received, certified or received in full. This report has been placed on the Cognos menu of each of Field Support Centers to assist in identifying bottlenecks and obstacles that need to be addressed. We had hoped that that as program staff become familiar with this report it would serve as a tool for addressing open items. Unfortunately, large staff turnover hampered this effort.

The DOE reviews programs/schools throughout the award and re-enforces established reporting guidelines to facilitate timely submission of expenditure reports. The DOE continues to closely track grant expenditures throughout the grant period, monitoring programs/schools to facilitate accurate and complete records, as well as work with appropriate State Education officials to facilitate the completion and submission of financial expenditure reports.

The DOE has incorporated applicable deadlines related to encumbrances and payment certifications into the Fiscal 2023 close calendar in an effort to continue to reinforce the need for the timely payment and/or takedown of open encumbrances. This message is regularly stressed at close meetings and through e-mails to applicable parties throughout the course of the close process.

With respect to the audit finding, the DOE will reemphasize the importance of closing applicable transactions to facilitate timely submission of FS-10F reports.

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022**

New York City Police Department (“NYPD”)

Finding #: 2022-002

Funding Year(s): 7/1/2021-6/30/2022

Port Security Grant Program (FAL #97.056)

Contract Number: EMW-2015-PU-APP-00314, EMW-2017-PU-00122

Federal Agency: U.S. Department of Homeland Security

Type of Finding: Equipment and Real Property Management - Compliance and Internal Control (Control Deficiency)

Criteria:

As stipulated by 2 CFR sections 200.313(d)(2), a physical inventory of property and equipment acquired under a federal award must be taken, and the results reconciled with the property records, at least once every two years.

Condition/Context:

The New York City Police Department (“NYPD”) utilizes the City’s Grants Tracking System (“GTS”), a citywide web-based inventory program, designed to standardize the tracking of federally funded equipment. Further, NYPD Command-designated grants coordinators are responsible for monitoring the equipment and updating the inventory on a periodic basis in accordance with federal guidelines. The NYPD Grants Unit periodically generates an inventory listing from GTS that includes the biennial inventory count due date for each item and distributes it to the assigned NYPD Command designated grant coordinators to ensure the inventory count is conducted timely and in accordance with federal requirements. After the completion of biennial inventory count, the NYPD Command-designated grants coordinators update the inventory count information to GTS.

From a haphazard sample of twenty (20) pieces of equipment subjected to testing, we identified three (3) items where the NYPD Command-designated grants coordinators were unable to support that a physical inventory count was conducted within the required two-year period as of June 30, 2022.

Cause/Effect:

During 2021, the Grants Tracking System was upgraded and the most recent inventory entry and the original acquisition information were migrated to the new system. However, inventory entries performed between acquisition and the most recent inventory entry were not migrated. As per the Office of Management and Budget (OMB), the citywide GTS is the record for all grant-related inventory information. The NYPD does not maintain a separate inventory tracking mechanism. As a result, NYPD could not provide documentation that they complied with 2 CFR sections 200.313(d)(2) as of year-end for three (3) pieces of equipment selected. Inventory counts that are not completed within the required timeframe could result in federally funded equipment being inaccurately recorded on the inventory records and not discovered and corrected timely.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This finding is similar to finding #2021-003 included on pages 232 through 233 of the Fiscal 2021 Single Audit report.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

Recommendation:

We recommend that NYPD strengthen controls over the inventory process to ensure biennial inventory counts for all equipment are consistently performed and documented within the required timeframe, and that such documentation is properly maintained.

Views of Responsible Official:

Since the original finding in the FY2020 Single Audit, the NYPD has and continues to implement policies and procedures to ensure there are multiple levels of inventory asset verification and validation are completed in accordance with Federal requirements. The Grants Unit works closely with project managers to ensure they have continued access to the Grant Tracking System (GTS) and provide hands on training on the system. As previously mentioned, GTS has been updated, and access has been provided to at least two individuals within each command to ensure compliance and redundancy. The newer version of GTS will automatically email the project manager for each individual item that needs to be inspected and checked into the system at least 1 month prior to the expiration of the inventory due date. The Grant Units is also notified of this upcoming deadline and a follow up email is sent to the project manager again. In addition, on a regular basis, the Grants Unit manager will email the command points of contact reminding them of their Asset Inventory requirement as a follow up to the alerts automatically received from GTS.

For the 3 items referenced above, an inventory verification was performed February 25, 2021. While the NYPD was unable to provide confirmation of a biannual inventory between the purchase date (April 2018 and May 2018) and a prior inventory date, we can confirm these assets were inventoried in November 2022. In addition, all assets currently listed in GTS are currently up to date and have been so since the FY2020 Single audit. Because all equipment entries are now being monitored regularly by the Grants Unit, in addition to the individual commands receiving automatic emails instructing them to update their inventory, we do not anticipate any further Inventory Verification issues as long as the period referenced is after February 2021.

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022**

New York City Department of Human Resources Administration (“HRA”)

Finding #: 2022-003

Funding Year(s): 1/22/2021 – 1/21/2023

Emergency Solutions Grants Program (FAL #14.231)

Contract Number: E20MC360104

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Special Tests and Provisions - Compliance and Internal Control (Control Deficiency)

Criteria:

Per 24 CFR Section 576.203(a)(2), within 180 days after the date that HUD signs the grant agreement with the metropolitan city, urban county, or territory, the recipient must obligate all the grant amount, except the amount for its administrative costs. Total grant award obligations are required to be reported to HUD through the Integrated Disbursement and Information System (“IDIS”), using a PR-91 ESG Financial Summary Report.

Condition/Context:

HUD signed HRA’s Emergency Solutions Grants Program (“ESG”) grant agreement #E20MC360104 on January 21, 2021, and as such the total grant amount was required to be obligated by July 20, 2021. Per the PR-91 ESG Financial Summary Report submitted by HRA through IDIS on October 12, 2021, \$202,222 of the total \$14,657,037 award had not been obligated by the required due date.

Cause/Effect:

While HRA has policies and procedures in place regarding the review and approval of the PR-91 ESG Financial Report, this process did not include a comprehensive review to ensure that HRA obligated all grant funding within the required timeframe prior to submission. As such, this resulted in HRA’s non-compliance.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that HRA strengthen their internal controls over the special tests and provisions process to ensure all grant amounts are obligated within the required 180-day timeframe, and that the obligation is properly reviewed prior to the PR-91 ESG Financial Report submission through IDIS.

Views of Responsible Official:

Because the ESG expense construct had to be vetted and approved before obligating the total grant amount, we were unable to do so within the prescribed 180 days. We will ensure in the future that we strengthen our internal controls to ensure that 100% of the total ESG grant amount is obligated within 180 days of the signed grant agreement. This will include an added layer of review by the Associate Commissioner of Homeless Policy and Innovation, who oversees the unit that obligates the funds in IDIS.

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022**

New York City Department of Health and Mental Hygiene ("DOHMH")

Finding #: 2022-004

Funding Year(s): 8/1/2020 – 7/31/2025

HIV Prevention Activities – Health Department Based (FAL #93.940)

Contract Number: 20NU62PS924626

Federal Agency: U.S. Department of Health and Human Services

Type of Finding: Reporting - Compliance and Internal Control (Control Deficiency)

Criteria:

Under the requirements of the Federal Funding Accountability and Transparency Act ("FFATA") (Pub. L. No. 109-282), as amended by Section 6202 of Pub. L. No. 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). The award information must be reported in FSRS no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made.

Condition/Context:

During fiscal year 2022, HIV Prevention Activities awarded a total of two (2) sub-awards that exceeded \$30,000 to one (1) subrecipient. Refer to the table below for results of our testing.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
2	0	2	0	0
Dollar Amount of Tested Transaction	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$6,053,438	N/A	\$6,053,438	N/A	N/A

Cause/Effect:

While DOHMH has established policies and procedures to ensure that the required reports are accurately completed and submitted on a timely basis, we noted oversight on the timely reporting for the subawards. This resulted in DOHMH missing the filing window and failing to submit its subawards in the FSRS system within the stipulated reporting period, no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made.

Questioned Costs:

None identified.

THE CITY OF NEW YORK
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Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that DOHMH strengthen their internal controls over the reporting process to ensure all FFATA reports are submitted within the required timeframe.

Views of Responsible Official:

We agree with the recommendation provided above and have been working on an internal control structure to address the compliance requirements. Subsequently, we will ensure that all FFATA reports are submitted within the required timeframe.

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New York City Department of Health and Mental Hygiene (“DOHMH”)

Finding #: 2022-005

Funding Year(s): 8/1/2020 - 12/31/2022

HIV Prevention Activities – Health Department Based (FAL #93.940)

**Contract Numbers: 5 NU62PS924575-04-00; 5 NU62PS924575-05-00; 1NU62PS924626-01-00;
6NU62PS924626-02-01**

Federal Agency: U.S. Department of Health and Human Services

Type of Finding: Subrecipient Monitoring - Compliance and Internal Control (Significant Deficiency)

Criteria:

The subrecipient monitoring requirements of 2 CFR 200.332(d) stipulate that pass-through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals.

Condition/Context:

During fiscal 2022, DOHMH passed through federal funding to one subrecipient. We selected this subrecipient for testing and noted that DOHMH did not perform any of the required monitoring procedures in accordance with 2 CFR 200.332(d).

Cause/Effect:

While DOHMH has established procedures to comply with certain aspects of the subrecipient monitoring compliance requirements, such procedures did not include performing on-site reviews or similar alternate procedures that would allow DOHMH to properly oversee and evaluate the subrecipients’ compliance with the requirements of the subaward. Without proper monitoring procedures, DOHMH may not have the appropriate amount of information to ensure the subrecipient is being used in accordance with Federal guidelines and the terms of the subaward.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that DOHMH create a comprehensive internal control structure which ensures that all subrecipient compliance requirements are being met, including performing appropriate monitoring procedures to ensure each subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves the performance goals of the subaward.

Views of Responsible Official:

We agree with the recommendation provided above and have been working on an internal control structure to address the compliance requirements. Subsequently, we have created a site visit schedule with PHS this fiscal year and revised the site visit tool. The current site visit for this portfolio is scheduled for 4/1/23. Moving forward, we will continue work on a yearly site visit schedule with PHS in a timely manner.

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New York City Department of Health and Mental Hygiene ("DOHMH")

Finding #: 2022-006

Funding Year(s): 7/1/2021 – 6/30/2022

Public Health Emergency Preparedness (FAL #93.069)

Contract Numbers: NU90TP922035

Federal Agency: U.S. Department of Health and Human Services

Type of Finding: Level of Effort – Compliance and Internal Control (Control Deficiency)

Criteria:

The 2 CFR section 200.514(d)(3) states that for those federal programs not covered in the compliance supplement the auditor must use the types of compliance requirements contained and described in Part 3 of the compliance supplement as guidance for identifying the types of compliance requirements to test, and determine the requirements governing the federal program by reviewing the provisions of the federal award or pass-through agency sub-award, and the laws and regulations referred in such awards.

As stipulated by Public Health Solutions ("PHS"), the pass-through agency, in its sub-award agreement, Awardees must maintain non-federal expenditures for health-care preparedness and public health security at a level that is not less than the average level of such non-federal expenditures maintained by the awardee for the preceding two-year (2) period.

Condition/Context:

We noted that total Public Health Emergency Preparedness ("PHEP") non-federal expenditures for the current year were below the average level of non-federal expenditures for the preceding two-year (2) period. Non-federal expenditures to the program for FY2022 totaled \$2,091,743; whereas the average non-federal expenditures for FY2020 & FY2021 totaled \$2,482,528.

Cause/Effect:

While DOHMH has a process in place to track and calculate non-federal expenditures for health-care preparedness and public health security, they did not consistently ensure progressive non-federal expenditures were adequately meeting the appropriate level of effort requirements. As a result, total programmatic non-federal expenditures for the year totaled less than the level of effort requirement.

Questioned Costs:

None identified

Identification as a Repeat Finding:

This is not a repeat finding

Recommendation:

We recommend that DOHMH strengthen their internal controls regarding compliance surrounding the level of effort requirements, including the appropriate tracking of progressive non-federal expenditures to ensure programmatic level of effort requirements are met.

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Views of Responsible Official:

DOHMH's Office of Emergency Preparedness and Response (OEPR) and Division of Finance are in agreement with the recommendations. Non-compliance with the level of effort requirement occurred because the agency received additional federal funds as part of the American Rescue Plan and utilized those funds to cover city tax levy costs in FY22. This was a one-time offset.

In addition to strengthening and maintaining internal controls, DOHMH plans to revisit how maintenance of effort is calculated for the PHEP award, as it is currently calculated using a 15-year-old formula that has not been tweaked to ensure it accurately captures health care preparedness and public health security spending. DOHMH will close out a 5-year project period on the PHEP award in 2024 and plans to revisit the current maintenance of effort formula in advance of applying for the new project period.

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New York City Department of Health and Mental Hygiene ("DOHMH")

Finding #: 2022-007

Funding Year(s): 4/1/2021 – 3/31/2022

Housing Opportunities for Persons with AIDS (HOPWA) (FAL #14.241)

Contract Number: NYH21F002

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Reporting – Material Noncompliance and Internal Control (Material Weakness)

Criteria:

Under the requirements of the Federal Funding Accountability and Transparency Act ("FFATA") (Pub. L. No. 109-282), as amended by Section 6202 of Pub. L. No. 110-252 (the "Transparency Act") that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). The award information must be reported in FSRS no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made.

Condition/Context:

During fiscal year 2022, DOHMH awarded a total of four (4) sub-awards that exceeded \$30,000 to three (3) separate subrecipients. We noted that none of these sub-awards were reported in the FSRS system.

Cause/Effect:

While DOHMH has processes in place to ensure the SAM (System for Award Management) registrations for grant awards are registered under the correct entity, during fiscal 2022, due to management oversight, the SAM registration for this program was not properly processed. The HOPWA agreement was registered under The City of New York, rather than DOHMH, which resulted in DOHMH's inability to submit information to the FSRS system for FFATA reporting, and therefore, they did not submit any of the required reports related to their fiscal 2022 HOPWA awards.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that DOHMH strengthen their processes and internal controls over reporting to ensure all FFATA reports are submitted within the required timeframe, including ensuring that the SAM registration process is completed properly under the correct City agency.

Views of Responsible Official:

We agree with the recommendation provided above and have been working on an internal control structure to address the compliance requirements. Subsequently, we will ensure that the HOPWA agreement includes DOHMH SAM.gov registration moving forward and FFATA reports are submitted within the required timeframe.

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New York City Department of Housing Preservation and Development (“HPD”)

Finding #: 2022-008

Funding Year(s): 12/18/2018 - 09/01/2027

HOME Investment Partnership Program (FAL #14.239)

Contract Number: M-18-MC-36-0204; M-19-MC-36-0204

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Special Tests and Provisions Compliance

Criteria:

During the period of affordability for which the non-Federal entity must maintain subsidized housing for the HOME-assisted rental housing program, the participating jurisdiction must perform on-site inspections at least once every three (3) years to determine compliance with Housing Quality Standards (24 CFR sections 92.209(i), 92.251(f), and 92.504(d)). Furthermore, for any failed inspections, the appropriate repairs to bring the building into compliance must be performed timely.

Condition/Context:

HPD has policies and procedures in place to identify units which require Housing Quality Standards inspections and performs inspections of these units to help ensure that any needed repairs are completed within the stipulated timeframe. For those units in need of repairs, HPD’s policy requires that repairs be completed within 90 days after the initial inspection and supported by a Certificate of Repairs form. In accordance with the individual agreements between HPD and the Sponsors of the respective housing projects, the Sponsors are responsible for maintaining compliance with the Housing Quality Standards, and HPD inspections are conducted to help ensure the respective Sponsors are maintaining compliance. Additionally, there are clauses within the individual agreements between HPD and the Sponsor which allows HPD to exercise remedies such as restricting funding to Sponsors who do not comply with the Housing Quality Standards.

Our procedures identified six (6) instances from a sample of forty (40), where the necessary repairs were not made by the Sponsors within the stipulated 90-day period.

Cause/Effect:

While HPD conducts monitoring procedures to help ensure that Housing Quality Standards are maintained and, when necessary, related repairs are performed by the respective Sponsors within the prescribed 90-day timeframe, we noted that the necessary repairs were not consistently completed within the stipulated timeframe or not completed at all. Incomplete and/or repairs that do not meet the stipulated completion timeframe could result in Sponsored projects not maintaining the appropriate quality of living conditions for tenants and, therefore, not comply with the applicable Housing Quality Standards.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

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Recommendation:

While contract provisions between HPD and the respective Sponsors permit HPD to exercise remedies, which may include the withdrawal of future funding, HPD did not elect to exercise any such remedies. Accordingly, we recommend that HPD continue to strengthen its monitoring of Sponsors in connection with housing quality inspections and determine, on a case-by-case basis, whether to exercise appropriate remedies in accordance with contract provisions or consider documenting its rationale for not doing so.

Views of Responsible Official:

The Department of Housing Preservation and Development (HPD) continues to maintain processes and procedures supporting compliance with Housing Quality (HQ) inspection standards. HPD routinely conducts HQ inspections of HOME Investment Partnership Program assisted rental units and continues to maintain systems to facilitate and promote compliance with HOME inspection requirements; HPD inspects HOME units periodically and follows up on failed inspections routinely.

Further, HPD continues to review program requirements and operations to enhance program oversight and ensure the timeliness of repairs. As part of HPD's ongoing effort to accomplish complete and timely repairs of all HOME units, building owners are notified of failed inspections, and regularly provided with detailed reports identifying non-compliant conditions.

HPD also continues to impress upon owners the critical importance of completing timely repairs of all HOME units. Building owners are notified of failed inspections and provided detailed reports regularly, identifying non-compliant conditions. With respect to the finding, HPD recognizes that in six (6) instances, the Certification of Repair was not submitted within the 90-day timeframe. HPD will continue to follow-up with the owner(s) until all required repairs are certified as complete.

In addition, HPD will consider, on a case-by-case basis, documenting its rationale for not exercising extreme remedies (such as withdrawal of future funding) for failure to complete repairs within the 90-day cure period.

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New York City Department of Investigation (“DOI”)

Finding #: 2022-009

Funding Year(s): 7/1/2021 – 6/30/2022

Equitable Sharing Program (FAL #16.922)

Contract Numbers: N/A

Federal Agency: U.S. Department of Justice

**Type of Finding: Equipment and Real Property Management - Compliance and Internal Control
(Significant Deficiency)**

Criteria:

In accordance with 2 CFR section 200.313(d)(1), property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

Additionally, as stipulated by 2 CFR section 200.313(d)(2), a physical inventory of property and equipment acquired under a federal award must be taken, and the results reconciled with the property records, at least once every two years.

Also, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

Condition/Context:

From a non-statistical sample of forty (40) pieces of equipment subjected to testing, we identified the following errors:

- Seven (7) pieces of equipment were disposed of in fiscal 2019 but the disposition data was not properly updated and the equipment was not removed from the active inventory listing.
- For seven (7) pieces of equipment, DOI was unable to provide evidence that a physical inventory and reconciliation back to property records was performed and documented within the required two-year timeframe.
- For all forty (40) pieces of equipment, DOI was unable to provide supporting documentation that a review and approval of the inventory had taken place at the time the inventory was conducted.

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Cause/Effect:

While DOI had certain procedures in place to monitor their equipment purchased with Federal funding, such procedures were not adequate to ensure that each aspect of the equipment and real property management compliance requirements were performed and documented within the requirement timeframe, which resulted in the findings noted above. Without the appropriate internal controls and monitoring procedures in place, federally funded equipment could be inaccurately recorded on inventory records and not discovered and corrected timely, inventory could be misplaced, misappropriated, or otherwise disposed of outside of the requirements of the federal guidelines

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding

Recommendation:

We recommend that DOI strengthen controls over the inventory process to ensure dispositions of equipment are updated in the equipment records, inventories performed are reconciled back to equipment records, biennial inventory counts are consistently performed over all equipment within the required timeframe, and that the review and approval of each inventory performed is appropriately documented.

Views of Responsible Official:

Based on the recommendations outlined in the audit report, we have developed the following corrective action plan to address the deficiencies and improve our equipment and real property management compliance requirements.

The following steps will be taken:

- **Strengthen Controls over the Inventory Process:** We will develop and implement additional controls over the inventory process to ensure that equipment dispositions are updated in the equipment records, inventories performed are reconciled back to equipment records, and biennial inventory counts are consistently performed over all equipment within the required timeframe.
- **Develop and Implement a Standard Operating Procedure:** We will develop and implement a standard operating procedure that outlines the process for conducting physical inventory counts, reconciling the inventory records with the equipment records, and documenting the review and approval of each inventory performed.
- **Training for Personnel:** We will provide training to all personnel involved in the equipment and real property management process, including property officers and program managers, to ensure they are aware of the new controls and standard operating procedure, and understand their roles and responsibilities related to compliance requirements.
- **Continuous Monitoring:** We will implement a continuous monitoring program to ensure that the new controls and procedures are being followed, and to identify any areas for improvement.

The agency is actively pursuing a centralized inventory management system to improve the effectiveness of inventory management. These corrective actions will help to ensure that federally funded equipment is accurately recorded on inventory records, and that inventory is not misplaced, misappropriated, or otherwise disposed outside of the requirements of federal guidelines.

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We appreciate the opportunity to address the audit findings, and we are committed to implementing these corrective actions.

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New York City Police Department (“NYPD”)

Finding #: 2022-010

Funding Year(s): 7/1/2021 – 6/30/2022

Equitable Sharing Program (FAL #16.922)

Contract Numbers: N/A

Federal Agency: U.S. Department of Justice

**Type of Finding: Equipment and Real Property Management - Compliance and Internal Control
(Significant Deficiency)**

Criteria:

As stipulated by 2 CFR section 200.313(d)(2), a physical inventory of property and equipment acquired under a federal award must be taken, and the results reconciled with the property records, at least once every two (2) years.

Also, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

Condition/Context:

From a non-statistical sample of four (4) pieces of equipment subjected to testing, we identified that NYPD was unable to provide supporting documentation that a review and approval of the inventory had taken place at the time the inventory was conducted for all items selected for testing.

Cause/Effect:

While NYPD had certain procedures in place to monitor their equipment purchased with Federal funding, such procedures were not adequate to ensure that each aspect of the equipment and real property management compliance requirements were documented, which resulted in the finding noted above. Without the appropriate internal controls and monitoring procedures in place, federally funded equipment could be inaccurately recorded on inventory records and not discovered and corrected timely, inventory could be misplaced, misappropriated, or otherwise disposed of outside of the requirements of the federal guidelines

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding

Recommendation:

We recommend that NYPD strengthen controls over the inventory process to ensure that the review and approval of each inventory performed is appropriately documented.

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Views of Responsible Official:

The NYPD has, and continues to, implement policies and procedures to ensure that there are multiple levels of inventory asset verification and validation completed in accordance with Federal requirements. To that end, the NYPD is in the midst of discussions to utilize the NYPD's Grants Unit's Grants Tracking System (GTS) for equipment purchased with Asset Forfeiture funds. Currently, the GTS only tracks the inventory for a subset of equipment purchased with federal grant funding. While these discussions have not yet been finalized, the GTS has the ability to provide the type of robust inventory oversight necessary. This includes features such as an automatic email to the command points of contact (POC) for each item that needs to be inspected and checked into the system at least one month prior to the expiration of the inventory due date. If this solution is not deemed feasible, however, the NYPD will look to obtain a system exclusively for Asset Forfeiture item inventorying purposes. In addition, on a regular basis, the Management and Budget Analysis Unit will email the command POCs reminding them of their Asset Forfeiture Inventory responsibilities.

For the four items referenced above, inventory verifications were indeed performed; however, the NYPD was unable to provide tangible date-specific documentation. As such, a standardized protocol is being developed for use by all commands with Asset Forfeiture equipment items to ensure that this documentation will exist going forward, and will be distributed upon any new Asset Forfeiture equipment purchases. In addition, this documentation will be the basis for updates/entries into the GTS or any other future system.

Once the standardized protocol and systems are fully established, we do not anticipate any further Inventory Verification issues as long as the period referenced is after implementation.

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New York City Human Resources Administration (“HRA”)

Finding #: 2022-011

Funding Year(s): 10/19/2017-9/1/2025

HOME Investment Partnerships Program (FAL #14.239)

Contract Numbers: M-17-MC-36-0204

Federal Agency: U.S. Department of Housing and Urban Development (“HUD”)

Type of Finding: Special Tests and Provisions Material Non-Compliance and Internal Control (Material Weakness)

Criteria:

Per 24 CFR sections 92.504(d) all housing occupied by tenants receiving HOME tenant-based rental assistance must meet the standards in 24 CFR 982.401 or the successor requirements as established by HUD. The participating jurisdiction must perform annual on-site inspections of rental housing occupied by tenants receiving HOME-assisted TBRA to determine compliance with these standards.

Additionally, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

Condition/Context:

HRA has policies and procedures in place to identify the units which require Housing Quality Standards inspections and performs inspections of these units to help ensure that any needed repairs are completed within the stipulated timeframe. For those units in need of repairs, HRA policy requires that repairs be completed within 30 days after the initial inspection and supported by a Certificate of Repairs form. In accordance with the individual agreements between HRA and the landlords of the units receiving Tenant Based Rental Assistance, the landlords are responsible for maintaining compliance with the Housing Quality Standards, and HRA inspections are conducted to help ensure the respective landlords are maintaining compliance. Additionally, there are clauses within the individual agreements between HRA and the landlord which allows HRA to exercise remedies such as restricting funding to landlords who do not comply with the Housing Quality Standards.

We selected a non-statistical sample of forty (40) units inspected during FY2022 and found that twenty-one (21) of the selections had errors as follows:

- For eleven (11) of twenty-one (21), HRA was not able to provide a copy of the certification of repairs issued by the landlord noting when the repair was made to correct the issues identified in the failed inspection.
- For five (5) of twenty-one (21), the necessary repairs were not made by the landlord within the stipulated 30-day period. For all five (5) of these instances, HRA forwarded a Notification of Failure describing the findings and a reminder that the landlord had 30 days to submit a Certification of Repairs form.
- For two (2) of twenty-one (21), HRA was not able to provide a copy of the Notification of Failure submitted to the landlord to notify them of the failed inspection, reminding the landlord that they had 30 days to submit a Certification of Repairs form.
- For five (5) of twenty-one (21), HRA was not able to provide support noting that the initial inspection failure was dismissed and repairs were no longer necessary.

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- For one (1) of twenty-one (21), HRA was not able to provide a copy of the inspection reports completed by a certified inspector.

Cause/Effect:

While HRA conducts monitoring procedures to help ensure that Housing Quality Standards are maintained and, when necessary, related repairs are performed by the respective landlords within the prescribed 30-day timeframe, we noted the following:

- A comprehensive review and internal control process was not consistently performed and documented to ensure the appropriate evidence was maintained to support the units were compliant with the applicable Housing Quality Standards.
- Necessary repairs were not completed at all, or evidence of the repairs was unable to be provided. Incomplete and/or repairs that do not meet the stipulated completion timeframe could result in landlords not maintaining the appropriate quality of living conditions for tenants and, therefore, not comply with the applicable Housing Quality Standards.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that HRA strengthen its monitoring of landlords in connection with housing quality inspections and determine, on a case-by-case basis, whether to exercise appropriate remedies in accordance with contract provisions or consider documenting its rationale for not doing so. Additionally, we recommend that HRA strengthen their internal controls governing the Housing Quality Standards process, including ensuring that appropriate documentation is maintained to ensure compliance with the Housing Quality Standards.

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Views of Responsible Official:

HRA is committed to better understand the Housing Quality Standards (HQS) inspection process and strengthen our monitoring to ensure future compliance.

Corrective Actions:

- Hire an Executive Director for the TBRA.
- Advance HRA understanding of the inspection process, deliverables and compliance including intentional notifications and requesting, collecting, and maintaining of documentation.

Review and update, as determined, HRA procedures to strengthen monitoring of HQS inspections and ensure appropriate documentation is maintained.

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New York City Human Resources Administration (“HRA”)

Finding #: 2022-012

Funding Year(s): 10/19/2017-9/1/2025

HOME Investment Partnerships Program (FAL #14.239)

Contract Numbers: M-17-MC-36-0204

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Allowable Costs and Eligibility - Material Noncompliance and Internal Control (Material Weakness)

Criteria:

In accordance with 23 CFR sections 1.9, 172.11(a), 420.113(a), and 630.106(a), costs incurred under federal awards are considered allowable and reimbursable when such costs are deemed necessary and reasonable; incurred subsequent to the date of authorization to proceed and in accordance with the conditions contained in the project agreement and the plans specifications; and, not included as costs used to meet cost sharing or matching requirements, among other things.

As stipulated by 24 CFR §92.209, tenant-based rental assistance (“TBRA”) may only be provided to very low- and low-income families. The participating jurisdiction must determine that the family is very low- or low-income before the assistance is provided. During the period of assistance, the participating jurisdiction must annually determine that the family continues to be low-income. Also, the maximum monthly assistance that a participating jurisdiction may pay to, or on behalf of, a family may not exceed the difference between a rent standard for the unit size established by the participating jurisdiction and 30% of the family's monthly adjusted income. Additionally, the participating jurisdiction must disapprove a lease if the rent is not reasonable, based on rents that are charged for comparable unassisted rental units.

Additionally, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

Condition/Context:

The New York City Human Resources Administration (“HRA”) utilizes the Current System to assess beneficiaries’ eligibility to receive tenant based rental assistance through the HOME Investment Partnerships Program (“HOME”). To assess eligibility, HRA program staff obtain income supporting documentation to determine if the household met the low-income requirement and to calculate the maximum subsidy amount to be paid by HRA. Additionally, a rent reasonableness valuation is performed which compares the current beneficiary’s rent to other rents charged for comparable units to ensure reasonableness. Upon the completion of the eligibility determination by an HRA staff member, a designated program supervisor reviews and approves the eligibility determination, subsidy amount, and tenant share within Current.

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We selected a non-statistical sample of forty (40) rental assistance payments made on behalf of tenants during fiscal 2022 and found that twenty-two (22) of the selections had errors as follows:

- For thirteen (13) of the twenty-two (22) selections, HRA was not able to provide documentation to support the participant's annual income.
- For nine (9) of the twenty-two (22) selections, HRA was also not able to provide the HOME TBRA Certification Information Form, which is utilized to calculate and support HRA's share of the monthly rent to be paid on behalf of the participant.
- For fourteen (14) of the twenty-two (22) selections, HRA was not able to provide documentation to support that a rent reasonableness assessment was performed.
- For four (4) of the twenty-two (22) selections, it was noted that HRA's share of monthly rent was determined to be \$1,729, \$1,778, \$1,544, and \$235, respectively. However, due to manual input errors, the amounts actually paid on behalf of these tenants were \$1,780, \$1,762, \$1,534, and \$176, respectively.
- For one (1) of the twenty-two (22) selections, HRA was unable to provide documentation to support that the eligibility determination and the related calculation was properly reviewed and approved by a supervisor.

Total TBRA payments charged to the grant were \$5,533,841 and total TBRA benefits subjected to testing were \$54,915.

Cause/Effect:

While HRA has a process in place to assess the eligibility of tenants and calculate the monthly TBRA payments on behalf of those tenants to ensure allowability of costs incurred, a comprehensive review was not consistently performed and documented to ensure the appropriate evidence and related approvals were maintained to support those determinations and calculations. As a result, costs were incurred on behalf of certain tenants that may not have met the eligibility requirements, or an incorrect amount may have been paid on their behalf.

Questioned Costs:

Known questioned costs totaled \$18,240.

Identification as a Repeat Finding:

This finding is similar to finding #2021-011, included on pages 249 and 250 of the Fiscal 2021 Single Audit report.

Recommendation:

We recommend that HRA strengthen their internal controls governing the eligibility determination process, including creating a comprehensive review checklist to ensure each tenant meets every eligibility requirement and HRA's portion of the TBRA payments are properly calculated, and that appropriate supervisory review and approval is consistently performed and documented prior to processing payments and charging costs to the grant.

Views of Responsible Official:

HRA agrees that the Agency had challenges in retaining some recertification documentation during the COVID Public Health crisis when staff were working from home and then ultimately leaving the Agency prior to the return to office. The identified HOME TBRA tenants had been originally found eligible over five years ago and have been recertified annually every year following. This FY22 audit was conducted on the heels of the FY21

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For the year ended June 30, 2022

audit where the finding was the same and the recommended Corrective Action was the development of a Quality Assurance Checklist due by November 2022 and ongoing.

HRA agrees to strengthen internal controls and have created and implemented a Quality Assurance Tool that ensure eligibility is accurately assessed, allowable cost is correctly calculated and appropriate evidence (i.e. Recertification Information Form, Proof of Income, Rent Reasonableness Information, Passed Inspection, Landlord Packet, Client Packet, RAC, Tenant Breakdown) that support annual approval is maintained. Also, the payment system already fully requires supervisor approval before annual payments can be set up. Absolutely no payment can go out without supervisor approval.

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022**

New York City Human Resources Administration (“HRA”)

Finding #: 2022-013

Funding Year(s): 7/1/2021 – 6/30/2022

Housing Opportunities for Persons with AIDS (HOPWA) (FAL #14.241)

Contract Numbers: NYH21F002; NYH22F002

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Eligibility - Material Noncompliance and Internal Control (Material Weakness)

Criteria:

As stipulated by 24 CFR Section 574.3, to be eligible to receive HOPWA funded benefits, a participant must be diagnosed with an acquired immunodeficiency syndrome or related diseases and be a low-income individual, as determined by the Secretary of Housing and Urban Development. HRA utilizes the household income of eligible participants to calculate the monthly rental assistance payment to be made on their behalf.

Additionally, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

Condition/Context:

We noted that certain rental assistance payments were calculated using an incorrect household income amount. From a non-statistical sample of forty (40) rental assistance payments made on behalf of tenants during FY2022 that were selected for testing, we identified five (5) exceptions, as follows:

- For one (1) of the selections, HRA utilized household income that was higher than their actual income, which caused HRA’s monthly rental assistance payment for the selected period to be less than it should have been.
- For four (4) of the selections, HRA utilized household income that was lower than their actual income, which caused HRA’s monthly rental assistance payment for the selected period to be higher than it should have been. The excess payments for these selections totaled \$88.

Total rental assistance payments charged to the grant were \$20,870,225 and total HOPWA rent subsidies subjected to testing were \$51,878.

Cause/Effect:

While HRA has a process in place to assess the eligibility of tenants and calculate the monthly rental assistance payments to be made on their behalf, they did not consistently ensure that the household income utilized to calculate the monthly rental assistance payment was accurate. As a result, an incorrect monthly rental assistance amount was paid on behalf of certain tenants.

Questioned Costs:

Known questioned costs totaled \$88.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

Identification as a Repeat Finding:

This finding is similar to finding #2021-012, included on pages 251 and 252 of the Fiscal 2021 Single Audit report.

Recommendation:

We recommend that HRA strengthen their internal controls governing the eligibility process, including ensuring the household income utilized to calculate the monthly rental assistance amount is accurate prior to processing payments and charging costs to the grant.

Views of Responsible Official:

Rental assistance payments made on behalf of tenants residing in supportive housing are calculated by contracted supportive housing vendors, not directly by HRA. On December 20, 2022, agency staff received a formal notice informing them that the agency will cease issuing to clients a notification of their rent payment responsibility for agency-contracted supportive housing programs, as this is the responsibility of the supportive housing vendor. To ensure continual compliance with federal HOPWA grant requirements, HRA will enhance its monitoring of contract vendors during annual monitoring visits. This includes sampling of rent payments made to verify calculation of rent payment is appropriate, payments made are timely, and tenant income documentation is appropriately budgeted in rent payment calculation. Monitoring visits will also include a review of each client's Notice of Rights, which describes rent information, including the client's share, as per the Local Law that went into effect May 9, 2022.

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022**

New York City Human Resources Administration (“HRA”)

Finding #: 2022-014

Funding Year(s): 4/1/2021 – 3/31/2023

Housing Opportunities for Persons with Aids (FAL #14.241)

Contract Numbers: NYH21F002; NYH22F002

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Special Tests and Provisions - Compliance and Internal Control (Significant Deficiency)

Criteria:

All housing that is assisted under specific HOPWA activities per CFR sections 574.300(b) (3), (4), (5), and (8) must meet specific applicable Housing Quality Standards (“HQS”) as outlined in 24 CFR section 574.310(b) determined by on-site inspections.

On May 22, 2020 HUD waived the physical inspection requirement for acquisition, rehabilitation, conversion, lease, or repair; new construction of single room occupancy dwellings and community residences; project or tenant-based rental assistance; or operating costs through March 31, 2022, so long as grantees or project sponsors can visually inspect the unit using technology, such as video streaming, to ensure the unit meets HQS before any assistance is provided; and the grantee or project sponsor has written policies that require physical reinspection of the units not previously physically inspected by June 30, 2022. This waiver applied to units where initial eligibility to receive rental assistance was determined during the fiscal year.

Additionally, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

Condition/Context:

Prior to providing rental assistance to landlords, HRA conducts on-site inspections to ensure each unit meets all applicable Housing Quality Standards. During each inspection, a HRA Case Manager would assign a Quality Assurance (“QA”) Inspector to complete an inspection checklist, which outlines each standard and documents if the unit passed or failed each requirement. The QA Inspector would sign off on the report and provide it to the landlord, noting if any repairs are required. In addition to the initial annual inspection, if there were any adverse findings identified, the Case Manager would conduct follow-up visits for that unit until the findings were remediated. If an on-site inspection was unable to be conducted prior to March 31, 2022, a virtual inspection was performed by a QA Inspector via video call. Similarly, an inspection checklist would be completed for the virtual inspection and the QA Inspector would sign off on the checklist and provide a copy to the landlord. Any repairs needed would be followed up on by the Case Manager until all corrections were implemented. After March 31, 2022, HRA would then ensure a physical inspection was conducted prior to June 30, 2022. In accordance with the individual agreements between HRA and the landlords of the units receiving the rental assistance, the landlords are responsible for maintaining compliance with the HQS, and the HRA inspections are conducted to help ensure the respective landlords are maintaining compliance.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

We selected a non-statistical sample of nineteen (19) units that were subject to an initial inspection by HRA during fiscal 2022 and noted that for three (3) selections, HRA was unable to provide a copy of the inspection checklist that was completed by the QA Inspector prior to assistance being provided for the unit.

Cause/Effect:

While HRA conducts monitoring procedures to help ensure that Housing Quality Standards are maintained and, when necessary, related repairs are performed by the respective landlords within the prescribed 30-day timeframe, we noted that the inspection checklists used to document such procedures were not consistently maintained. If controls aren't in place to ensure each unit is properly inspected in accordance with the guidelines and HRA's policies, there is a risk that some units may not meet the appropriate quality of living conditions for tenants and, therefore, not comply with the applicable Housing Quality Standards.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that HRA strengthen their internal controls governing the Housing Quality Standards inspection process, including that appropriate documentation is maintained for each inspection performed, to ensure compliance with the requirements is met for each unit under their supervision.

Views of Responsible Official:

The auditors selected a non-statistical sample of nineteen (19) units that were subject to an initial inspection by HRA during fiscal 2022 and noted that for three (3) selections, HRA was unable to provide a copy of the inspection checklist that was completed by the QA Inspector prior to assistance being provided for the unit. Unfortunately, during the height of the COVID-19 pandemic, many housing vendor staff were working remotely, and a few documents may have been mislaid.

To ensure continual compliance with federal HOPWA grant requirements, HRA will enhance its efforts to confirm that housing vendors properly maintain a copy of inspection checklists completed prior to initial move in. Monitoring visits conducted by HRA will include a review of the checklists.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

New York City Human Resources Administration (“HRA”) and Administration for Children’s Services (“ACS”)

Finding #: 2022-015

Funding Year(s): 10/1/2020-9/30/2022

Child Care and Development Block Grant (FAL #93.575)

Contract Numbers: 21-OCFS-LCM-19, 22-OCFS-LCM-08

Pass-Through Agency: NYS Office of Children and Family Services

Federal Agency: U.S. Department of Health and Human Services

Type of Finding: Allowable Costs and Eligibility - Material Noncompliance and Internal Control (Material Weakness)

Criteria:

In accordance with 23 CFR sections 1.9, 172.11(a), 420.113(a), and 630.106(a), costs incurred under federal awards are considered allowable and reimbursable when such costs are deemed necessary and reasonable; incurred subsequent to the date of authorization to proceed and in accordance with the conditions contained in the project agreement and the plans specifications; and, not included as costs used to meet cost sharing or matching requirements, among other things.

As stipulated by the 45 CFR Part 98 Subpart C, to be eligible for services under the Child Care and Development Block Grant (“CCDBG”), a child shall (1) be under the age of thirteen (13) years of age or be under the age of nineteen (19) and physically or mentally incapable of caring for himself or herself; (2) Reside with a family whose income does not exceed 85 percent of the State's median income (SMI) and whose family assets do not exceed \$1,000,000; and (3) reside with a parent or parents who are working or attending a job training or educational program; or receive, or need to receive, protective services.

Additionally, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

Condition/Context:

We selected a non-statistical sample of sixty-five (65) individuals who received services under CCDBG during FY2022 and found that four (4) of the individuals tested had errors as follows:

- Two (2) of the individuals tested from HRA and one (1) of the individuals tested from ACS not meet some or all of the eligibility criteria as stipulated in 45 CFR Part 98 Subpart C
- For one (1) of the individuals, ACS was not able to provide documentation to support that the individual met all the eligibility criteria as stipulated in 45 CFR Part 98 Subpart C

Total CCDBG Benefits charged to the grant were \$276,786,114 and total CCDBG benefits subjected to testing were \$48,752.

Cause/Effect:

While HRA and ACS have a process in place to assess the eligibility of children, a comprehensive review was not consistently performed and documented to ensure the appropriate evidence and related approvals were maintained

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

to support those determinations. As a result, costs were incurred on behalf of certain children that did not meet all of the eligibility requirements.

Questioned Costs:

Known questioned costs of \$2,419.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that HRA and ACS strengthen their internal controls governing the eligibility requirements, including implementing a review checklist to ensure the child meets every eligibility requirement per 45 CFR Part 98 Subpart C during the eligibility determination process.

Views of Responsible Official:

HRA

HRA will convene a small workgroup to meet bi-weekly to review the details and history of the cases identified to try to isolate the cause of the errors, and once we determine the cause, will work with the necessary parties/stakeholders to develop an approach to avoid the situation from repeating itself. First meeting will be 2nd week of April to identify the appropriate parties to include and come up with meeting goal and agenda.

ACS

Case No. 1

The audit reviewed a child care case relating to an older Fair Hearing which had not been closed timely per the original State Fair Hearing decision, which had been issued prior to FY22.

ACS' Child and Family Well-Being (CFWB) division had previously instituted a new Quality Assurance review of pending Fair Hearing cases and through this QA review had already identified and closed the case. However, the auditors reviewed an earlier State FY22 claim prior to ACS' identification of the case.

Per the new QA protocol, CFWB will be reviewing HRA/DSS systems reports on a monthly basis, identify any questioned cases and take appropriate follow-up action. CFWB is also preparing new written guidelines.

Case No. 2

In one child care case, ACS was not able to provide eligibility documentation. Further ACS research determined a systems coding inconsistency.

ACS procedure is to run reports to identify inconsistencies with programmatic codes and review any flagged cases prior to submission of claims to the State. However, in this instance, the case was not identified in the report.

ACS will propose creation of a new exception report with a more refined level of detail to identify any case coding inconsistencies and allow follow up to ensure complete case eligibility support for any flagged cases. ACS will work with HRA/DSS on report development.

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022**

New York City Department for the Aging (“DFTA”)

Finding #: 2022-016

Funding Year(s): 07/01/2021 - 06/30/2022

New York City Department for the Aging:

Aging Cluster (FAL #93.044, 93.045 & 93.053)

Contract Number: N/A

Pass-Through Agency: New York State Office for the Aging

Type of Finding: Subrecipient Monitoring Compliance and Internal Control (Significant Deficiency)

Criteria:

The subrecipient monitoring requirements of 2 CFR 200.332(a)(1) stipulate that pass-through entities include specific Federal award information within sub-award contracts. Such information, among other things, should include:

- i. Subrecipient’s unique identifying number;
- ii. Federal Award Identification Number;
- iii. Federal Award Date of award to City Agency by the Federal agency;
- iv. Name of Federal awarding agency; and
- v. Assistance Listing title

Condition/Context:

Of the forty (40) subrecipient contracts under the Aging Cluster that were selected for testing, none of the contracts included any of the data points described above (i.-v.) in accordance with 2 CFR 200.332(a)(1).

Cause/Effect:

While DFTA has established subrecipient monitoring procedures, such procedures did not adequately contemplate all of the required elements and/or data points necessary to be included in all of their respective subrecipient agreements. Missing or incomplete required data elements could result in subrecipients not having sufficient information to appropriately comply with Uniform Guidance reporting and/or other program specific compliance requirements.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is similar to finding #2021-005 included on pages 236 through 237 of the of the Fiscal 2021 Single Audit report.

Recommendation:

We recommend that DFTA create a comprehensive internal control structure which ensures that all subrecipient compliance requirements are being met, including a review of all subrecipient contracts and related amendments, to ensure every subrecipient agreement contains all of the required information stipulated by 2 CFR 200.332(a)(1).

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2022

Views of Responsible Official:

NYC Aging agrees with the recommendation and will be amending all appropriate contracts to provide subrecipient award notices with the information required by the Uniform Guidance. The award notice will also reference the audit instructions, which will further provide subrecipients with guidelines on how to report their federal expenditures and comply with their Single Audit requirements.

The City of New York

Single Audit Report

**SUPPLEMENTARY INFORMATION - STATE OF
NEW YORK DEPARTMENT OF TRANSPORTATION
ASSISTANCE AWARD PROGRAMS REPORTING**

Fiscal Year Ended June 30, 2022

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Expenditures of State of New York Department of Transportation
Assistance Awards
For the year ended June 30, 2022

<u>State Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State Contract Number</u>	<u>Expenditures</u>
New York City Department of Transportation			
Marchiselli/Bond Match for Federal Aid Highway Projects	20.205	D034250, D034788, D033646, D033935, D034645, D035775, D035372, D035362, D035846, D035853	\$ 5,052,662
Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component Cluster:			
(CHIPS) - Capital Reimbursement Component	-	CHIPS, WINTER RECOVERY, PAVENY	96,794,597
State-aid Multi-Modal Program	-	D033056, D025847, D027548	692,567
Total Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component Cluster			<u>97,487,164</u>
State Transit Operating Assistance (STOA)	-	STOA	149,587,000
Arterial Highway Maintenance	-	D007634	13,741,057
Federal Transit Administration	-	NY700006, K007390	973,352
State Personal Income Tax Funds	-	D035260, D035362	879,969
State Dedicated Fund (SDF)	-	D035590	38,227
ATC Accelerated Transit Capital (ATC)			
Modernization and Enhancement Program (MEP)	-	K007390	<u>3,110,586</u>
TOTAL STATE TRANSPORTATION ASSISTANCE AWARDS EXPENDED			<u>\$ 270,870,016</u>

THE CITY OF NEW YORK SINGLE AUDIT REPORT

Notes to Schedule of Expenditures of State of New York Department of Transportation Assistance Awards For the year ended June 30, 2022

1. BASIS OF PRESENTATION

Reporting Entity - General - The City of New York (“The City”) is a municipal corporation governed by the Mayor and the City Council. The City’s operations also include those normally performed at the county level and accordingly, transactions applicable to the operations of the five counties that comprise The City are included in the accompanying basic financial statements.

The financial reporting entity consists of The City and its component units, as detailed in Note A.1 of The City’s basic financial statements, which are legally separate organizations for which The City is financially accountable.

The accompanying Schedule of Expenditures of State of New York Department of Transportation Assistance Awards (“SESA”) presents the expenditures related only to the financial assistance programs provided by the New York State Department of Transportation to the New York City Department of Transportation.

2. BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported in The City’s basic financial statements. Specifically, the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which The City either gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations which are recorded on the accrual basis of accounting. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The accompanying SESA was prepared on the accrual basis of accounting and presents the state awards expenditures of the reporting entity as defined in Note 1 above.

Indirect costs included in the reported expenditures are calculated based on The City’s Cost Allocation Plan, approved by the U.S. Department of Health and Human Services. Such Cost Allocation Plan lists the amount allocated to the New York City Department of Transportation.

3. MATCHING COSTS

Matching costs (i.e., the non-state share of certain program costs) provided by The City are not included in the accompanying SESA.

4. RELATIONSHIP TO STATE FINANCIAL REPORTS

The regulations and guidelines governing the preparation of state financial reports vary by state agency and among programs administered by the same agency. Accordingly, the amounts reported in the state financial reports do not necessarily agree with the amounts reported in the accompanying SESA which is prepared on the basis described in Notes 1 and 2, above.

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE FOR EACH MAJOR STATE OF NEW YORK DEPARTMENT
OF TRANSPORTATION ASSISTANCE AWARD PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY PART 43 OF THE NEW YORK
STATE CODIFICATION OF RULES AND REGULATIONS**

The People of The City of New York:

**Report on compliance for each major State of New York Department of
Transportation Assistance Award Program**

Opinion on each major state program

We have audited the compliance of The City of New York (“The City”) with the types of compliance requirements described in *Part 43 of the New York State Codification of Rules and Regulations* (“NYSCRR”) that could have a direct and material effect on each of its major State of New York Department of Transportation Assistance Award Programs (“NYSDOT Programs”) for the year ended June 30, 2022. The City’s major NYSDOT Programs are identified in the summary of auditor’s results section of the accompanying NYSDOT Programs schedule of findings and questioned costs.

In our opinion, The City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major NYSDOT Programs for the year ended June 30, 2022.

Basis for opinion on each major State program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Part 43 of the New York State Codification of Rules and Regulations (“NYSCRR”). Our responsibilities under those standards and NYSCRR are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major NYSDOT Program. Our audit does not provide a legal determination of The City’s compliance with the compliance requirements referred to above.

Responsibilities of management for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to The City's NYSDOT Programs.

Auditor's responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the NYSCRR will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The City's compliance with the requirements of each major NYSDOT Program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and NYSCRR, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with NYSCRR, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a NYSDOT Program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is

a reasonable possibility that material noncompliance with a type of compliance requirement of a NYSDOT Program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a NYSDOT Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in The City's internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of NYSCRR. Accordingly, this report is not suitable for any other purpose

Grant Thornton LLP

New York, New York
March 31, 2023

**THE CITY OF NEW YORK
SINGLE AUDIT REPORT
State of New York Department of Transportation Assistance Award Programs
Schedule of Findings and Questioned Costs
For the year ended June 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS: STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE AWARD PROGRAMS

Internal control over State of New York Department of Transportation Assistance Award Programs:

- Material weakness(es) identified? __ yes X no
- Significant deficiencies identified that are not considered to be material weakness(es) __ yes X none reported

Type of auditor's report issued on compliance for the major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with *Part 43 of the New York State Codification of Rules and Regulations*? __ yes X no

Identification of State of New York Department of Transportation Assistance Award Programs Tested:

<u>State Grantor Program Title</u>	<u>Identifying Number(s)</u>
Reimbursement Component Cluster: (CHIPS) - Capital Reimbursement Component	CHIPS, WINTER RECOVERY, PAVENY
Marchiselli/Bond Match for Federal Aid Highway Projects	D033935, D034645, D035775, D035372, D035362, D035846, D035853

SECTION II - FINDINGS AND QUESTIONED COSTS RELATING TO STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE AWARD PROGRAM

No matters were reported.



THE CITY OF NEW YORK

SINGLE AUDIT REPORT
AGENCY CORRECTIVE ACTION PLANS
AND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2022



THE CITY OF NEW YORK

March 31, 2023

To the Concerned Federal and New York State Agencies:

I respectfully submit New York City's Corrective Action Plans and the Summary Schedule of Prior Audit Findings for the Single Audit for the fiscal year ended June 30, 2022. This report accompanies Grant Thornton's report on New York City's Single Audit and is submitted pursuant to the Single Audit Act Amendments of 1996 and Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The report demonstrates the City's continuing commitment to correct all findings to ensure the appropriate use and management of federal financial assistance.

Sincerely,

A handwritten signature in cursive script that reads "Man Hon Cheung".

Man Hon Cheung
Assistant Director
Mayor's Office of Management and Budget

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-001
Department(s)	New York City Department of Education
Program(s)	Assistance Listing Numbers: 84.010, Title I Grants to Local Educational Agencies 84.048, Career & Technical Education – Basic Grants to States 84.287, Twenty-First Century Community Learning Center 84.365, English Language Acquisition Grants 84.367, Effective Instruction State Grant 84.424, Student Support and Academic Enrichment Program
Corrective Action(s)	<p>The DOE continues to recognize the importance of fiscal reporting requirements and has developed and maintains processes and procedures to monitor grant award programs with respect to the timely submission of Final Expenditure Reports (FS-10F). In addition to the established measures taken in prior years, for FY21 and FY22 a new report listing encumbrances open in excess of 29 days was developed by the Division of Financial Operations (DFO), System Development and Support, in conjunction with the Office of Revenue Operations (ORO) and contains separate tabs reflecting whether a good or service has received, partially received, certified or received in full. This report has been placed on the Cognos menu of each of Field Support Centers to assist in identifying bottlenecks and obstacles that need to be addressed. We had hoped that that as program staff become familiar with this report it would serve as a tool for addressing open items. Unfortunately, large staff turnover hampered this effort.</p> <p>The DOE reviews programs/schools throughout the award and re-enforces established reporting guidelines to facilitate timely submission of expenditure reports. The DOE continues to closely track grant expenditures throughout the grant period, monitoring programs/schools to facilitate accurate and complete records, as well as work with appropriate State Education officials to facilitate the completion and submission of financial expenditure reports.</p> <p>The DOE has incorporated applicable deadlines related to encumbrances and payment certifications into the Fiscal 2023 close calendar in an effort to continue to reinforce the need for the timely payment and/or takedown of open encumbrances. This message is regularly stressed at close meetings and through e-mails to applicable parties throughout the course of the close process.</p> <p>With respect to the audit finding, the DOE will reemphasize the importance of closing applicable transactions to facilitate timely submission of FS-10F reports.</p>
Anticipated Completion Date	Ongoing
Person(s) Responsible for Implementation	Barry Elkayam Executive Director, Office of Revenue Operations (718) 935-5050

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-002
Department(s)	New York City Police Department
Program(s)	Assistance Listing Number 97.056, Port Security Grant Program
Corrective Action(s)	<p>Since the original finding in the FY2020 Single Audit, the NYPD has and continues to implement policies and procedures to ensure there are multiple levels of inventory asset verification and validation are completed in accordance with Federal requirements. The Grants Unit works closely with project managers to ensure they have continued access to the Grant Tracking System (GTS) and provide hands on training on the system. As previously mentioned, GTS has been updated, and access has been provided to at least two individuals within each command to ensure compliance and redundancy. The newer version of GTS will automatically email the project manager for each individual item that needs to be inspected and checked into the system at least 1 month prior to the expiration of the inventory due date. The Grant Units is also notified of this upcoming deadline and a follow up email is sent to the project manager again. In addition, on a regular basis, the Grants Unit manager will email the command points of contact reminding them of their Asset Inventory requirement as a follow up to the alerts automatically received from GTS.</p> <p>For the 3 items referenced above, an inventory verification was performed February 25, 2021. While the NYPD was unable to provide confirmation of a biannual inventory between the purchase date (April 2018 and May 2018) and a prior inventory date, we can confirm these assets were inventoried in November 2022. In addition, all assets currently listed in GTS are currently up to date and have been so since the FY2020 Single audit. Because all equipment entries are now being monitored regularly by the Grants Unit, in addition to the individual commands receiving automatic emails instructing them to update their inventory, we do not anticipate any further Inventory Verification issues as long as the period referenced is after February 2021.</p>
Anticipated Completion Date	March 2023
Person(s) Responsible for Implementation	Kristine Ryan Deputy Commissioner, Management and Budget (646) 610-6670

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-003
Department(s)	New York City Human Resources Administration
Program(s)	Assistance Listing Number 14.231, Emergency Solutions Grants Program
Corrective Action(s)	Because the ESG expense construct had to be vetted and approved before obligating the total grant amount, we were unable to do so within the prescribed 180 days. We will ensure in the future that we strengthen our internal controls to ensure that 100% of the total ESG grant amount is obligated within 180 days of the signed grant agreement. This will include an added layer of review by the Associate Commissioner of Homeless Policy and Innovation, who oversees the unit that obligates the funds in IDIS.
Anticipated Completion Date	April 2023 and ongoing
Person(s) Responsible for Implementation	Kristen Mitchell Associate Commissioner, Homeless Policy & Innovation MitchellKr@dss.nyc.gov

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-004
Department(s)	New York City Department of Health and Mental Hygiene
Program(s)	Assistance Listing Number 93.940, HIV Prevention Activities – Health Department Based
Corrective Action(s)	We agree with the recommendation provided above and have been working on an internal control structure to address the compliance requirements. Subsequently, we will ensure that all FFATA reports are submitted within the required timeframe.
Anticipated Completion Date	September 2023
Person(s) Responsible for Implementation	Jenny Fernandez Director of Administration, BHHS (347) 396-4258 Jenny Tejada Director of Programmatic Budgets, Budget Administration (347) 396-6247

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-005
Department(s)	New York City Department of Health and Mental Hygiene
Program(s)	Assistance Listing Numbers 93.940, HIV Prevention Activities – Health Department Based
Corrective Action(s)	We agree with the recommendation provided above and have been working on an internal control structure to address the compliance requirements. Subsequently, we have created a site visit schedule with PHS this fiscal year and revised the site visit tool. The current site visit for this portfolio is scheduled for 4/1/23. Moving forward, we will continue work on a yearly site visit schedule with PHS in a timely manner.
Anticipated Completion Date	April 2023
Person(s) Responsible for Implementation	Jenny Fernandez Director of Administration, BHHS (347) 396-4258 Jennifer Sorel Deputy Director of Business Systems, BHHS (347) 396-7407

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-006
Department(s)	New York City Department of Health and Mental Hygiene
Program(s)	Assistance Listing Number 93.069, Public Health Emergency Preparedness
Corrective Action(s)	<p>DOHMH’s Office of Emergency Preparedness and Response (OEPR) and Division of Finance are in agreement with the recommendations. Non-compliance with the level of effort requirement occurred because the agency received additional federal funds as part of the American Rescue Plan and utilized those funds to cover city tax levy costs in FY22. This was a one-time offset.</p> <p>In addition to strengthening and maintaining internal controls, DOHMH plans to revisit how maintenance of effort is calculated for the PHEP award, as it is currently calculated using a 15-year-old formula that has not been tweaked to ensure it accurately captures health care preparedness and public health security spending. DOHMH will close out a 5-year project period on the PHEP award in 2024 and plans to revisit the current maintenance of effort formula in advance of applying for the new project period.</p>
Anticipated Completion Date	June 2024
Person(s) Responsible for Implementation	<p>Monica Marquez Assistant Commissioner, OEPR (347) 396-2730</p> <p>Wai ting Yu Assistant Commissioner, Central Finance (347) 396-6214</p>

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
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Finding No.	2022-007
Department(s)	New York City Department of Health and Mental Hygiene
Program(s)	Assistance Listing Number 14.241 Housing Opportunities for Persons with AIDS
Corrective Action(s)	We agree with the recommendation provided above and have been working on an internal control structure to address the compliance requirements. Subsequently, we will ensure that the HOPWA agreement includes DOHMH SAM.gov registration moving forward and FFATA reports are submitted within the required timeframe.
Anticipated Completion Date	September 2023
Person(s) Responsible for Implementation	Jenny Fernandez Director of Administration, BHHS (347) 396-4258 Jenny Tejada Director of Programmatic Budgets, Budget Administration (347) 396-6247

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-008
Department(s)	New York City Department of Housing Preservation and Development
Program(s)	Assistance Listing Number 14.239, HOME Investment Partnerships Program
Corrective Action(s)	<p>The Department of Housing Preservation and Development (HPD) continues to maintain processes and procedures supporting compliance with Housing Quality (HQ) inspection standards. HPD routinely conducts HQ inspections of HOME Investment Partnership Program assisted rental units and continues to maintain systems to facilitate and promote compliance with HOME inspection requirements; HPD inspects HOME units periodically and follows up on failed inspections routinely.</p> <p>Further, HPD continues to review program requirements and operations to enhance program oversight and ensure the timeliness of repairs. As part of HPD’s ongoing effort to accomplish complete and timely repairs of all HOME units, building owners are notified of failed inspections, and regularly provided with detailed reports identifying non-compliant conditions.</p> <p>HPD also continues to impress upon owners the critical importance of completing timely repairs of all HOME units. Building owners are notified of failed inspections and provided detailed reports regularly, identifying non-compliant conditions. With respect to the finding, HPD recognizes that in six (6) instances, the Certification of Repair was not submitted within the 90-day timeframe. HPD will continue to follow-up with the owner(s) until all required repairs are certified as complete.</p> <p>In addition, HPD will consider, on a case-by-case basis, documenting its rationale for not exercising extreme remedies (such as withdrawal of future funding) for failure to complete repairs within the 90-day cure period.</p>
Anticipated Completion Date	March 2023 and ongoing
Person(s) Responsible for Implementation	Arabia Brown Deputy Director, Tax Credit and HOME Compliance (212) 863-8204

THE CITY OF NEW YORK
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For the Fiscal Year Ended June 30, 2022

Finding No. 2022-009

Department(s) New York City Department of Investigation

Program(s) Assistance Listing Number 16.922, Equitable Sharing Program

Corrective Action(s) Based on the recommendations outlined in the audit report, we have developed the following corrective action plan to address the deficiencies and improve our equipment and real property management compliance requirements.

The following steps will be taken:

1. **Strengthen Controls over the Inventory Process:** We will develop and implement additional controls over the inventory process to ensure that equipment dispositions are updated in the equipment records, inventories performed are reconciled back to equipment records, and biennial inventory counts are consistently performed over all equipment within the required timeframe.
2. **Develop and Implement a Standard Operating Procedure:** We will develop and implement a standard operating procedure that outlines the process for conducting physical inventory counts, reconciling the inventory records with the equipment records, and documenting the review and approval of each inventory performed.
3. **Training for Personnel:** We will provide training to all personnel involved in the equipment and real property management process, including property officers and program managers, to ensure they are aware of the new controls and standard operating procedure, and understand their roles and responsibilities related to compliance requirements.
4. **Continuous Monitoring:** We will implement a continuous monitoring program to ensure that the new controls and procedures are being followed, and to identify any areas for improvement.

The agency is actively pursuing a centralized inventory management system to improve the effectiveness of inventory management. These corrective actions will help to ensure that federally funded equipment is accurately recorded on inventory records, and that inventory is not misplaced, misappropriated, or otherwise disposed outside of the requirements of federal guidelines.

We appreciate the opportunity to address the audit findings, and we are committed to implementing these corrective actions.

Anticipated Completion Date September 2023

Person(s) Responsible for Implementation Caspar Barrow
Director of Finance
(212) 825-0666

Orane Gordon
Internal Auditor
(212) 825-0123

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-010
Department(s)	New York City Police Department
Program(s)	Assistance Listing Number 16.922, Equitable Sharing Program
Corrective Action(s)	<p>The NYPD has, and continues to, implement policies and procedures to ensure that there are multiple levels of inventory asset verification and validation completed in accordance with Federal requirements. To that end, the NYPD is in the midst of discussions to utilize the NYPD’s Grants Unit’s Grants Tracking System (GTS) for equipment purchased with Asset Forfeiture funds. Currently, the GTS only tracks the inventory for a subset of equipment purchased with federal grant funding. While these discussions have not yet been finalized, the GTS has the ability to provide the type of robust inventory oversight necessary. This includes features such as an automatic email to the command points of contact (POC) for each item that needs to be inspected and checked into the system at least one month prior to the expiration of the inventory due date. If this solution is not deemed feasible, however, the NYPD will look to obtain a system exclusively for Asset Forfeiture item inventorying purposes. In addition, on a regular basis, the Management and Budget Analysis Unit will email the command POCs reminding them of their Asset Forfeiture Inventory responsibilities.</p> <p>For the four items referenced above, inventory verifications were indeed performed; however, the NYPD was unable to provide tangible date-specific documentation. As such, a standardized protocol is being developed for use by all commands with Asset Forfeiture equipment items to ensure that this documentation will exist going forward, and will be distributed upon any new Asset Forfeiture equipment purchases. In addition, this documentation will be the basis for updates/entries into the GTS or any other future system.</p> <p>Once the standardized protocol and systems are fully established, we do not anticipate any further Inventory Verification issues as long as the period referenced is after implementation.</p>
Anticipated Completion Date	Spring/Summer 2023
Person(s) Responsible for Implementation	Kristine Ryan Deputy Commissioner, Management and Budget (646) 610-6670

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-011
Department(s)	New York City Human Resources Administration
Program(s)	Assistance Listing Number 14.239, HOME Investment Partnerships Program
Corrective Action(s)	<p>HRA is committed to better understand the Housing Quality Standards (HQS) inspection process and strengthen our monitoring to ensure future compliance.</p> <p><i>Corrective Actions:</i></p> <ul style="list-style-type: none">• Hire an Executive Director for the TBRA.• Advance HRA understanding of the inspection process, deliverables and compliance including intentional notifications and requesting, collecting, and maintaining of documentation.• Review and update, as determined, HRA procedures to strengthen monitoring of HQS inspections and ensure appropriate documentation is maintained.
Anticipated Completion Date	May 2023 and ongoing
Person(s) Responsible for Implementation	<p>Dori Hopkins-Figeroux Director, TBRA (929) 252-6089</p> <p>Dwana Abraham Assistant Deputy Commissioner (929) 221-6726</p>

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
 For the Fiscal Year Ended June 30, 2022

Finding No.	2022-012
Department(s)	New York City Human Resources Administration
Program(s)	Assistance Listing Number 14.239, HOME Investment Partnerships Program
Corrective Action(s)	<p><i>Response:</i></p> <ul style="list-style-type: none"> • HRA agrees that the Agency had challenges in retaining some recertification documentation during the COVID Public Health crisis when staff were working from home and then ultimately leaving the Agency prior to the return to office. • The identified HOME TBRA tenants had been originally found eligible over five years ago and have been recertified annually every year following. • This FY22 audit was conducted on the heels of the FY21 audit where the finding was the same and the recommended Corrective Action was the development of a Quality Assurance Checklist due by November 2022 and ongoing. • HRA agrees to strengthen internal controls and have created and implemented a Quality Assurance Tool that ensure eligibility is accurately assessed, allowable cost is correctly calculated and appropriate evidence (i.e. Recertification Information Form, Proof of Income, Rent Reasonableness Information, Passed Inspection, Landlord Packet, Client Packet, RAC, Tenant Breakdown) that support annual approval is maintained. Also, the payment system already fully requires supervisor approval before annual payments can be set up. Absolutely no payment can go out without supervisor approval. <p><i>Corrective Actions:</i></p> <ul style="list-style-type: none"> • Strengthen internal governance and future compliance. • Hire an Executive Director for the TBRA • Create and implement a Quality Assurance tool that includes information that supports eligibility. • Provide refresher training for staff involved with TBRA.
Anticipated Completion Date	May 2023 and ongoing
Person(s) Responsible for Implementation	<p>Dori Hopkins-Figeroux Director, TBRA (929) 252-6089</p> <p>Dwana Abraham Assistant Deputy Commissioner (929) 221-6726</p>

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
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Finding No.	2022-013
Department(s)	New York City Human Resources Administration
Program(s)	Assistance Listing Number 14.241, Housing Opportunities for Persons with AIDS
Corrective Action(s)	Rental assistance payments made on behalf of tenants residing in supportive housing are calculated by contracted supportive housing vendors, not directly by HRA. On December 20, 2022, agency staff received a formal notice informing them that the agency will cease issuing to clients a notification of their rent payment responsibility for agency-contracted supportive housing programs, as this is the responsibility of the supportive housing vendor. To ensure continual compliance with federal HOPWA grant requirements, HRA will enhance its monitoring of contract vendors during annual monitoring visits. This includes sampling of rent payments made to verify calculation of rent payment is appropriate, payments made are timely, and tenant income documentation is appropriately budgeted in rent payment calculation. Monitoring visits will also include a review of each client's Notice of Rights, which describes rent information, including the client's share, as per the Local Law that went into effect May 9, 2022.
Anticipated Completion Date	April 2023
Person(s) Responsible for Implementation	Pamela Xiomara Farquhar Assistant Deputy Commissioner FarquharX@hra.nyc.gov

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-014
Department(s)	New York City Human Resources Administration
Program(s)	Assistance Listing Number 14.241, Housing Opportunities for Persons with AIDS
Corrective Action(s)	<p>The auditors selected a non-statistical sample of nineteen (19) units that were subject to an initial inspection by HRA during fiscal 2022 and noted that for three (3) selections, HRA was unable to provide a copy of the inspection checklist that was completed by the QA Inspector prior to assistance being provided for the unit. Unfortunately, during the height of the COVID-19 pandemic, many housing vendor staff were working remotely, and a few documents may have been mislaid.</p> <p>To ensure continual compliance with federal HOPWA grant requirements, HRA will enhance its efforts to confirm that housing vendors properly maintain a copy of inspection checklists completed prior to initial move in. Monitoring visits conducted by HRA will include a review of the checklists.</p>
Anticipated Completion Date	April 2023 and ongoing
Person(s) Responsible for Implementation	Pamela Xiomara Farquhar Assistant Deputy Commissioner FarquharX@hra.nyc.gov

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
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Finding No.	2022-015
Department(s)	New York City Administration for Children’s Services New York City Human Resources Administration
Program(s)	Assistance Listing Number 93.575, Child Care and Development Block Grant
Corrective Action(s)	<p><u>HRA</u> HRA will convene a small workgroup to meet bi-weekly to review the details and history of the cases identified to try to isolate the cause of the errors, and once we determine the cause, will work with the necessary parties/stakeholders to develop an approach to avoid the situation from repeating itself. First meeting will be 2nd week of April to identify the appropriate parties to include and come up with meeting goal and agenda.</p> <p><u>ACS</u> <i>Case No. 1</i> The audit reviewed a child care case relating to an older Fair Hearing which had not been closed timely per the original State Fair Hearing decision, which had been issued prior to FY22.</p> <p>ACS' Child and Family Well-Being (CFWB) division had previously instituted a new Quality Assurance review of pending Fair Hearing cases and through this QA review had already identified and closed the case. However, the auditors reviewed an earlier State FY22 claim prior to ACS' identification of the case.</p> <p>Per the new QA protocol, CFWB will be reviewing HRA/DSS systems reports on a monthly basis, identify any questioned cases and take appropriate follow-up action. CFWB is also preparing new written guidelines.</p> <p><i>Case No. 2</i> In one child care case, ACS was not able to provide eligibility documentation. Further ACS research determined a systems coding inconsistency.</p> <p>ACS procedure is to run reports to identify inconsistencies with programmatic codes and review any flagged cases prior to submission of claims to the State. However, in this instance, the case was not identified in the report.</p> <p>ACS will propose creation of a new exception report with a more refined level of detail to identify any case coding inconsistencies and allow follow up to ensure complete case eligibility support for any flagged cases. ACS will work with HRA/DSS on report development.</p>
Anticipated Completion Date	<p><u>HRA</u> Beginning Q2 2023 – Convene workgroup Beginning Q3 2023 – Completion date</p> <p><u>ACS</u> Initiated in FY 2022 – New quality assurance (QA) review To be completed in FY 2023 – New written guidelines and refined reporting</p>

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

**Person(s)
Responsible for
Implementation**

HRA

Ramon E. Flores

Assistant Deputy Commissioner, Family Independence Administration (FIA)

FloresRa@hra.nyc.gov

ACS

For new QA and guidelines

Isabel Villegas

Executive Director, Policy & Compliance

Division of Child and Family Well-Being

(212) 393-5325

For refined reporting

Pauline Young

Assistant Commissioner for Claiming and Revenue

Division of Finance

(212) 676-8803

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2022

Finding No.	2022-016
Department(s)	New York City Department for the Aging
Program(s)	Assistance Listing Numbers 93.044, 93.045, & 93.053, Aging Cluster
Corrective Action(s)	NYC Aging agrees with the recommendation and will be amending all appropriate contracts to provide subrecipient award notices with the information required by the Uniform Guidance. The award notice will also reference the audit instructions, which will further provide subrecipients with guidelines on how to report their federal expenditures and comply with their Single Audit requirements.
Anticipated Completion Date	September 2023
Person(s) Responsible for Implementation	Jose Mercado Chief Financial Officer (212) 602-4471

THE CITY OF NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
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Department of Education	02-25 - 84.027, 84.173	178	Title I – Grants to Local	Timely completion of expenditure reports	Repeat: CAP in current year report; refer to index 2022-001 - 84.010, 84.048, 84.287, 84.365, 84.367, and 84.424
	03-18 - 84.027, 84.173	164	Education Agencies (84.010)		
	04-18 - 84.027, 84.173	176	Special Education – Grants to		
	05-18 - 84.027, 84.173	190	States (84.027)		
	06-18 - 84.010, 84.027, 84.173, 84.287, 84.318, 84.365, 84.367	199	Career and Technical Education – Basic Grants to States (84.048) Special Education Pre-school Grants (84.173)		
	07-12 - 84.027, 84.173	209	Twenty-First Century Community		
	07-13 - 84.048	211	Learning Centers (84.287)		
	08-08 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.318, 84.357, 84.365	197	Education Technology State Grants (84.318) Reading First State Grants (84.357)		
	09-11 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.318, 84.357	211	English Language Acquisition Grants (84.365) Improving Teach Quality State Grants (84.367)		
	10-15 - 84.027, 84.048, 84.173, 84.287, 84.318, 84.357	229	School Improvement Grants (84.377) Recovery Act – Education		
	11-08 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.365	227	Technology State Grants (84.386) School Improvement Grant, Recovery Act (84.388)		
	12-09 - 84.027, 84.048, 84.173, 84.287, 84.386	236	State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top		
	13-005 - 84.027, 84.048, 84.173, 84.287, 84.365, 84.367, 84.386, 84.395	237	Incentive Grants, Recovery Act (84.395) Preschool Development Grants (84.419) Student Support and Academic		
	2014-005 - 84.010, 84.027, 84.048, 84.173, 84.365, 84.388	269	Enrichment Program (84.424)		
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	2021-001 - 84.010, 84.048, 84.287, 84.365, 84.424	228			
Department of Education	2021-002 - 84.425D	230	Education Stabilization Fund	Unallowable cost	Corrective actions implemented
New York City Police Department	2020-004 - 97.056 2021-003 - 97.056	206 232	Port Security Grant Program	Equipment and real property management	Repeat: CAP in current year report; refer to index 2022-002 - 97.056
New York City Fire Department	2020-005 - 97.056 2021-004 - 97.056	208 236	Port Security Grant Program	Equipment and real property management	Corrective actions implemented
New York City Department for the Aging	2021-005 - 93.044, 93.045, 93.053, 93.667	236	<i>Aging Cluster:</i> Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers (93.044) Special Programs for the Aging – Title III, Part C – Nutrition Services (93.045) Nutrition Services Incentive Program (93.053) Social Services Block Grant (93.667)	Subrecipient monitoring	Repeat: CAP in current year report; refer to index 2022-016 - 93.044, 93.045, 93.053
New York City Human Resources Administration	2021-006 - 93.558	238	Temporary Assistance for Needy Families	Eligibility	Corrective actions implemented
New York City Department of Youth and Community Development	2021-007 - 93.569	240	Community Services Block Grant	Eligibility	Corrective actions implemented
New York City Office of Management and Budget	2021-008 - 21.019	243	Coronavirus Relief Fund	Reporting	Corrective actions implemented

THE CITY OF NEW YORK
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New York City Office of Management and Budget	2021-009 - 21.027	245	Coronavirus State and Local Fiscal Recovery Funds	Period of Performance	Corrective actions implemented
New York City Department of Health and Mental Hygiene	2021-010 - 14.241	247	Housing Opportunities for Persons with AIDS	Subrecipient monitoring	Corrective actions implemented
New York City Human Resources Administration	2021-011 - 14.239	249	HOME Investment Partnerships Program	Unallowable cost and eligibility	Repeat: CAP in current year report; refer to index 2022-012 - 14.239
New York City Human Resources Administration	2021-012 - 14.241	251	Housing Opportunities for Persons with AIDS	Eligibility	Repeat: CAP in current year report; refer to index 2022-013 - 14.241



THE CITY OF NEW YORK

SINGLE AUDIT REPORT

**NEW YORK STATE DEPARTMENT OF
TRANSPORTATION ASSISTANCE**

**AGENCY CORRECTIVE ACTION PLANS
AND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

For the Fiscal Year Ended June 30, 2022



THE CITY OF NEW YORK

March 31, 2023

To the New York State Department of Transportation:

With respect to the New York City Single Audit for the fiscal year ended June 30, 2022, I am pleased to report that there are no Prior Audit Findings related to the New York State Department of Transportation Assistance, nor current year findings or Corrective Action Plans with this submission. This report accompanies Grant Thornton's report on New York City's Single Audit and is submitted pursuant to Part 43 of the New York Codes, Rules and Regulations and with respect to the Single Audit Act Amendments of 1996 and Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The report demonstrates the City's continuing commitment to correct all findings to ensure the appropriate use and management of federal and New York State Department of Transportation financial assistance.

Sincerely,

A handwritten signature in cursive script that reads "Man Hon Cheung".

Man Hon Cheung
Assistant Director
Mayor's Office of Management and Budget