

THE CITY OF NEW YORK

SINGLE AUDIT REPORT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2023

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, 2023 and 2022, 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 audits 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, 2023 and 2022, 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	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets	5%	5%	100%	100%	44%	46%	10%	12%
Net Position (Deficit)/Fund Balance	(3)%	(2)%	100%	100%	98%	100%	10%	12%
Revenue	6%	5%	100%	100%	26%	26%	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 audits 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 audits. 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 Hudson Yards Development Corporation, Brooklyn Public Library, New York City School Construction Authority, Queens Borough Public Library, Brooklyn Bridge Park Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Bus Umbrella Services, Inc., New York City Transitional Finance Authority, TSASC, Inc., New York City Board of Education Retirement System, New York City Fire Pension Funds, New York Police Pension Funds, New York Employee's Retirement System, Teachers' Retirement System of The City of New York, and The New York City Other Postemployment Benefit Plan 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, and the Schedule of Changes in the City's Net Pension Liability and Related Ratios for Single-Employer Pension Plans at June 30, Schedule of the City's Proportionate Share of the Net Pension Liabilities of Cost-Sharing Multiple-Employer Pension Plans at June 30, Schedule of City's Contributions for All Pension Plans for Fiscal Years Ended June 30, and Schedule of the Net OPEB Liability at June 30, collectively on pages 166 through 181, 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 audits 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 reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, 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 are as of March 29, 2024, 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 26, 2023, 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 are as of March 29, 2024

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

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, 2023 and 2022. 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 \$3.3 billion and \$4.6 billion to the OPEB Plan for Fiscal Years 2023 and 2022, 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. The Custodial Fund uses the accrual basis of accounting and economic resources measurement focus.

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 2023 beginning net position was restated by \$1.7 billion, as a result of the City’s implementation of Governmental Accounting Standards Board (GASB) Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA). This restatement caused the ending position of Fiscal Year 2023 to increase by less than 1%. Similarly, Fiscal Year 2022 beginning net position was restated by \$8.3 billion, which relates almost entirely to the City’s implementation of GASB Statement No. 87, Leases; and \$36 million from its implementation of GASB Statement No. 94 Public-Private and Public-Public Partnerships (PPPs). Additional information on the restatements can be found in Note A.2 of the Basic Financial Statements.

During Fiscal Year 2023, governmental activities increased the City’s net position by \$3.5 billion or 1.8%. During Fiscal Year 2022 and 2021 net position increased by \$10.1 billion and increased by \$9.4 billion, respectively.

Key elements of these changes are as follows:

	Changes in Net Position (in thousands) Governmental Activities		
	2023	2022 (restated)	2021
Revenues:			
Program revenues:			
Charges for services	\$ 5,760,252	\$ 5,258,758	\$ 5,664,655
Operating grants and contributions . .	27,915,470	31,596,825	28,092,836
Capital grants and contributions	620,108	633,649	660,768
General revenues:			
Taxes	74,233,151	68,413,277	67,065,451
Investment income	622,175	36,530	33,375
Other Federal and State aid	234,329	549,261	107,522
Loss on in-substance defeasance	—	—	(9,041)
Tax equivalency and PILOT—HYIC . .	336,315	299,560	—
Tobacco settlement—TSASC	192,085	212,096	—
Interest income from leases—BBP and TGI	—	—	—
Transfer from (to) residual liability—WTC Captive	—	—	—
Other	154,457	197,978	2,403,168
Total revenues	<u>110,068,342</u>	<u>107,197,934</u>	<u>104,018,734</u>
Expenses:			
General government	3,873,117	6,095,409	8,196,762
Public safety and judicial	22,448,788	21,422,599	17,797,609
Education	35,586,049	32,363,168	30,760,255
City University	1,295,751	774,972	1,142,211
Social Services	20,705,483	15,449,841	16,353,658
Environmental protection	5,073,949	4,382,879	4,796,434
Transportation services	3,741,062	3,009,324	2,871,049
Parks, recreation and cultural activities	1,153,522	1,083,292	1,231,136
Housing	3,701,177	2,745,893	2,665,949
Health (including payments to NYC Health + Hospitals)	5,328,352	6,439,698	5,463,861
Libraries	509,290	468,869	449,072
Debt service interest	3,188,811	2,880,778	2,922,974
Brooklyn Bridge Park Corp.	—	—	—
The Trust for Governor’s Island	—	—	—
WTC Captive Insurance Co.	—	—	—
New York City Tax Lien Trusts	—	—	—
Total expenses	<u>106,605,351</u>	<u>97,116,722</u>	<u>94,650,970</u>
Change in net position	3,462,991	10,081,212	9,367,764
Net position (deficit)—beginning	(194,672,684)	(196,468,072)	(205,835,836)
Restatement of beginning net position (deficit)	(1,689)	(8,285,824)	—
Net position (deficit)—ending	<u>\$ (191,211,382)</u>	<u>\$ (194,672,684)</u>	<u>\$ (196,468,072)</u>

The basic financial statements include a reconciliation between the Fiscal Year 2023 governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities, which reports a decrease of \$2.02 billion for all governmental fund balances. A similar reconciliation is provided for Fiscal Year 2022. Additionally in Fiscal Year 2023, the City collected approximately \$2.3 billion (net of refunds) from a new imposed tax called Pass-through entity tax (PTET). The increase in tax revenue is due to the increase in real estate taxes from growth in billable assessed value during the fiscal year. Similarly, an increase in expenditures from Fiscal Year 2022 to 2023 stems from a variety of operational services provided by the Department of Social Services, Administration for Children’s Services, Department of Homeless Services and the Department of Aging.

For the City’s business-type activities, net position changed by \$8.8 million, or 1.0% for Fiscal Year 2023. During Fiscal Year 2022 and 2021, net position increased by \$44.1 million and decreased by \$42.5 million, respectively.

	Changes in Net Position (Continued)					
	Business-type Activities			Total Primary Government		
	2023	2022 (restated)	2021	2023	2022 (restated)	2021
Revenues:						
Program revenues:						
Charges for services	\$ 8,679	\$ 6,931	\$ 4,575	\$ 5,768,931	\$ 5,265,689	\$ 5,669,230
Operating grants and contributions . .	19,200	160,171	15,749	27,934,670	31,756,996	28,108,585
Capital grants and contributions	37,011	22,244	14,347	657,119	655,893	675,115
General revenues:						
Taxes	20,257	18,439	19,871	74,253,408	68,431,716	67,085,322
Investment income	71,946	114,022	192,155	694,121	150,552	225,530
Other Federal and State aid	—	—	—	234,329	549,261	107,522
Loss on in-substance defeasance	—	—	—	—	—	(9,041)
Tax equivalency and PILOT—HYIC . . .	—	—	—	336,315	299,560	—
Tobacco settlement—TSASC	—	—	—	192,085	212,096	—
Interest income from leases—BBP and TGI	10,344	10,082	—	10,344	10,082	—
Transfer from (to) residual liability—WTC Captive	14,084	4,180	—	14,084	4,180	—
Other	248	858	(89,459)	154,705	198,836	2,313,709
Total revenues	<u>181,769</u>	<u>336,927</u>	<u>157,238</u>	<u>110,250,111</u>	<u>107,534,861</u>	<u>104,175,972</u>
Expenses:						
General government	—	—	—	3,873,117	6,095,409	8,196,762
Public safety and judicial	—	—	—	22,448,788	21,422,599	17,797,609
Education	—	—	—	35,586,049	32,363,168	30,760,255
City University	—	—	—	1,295,751	774,972	1,142,211
Social Services	—	—	—	20,705,483	15,449,841	16,353,658
Environmental protection	—	—	—	5,073,949	4,382,879	4,796,434
Transportation services	—	—	—	3,741,062	3,009,324	2,871,049
Parks, recreation and cultural activities	—	—	—	1,153,522	1,083,292	1,231,136
Housing	—	—	—	3,701,177	2,745,893	2,665,949
Health (including payments to NYC Health + Hospitals)	—	—	—	5,328,352	6,439,698	5,463,861
Libraries	—	—	—	509,290	468,869	449,072
Debt service interest	—	—	—	3,188,811	2,880,778	2,922,974
Brooklyn Bridge Park Corp.	38,558	33,494	31,878	38,558	33,494	31,878
The Trust for Governor’s Island	54,135	46,497	43,797	54,135	46,497	43,797
WTC Captive Insurance Co.	1,752	1,707	1,696	1,752	1,707	1,696
New York City Tax Lien Trusts	78,515	211,160	122,372	78,515	211,160	122,372
Total expenses	<u>172,960</u>	<u>292,858</u>	<u>199,743</u>	<u>106,778,311</u>	<u>97,409,580</u>	<u>94,850,713</u>
Change in net position	8,809	44,069	(42,505)	3,471,800	10,125,281	9,325,259
Net position (deficit)—beginning	882,969	833,111	875,616	(193,789,715)	(195,634,961)	(204,960,220)
Restatement of beginning net position (deficit)	—	5,789	—	(1,689)	(8,280,035)	—
Net position (deficit)—ending	<u>\$ 891,778</u>	<u>\$ 882,969</u>	<u>\$ 833,111</u>	<u>\$ (190,319,604)</u>	<u>\$ (193,789,715)</u>	<u>\$ (195,634,961)</u>

In Fiscal Year 2023, the governmental activities revenues increased from Fiscal Year 2022 by approximately \$2.9 billion and expenses increased by approximately \$9.5 billion.

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

- Tax revenues, net of refunds, increased overall.
 - The increase 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.
 - The increase in sales and use taxes reflect a general increase in consumption activity coupled with higher inflation, which drove up the collections.
 - For all other taxes, the increase in hotel room occupancy taxes was due to tourism rebounding as travel restrictions loosened along with higher room rates driven by inflation. The increase in Payment in Lieu of Taxes was due to the City receiving additional payments from Hudson Yards Infrastructure Corporation in FY 2023.
 - The decreases in tax revenues were a result of the following:
 - Personal income tax decreased as a result of decreased non-wage related payments following extraordinary increases seen in FYs 2021 and 2022.
 - The decrease in mortgage taxes reflects lower mortgage origination demands due to higher interest rates.
 - The decrease in conveyance of real property taxes was due to a steep decline in the volume of residential and commercial properties sold.
- Operating grants and contributions decreased as a result of lower federal revenues in FY 2023. The City budgeted less Coronavirus State and Local Fiscal Recovery Funds and FEMA Public Assistance COVID-19 Emergency Protective Measures in FY 2023 due to lower pandemic response needs.

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

- The increase in governmental activities expenses were a result of the following:
 - Education expenses increased due to an increase in pension expenses and collective bargaining increases.
 - Social Services expenses increased due to an increase in Department of Homeless Services expenses related to the asylum seeker response. Additionally, Administration for Children's Services expenses increased due to additional spending on foster care and childcare.
 - Transit expenses increased due to increased spending related to Taxi and Limousine Commission relief efforts, including an increase for the Medallion Relief Program and the Medallion Loan Guarantee. The Medallion Relief Program and Loan Guaranty Program provide debt relief for eligible medallion owners. Both programs provide financial assistance and free legal representation to help medallion owners negotiate with lenders to reduce loan balances and lower monthly payments. Medallion owners with six or fewer medallions are eligible to apply.
 - Housing expenses increased due to housing voucher rent increases, the continued roll out of the Emergency Housing Voucher program, supportive housing rental assistance initiatives, and new shelter and service costs associated with the Asylum Seekers response.
- The decrease in governmental activities expenses were a result of following:
 - Health expenses decreased due to a decrease in Department of Health and Mental Hygiene and Health and Hospitals expenditures on initiatives to respond to COVID-19.

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:

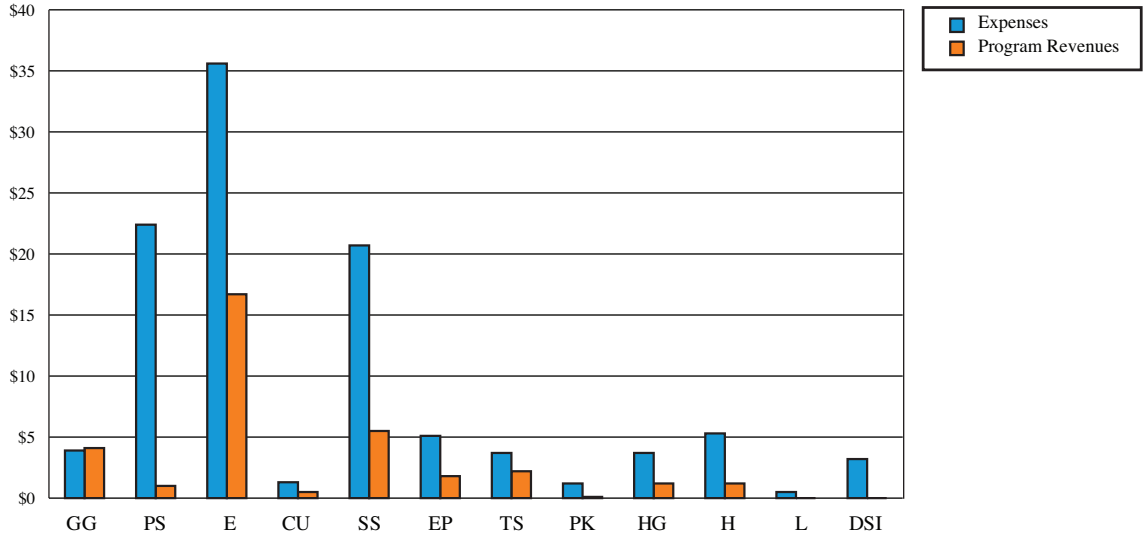
- Tax revenues, net of refunds, increased overall.
 - The increases in tax revenues were a result of the following:
 - The increase in sales and use taxes was primarily driven by an increase in general sales due to relaxed business and travel restrictions as COVID-19 concerns subsided, allowing the economy 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:

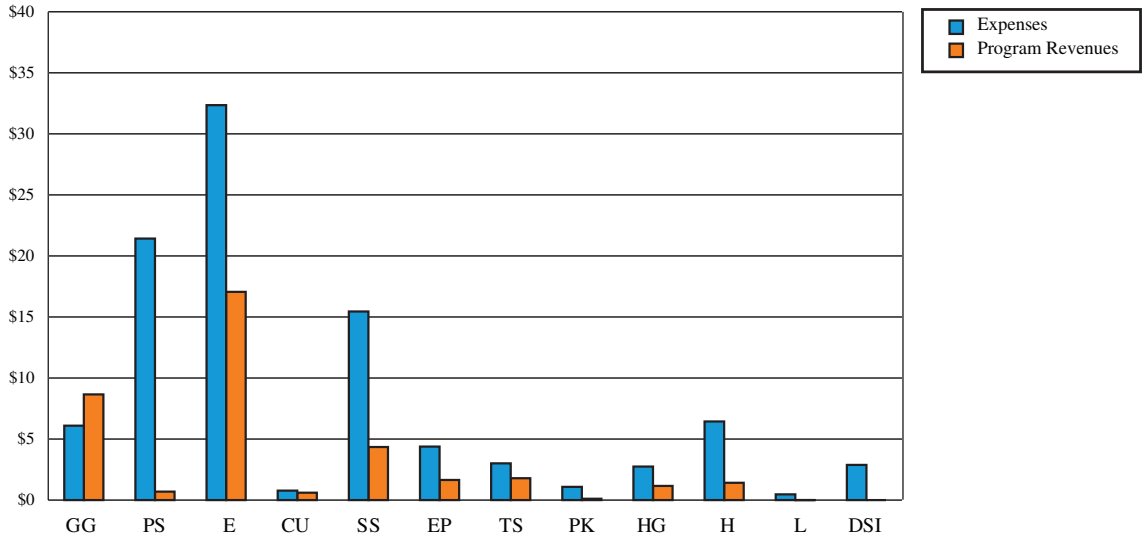
- Public safety and judicial expenses increased due to an increase in pension expenses and fringe benefits. The increase was slightly offset by decreased expenditures in the OPEB Plan.
- Education expenses increased due to an increase in pension expenses. The increase was slightly offset by decreased 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.

The following charts compare the amounts of expenses and program revenues for Fiscal Years 2023 and 2022:

**Expenses and Program Revenues — Governmental Activities
for the Fiscal Year ended June 30, 2023
(in billions)**



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

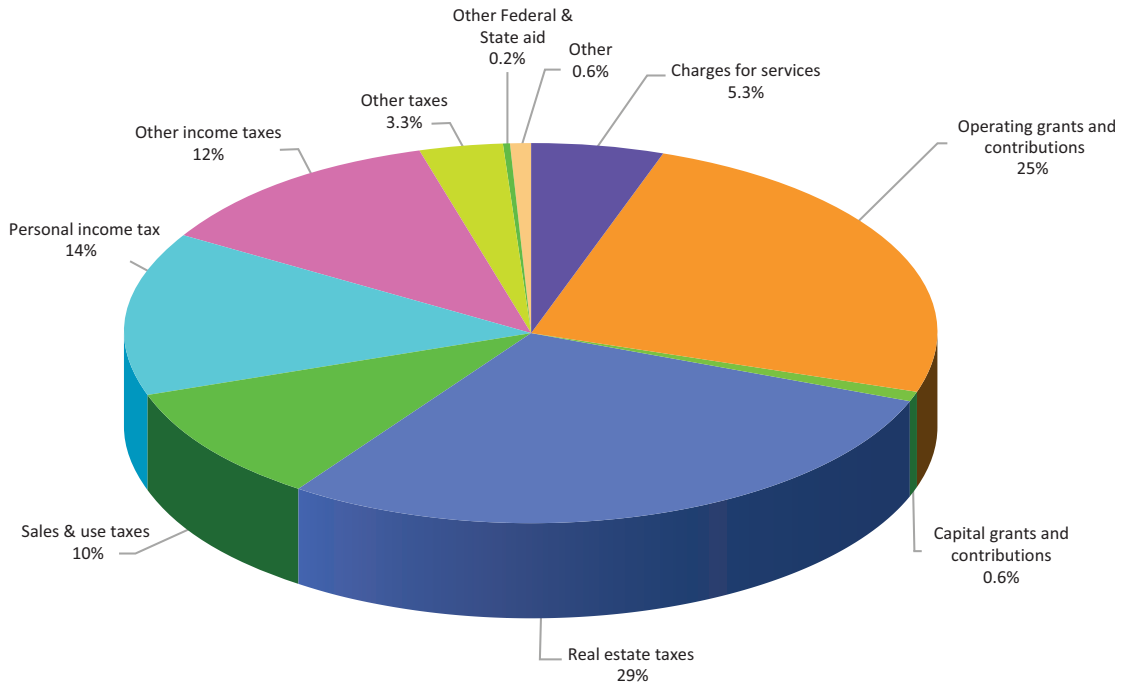


Functions/Programs

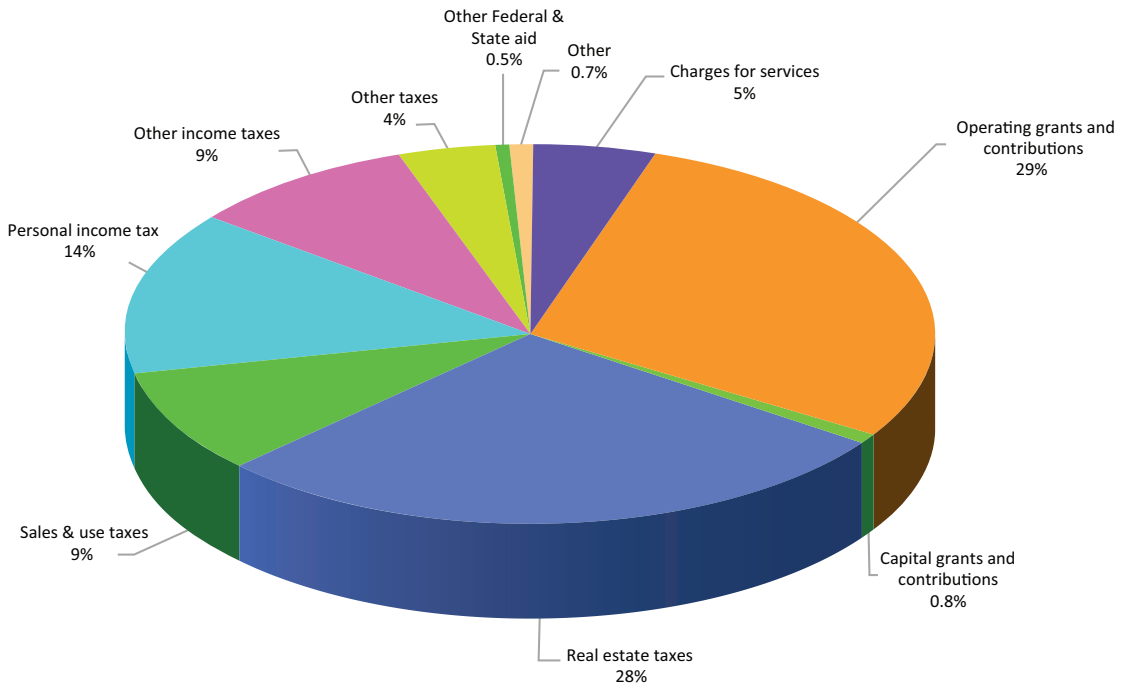
- GG General government
- PS Public safety and judicial
- E Education (Primary and Secondary)
- CU City University
- SS Social services
- EP Environmental protection
- TS Transportation services
- PK Parks, recreation, and cultural activities
- HG Housing
- H Health, including payments to NYC
Health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

The following charts compare the amounts of program and general revenues for Fiscal Years 2023 and 2022:

**Revenues by Source — Governmental Activities
for the Fiscal Year ended June 30, 2023**



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



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 2023, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$191.2 billion, a decrease in the net deficit of \$3.5 billion from June 30, 2022, which in turn compares with a decrease to the net deficit of \$1.8 billion over the prior Fiscal Year 2021.

The increase in total assets is due to the City's implementation of GASB Statement No. 94, which also effects the increase to the corresponding deferred inflows of resources (See Note A.19 of the Basic Financials). Statement No. 94 requires the City to recognize an asset and related receivable for funds due to the City as a result of these partnership arrangements. Similarly, a component that contributed to the increase in the long-term liabilities is the increase of the OPEB liability which is driven primarily by an increase in the pre-Medicare trend assumption yielding a loss of \$3.2 billion. There were some gains due to experience and the discount rate changes, totaling \$1.9 billion. Further discussion regarding the increase in net OPEB liability can be found in Note E.4.

See table below for further details.

	Net Position (in thousands)		
	Governmental Activities		
	2023	2022 (restated)	2021
Current and other assets	\$ 69,908,740	\$ 64,903,711	\$ 60,255,122
Capital assets (net of depreciation)	85,227,489	78,673,758	64,756,815
Total assets	<u>155,136,229</u>	<u>143,577,469</u>	<u>125,011,937</u>
Deferred outflows of resources	15,276,936	19,051,689	15,969,514
Long-term liabilities outstanding	272,052,464	266,729,855	246,611,973
Other liabilities	43,379,932	37,094,789	36,905,854
Total liabilities	<u>315,432,396</u>	<u>303,824,644</u>	<u>283,517,827</u>
Deferred inflows of resources	46,192,151	53,477,198	53,931,696
Net position:			
Net investment in capital assets	(7,200,892)	(13,033,877)	(12,779,784)
Restricted	4,623,670	4,662,885	5,214,522
Unrestricted (deficit)	<u>(188,634,160)</u>	<u>(186,301,692)</u>	<u>(188,902,810)</u>
Total net position (deficit)	<u><u>\$(191,211,382)</u></u>	<u><u>\$(194,672,684)</u></u>	<u><u>\$(196,468,072)</u></u>

Net Position - (continued)
(in thousands)

	Business-Type Activities			Total Primary Government		
	2023	2022 (restated)	2021	2023	2022 (restated)	2021
Current and other assets	\$ 855,291	\$ 933,257	\$ 698,149	\$ 70,764,031	\$ 65,836,968	\$ 60,953,271
Capital assets (net of depreciation)	622,583	617,076	591,992	85,850,072	79,290,834	65,348,807
Total assets	<u>1,477,874</u>	<u>1,550,333</u>	<u>1,290,141</u>	<u>156,614,103</u>	<u>145,127,802</u>	<u>126,302,078</u>
Deferred outflows of resources	—	—	—	15,276,936	19,051,689	15,969,514
Long-term liabilities outstanding	389,828	457,431	404,657	272,442,292	267,187,286	247,016,630
Other liabilities	42,622	53,757	52,373	43,422,554	37,148,546	36,958,227
Total liabilities	<u>432,450</u>	<u>511,188</u>	<u>457,030</u>	<u>315,864,846</u>	<u>304,335,832</u>	<u>283,974,857</u>
Deferred inflows of resources	153,646	156,176	—	46,345,797	53,633,374	53,931,696
Net position:						
Net investment in capital assets	622,272	617,076	591,992	(6,578,620)	(12,416,801)	(12,187,792)
Restricted	269,506	265,893	241,119	4,893,176	4,928,778	5,455,641
Unrestricted (deficit)	—	—	—	(188,634,160)	(186,301,692)	(188,902,810)
Total net position (deficit)	<u>\$ 891,778</u>	<u>\$ 882,969</u>	<u>\$ 833,111</u>	<u>\$(190,319,604)</u>	<u>\$(193,789,715)</u>	<u>\$(195,634,961)</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, 2023 and 2022:

	<u>Components of Net Position (Deficit)</u>	
	<u>2023</u>	<u>2022 (restated)</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.	\$ (7.2)	\$ (13.0)
Net Position Restricted for:		
Capital Projects	0.4	0.5
Debt Service	2.0	2.0
Operations	<u>2.2</u>	<u>2.2</u>
Total restricted net position	<u>4.6</u>	<u>4.7</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)
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.	(45.6)	(43.5)
Certain long-term obligations do not require funding in the current period:		
Net OPEB liability	(95.0)	(89.5)
Judgments and claims	(8.2)	(7.2)
Vacation and sick leave.	(6.0)	(6.1)
Net Pension liability	(40.2)	(42.4)
Landfill closure and postclosure care costs.	(1.1)	(1.1)
Lease liability	(13.0)	(14.0)
Deferred outflows of resources	15.3	19.1
Other	<u>5.3</u>	<u>(1.4)</u>
Total unrestricted net position	<u>(188.6)</u>	<u>(186.3)</u>
Total net position (deficit).	<u><u>\$(191.2)</u></u>	<u><u>\$ (194.7)</u></u>

The following table provides Fiscal Year ended June 30, 2023, pension statistics by pension system as of the dates of the most recent actuarial valuations:

	Summary of City Pension Information Fiscal Year 2023					
	<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 6/30/22.	223,509	232,424	57,752	91,602	27,473	632,760
			(in billions, except %)			
Total Pension Liability (TPL)	\$ 59.3	\$ 78.9	\$ 6.2	\$ 63.5	\$ 26.7	\$ 234.6
Less Plan Fiduciary Net Position (PFNP)	<u>48.8</u>	<u>65.7</u>	<u>6.1</u>	<u>54.5</u>	<u>19.4</u>	<u>194.5</u>
Net Pension Liability (NPL)	<u>\$ 10.5</u>	<u>\$ 13.2</u>	<u>\$ 0.1</u>	<u>\$ 9.0</u>	<u>\$ 7.3</u>	<u>\$ 40.1</u>
PFNP as a % of TPL***	82.3%	83.3%	98.4%	85.8%	72.7%	82.9%
Pension Expense	\$ 2.1	\$ 2.9	\$ 0.3	\$ 2.1	\$ 1.4	\$ 8.8

* Includes QPP and VSFs

** QPP only

*** Calculated based on whole dollar unrounded amounts.

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.

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, 2021 . .	\$ 2,831,502	\$ (3,067,690)	\$ 3,005,145	\$ 4,971,389	\$ —	\$ 7,740,346
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>
Revenues	107,779,550	2,328,038	62,693	6,795,816	(6,022,927)	110,943,170
Expenditures	(100,171,173)	(12,149,728)	(4,104,105)	(12,285,234)	4,740,455	(123,969,785)
Other financing sources (uses)	(7,547,835)	7,931,752	3,544,297	5,794,445	1,282,472	11,005,131
Fund Balances (deficit), June 30, 2023. . .	<u>\$ 4,195,861</u>	<u>\$ (6,346,587)</u>	<u>\$ 2,835,203</u>	<u>\$ 4,888,591</u>	<u>\$ —</u>	<u>\$ 5,573,068</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). Fiscal year-end surpluses are deposits into the Revenue Stabilization Fund and can be used in future fiscal years.

If the City anticipates that the General Fund will have an operating surplus, the City can 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 \$5.5 billion and \$6.1 billion before these expenditures and transfers (discretionary and other) for Fiscal Years 2023 and 2022, respectively. After these certain expenditures and transfers, the General Fund reported an operating surplus of \$5 million, not including restricted fund activities. Correspondingly, the Revenue Stabilization Fund balance increased by \$5 million. 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, 2023 can be attributed principally to transfers (discretionary transfer and other) from the General Fund totaling \$2.8 billion in Fiscal Year 2023 for Fiscal Year 2024 debt service. Similar transfers in Fiscal Year 2022 of \$3.3 billion for Fiscal Year 2023 debt service also primarily account for the General Debt Service Fund balance at June 30, 2022.

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, 2023 and 2022 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 2023 General Fund expenditures include approximately \$173.7 million of pollution remediation expenditures associated with projects which were originally included in the City’s capital program. The City also reported \$169.4 million of City bond proceeds and \$4.3 million of other revenues (New York City Municipal Water Finance Authority bond proceeds transferred to the City) supporting the \$173.7 million of pollution remediation expenditures in the General Fund for Fiscal Year 2023. In Fiscal Year 2022, \$147.7 million of City bond proceeds and \$4.0 million of other revenues supported the \$151.6 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.

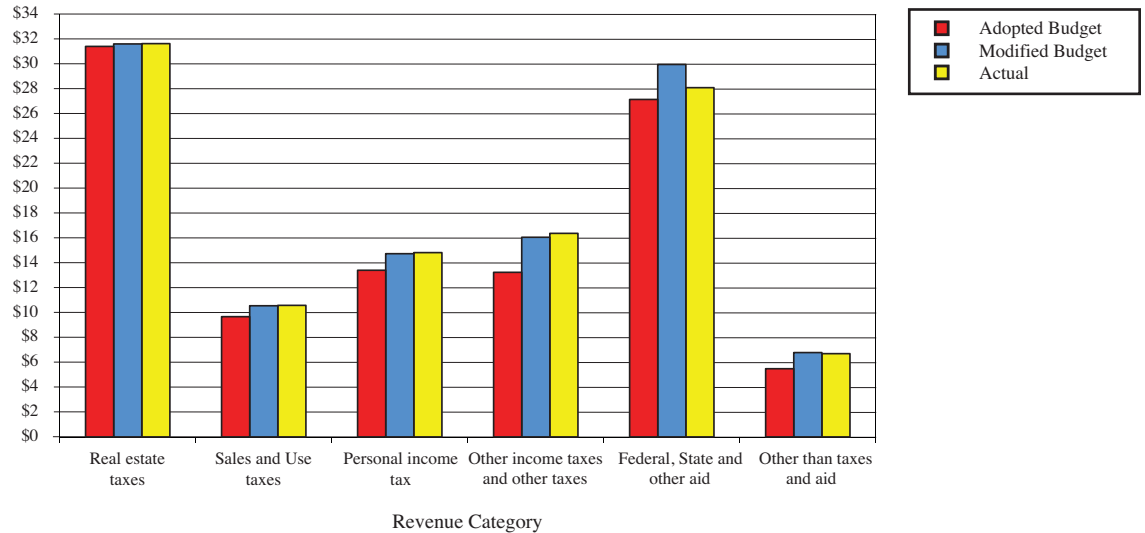
Although amounts were not established in the Adopted Budget, a modification to the budget was made to accommodate the amount of pollution remediation expenditure charge in the General Fund. These pollution remediation expenditures were incurred by various agencies, as follows:

	General Fund Pollution Remediation Expenditures	
	2023	2022
	(in thousands)	
General government	\$ 18,964	\$ 38,976
Public safety and judicial	8,845	1,657
Education	109,783	87,624
Social services	326	717
Environmental protection	17,569	8,006
Transportation services	9,784	12,376
Parks, recreation, and cultural activities	2,085	683
Housing	1,468	1
Health, including NYC Health + Hospitals	4,432	781
Libraries	444	806
Total expenditures	<u>\$ 173,700</u>	<u>\$ 151,627</u>

**General Fund Budgetary
Highlights Revenues**

The following charts and tables summarize actual revenues by category and include restricted fund activities, for Fiscal Years 2023 and 2022 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.

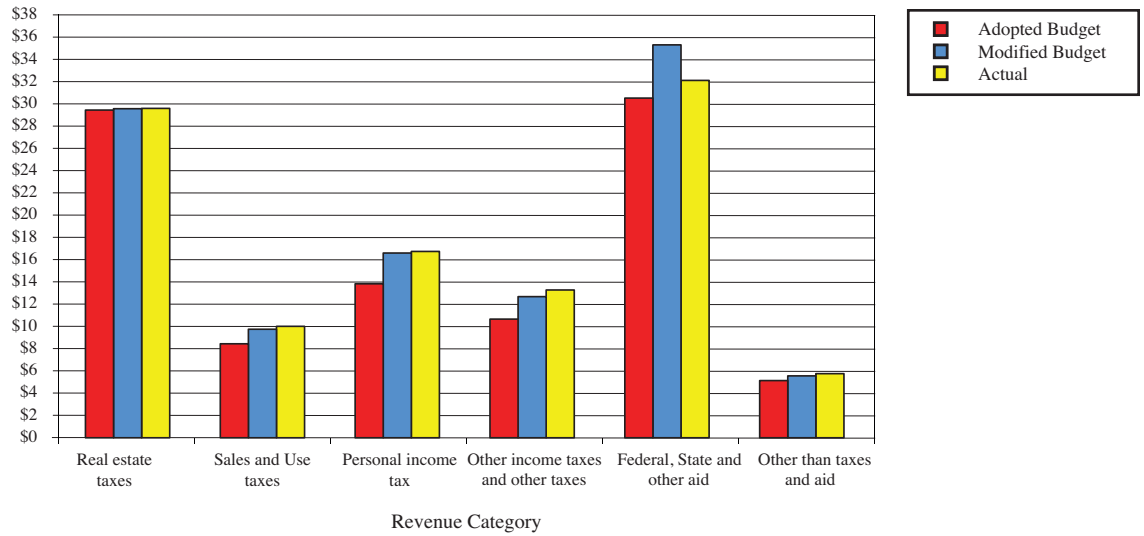
**General Fund Revenues
Fiscal Year 2023
(in billions)**



**General Fund Revenues
Fiscal Year 2023**

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>
	(in millions)		
Taxes (net of refunds):			
Real estate taxes	\$ 31,421	\$ 31,620	\$ 31,645
Sales and use taxes	9,675	10,553	10,585
Personal income tax	13,409	14,742	14,829
Other income taxes	9,155	12,440	12,713
Other taxes	4,088	3,624	3,665
Taxes (net of refunds)	<u>67,748</u>	<u>72,979</u>	<u>73,437</u>
Federal, State and other aid:			
Categorical	26,901	29,671	27,915
Unrestricted	252	297	186
Federal, State and other aid	<u>27,153</u>	<u>29,968</u>	<u>28,101</u>
Other than taxes and aid:			
Charges for services	3,081	2,970	2,840
Other revenues	2,137	3,358	3,020
Restricted fund activity	—	—	381
Bond proceeds	—	169	169
Transfers from Nonmajor Debt Service Fund	221	241	241
Transfers from General Debt Service Fund	48	48	48
Other than taxes and aid	<u>5,487</u>	<u>6,786</u>	<u>6,699</u>
Total revenues	<u>\$100,388</u>	<u>\$109,733</u>	<u>\$108,237</u>

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



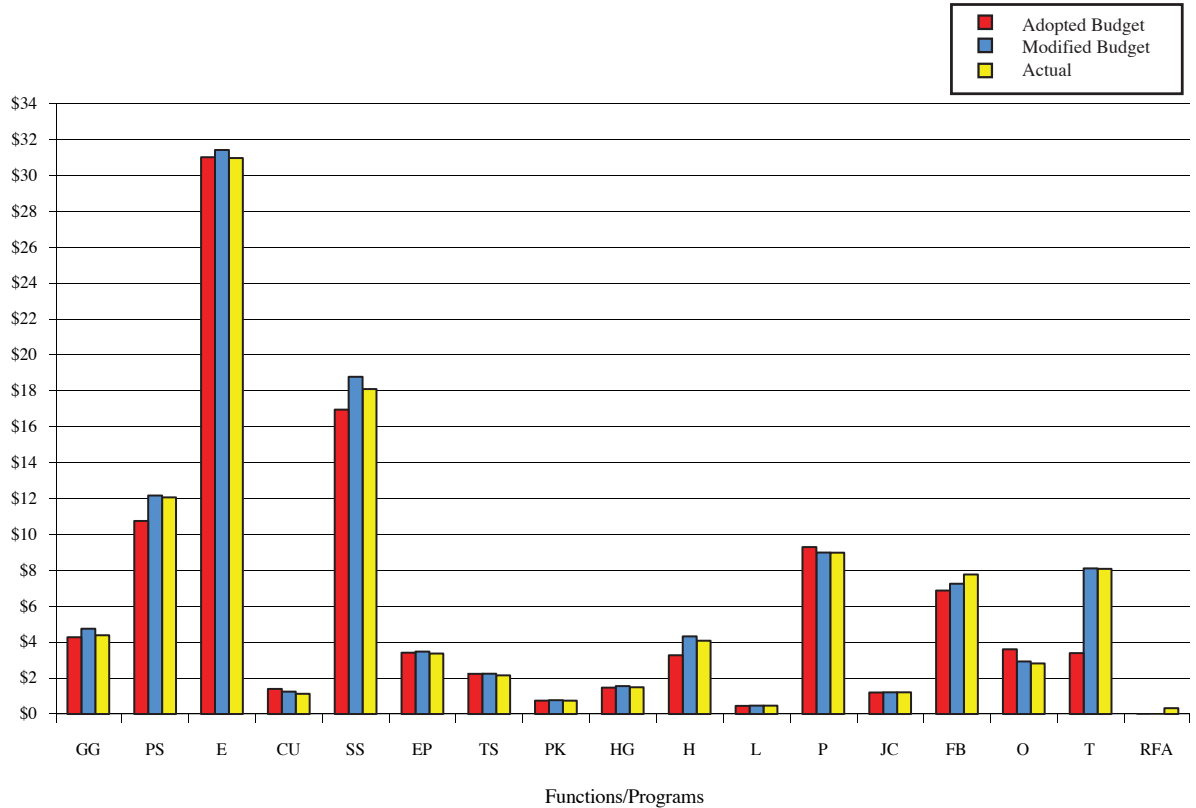
**General Fund Revenues
Fiscal Year 2022**

	<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 Budgetary
Highlights Expenditures**

The following charts and tables summarize actual expenditures by function/program and include restricted fund activities for Fiscal Years 2023 and 2022, 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.

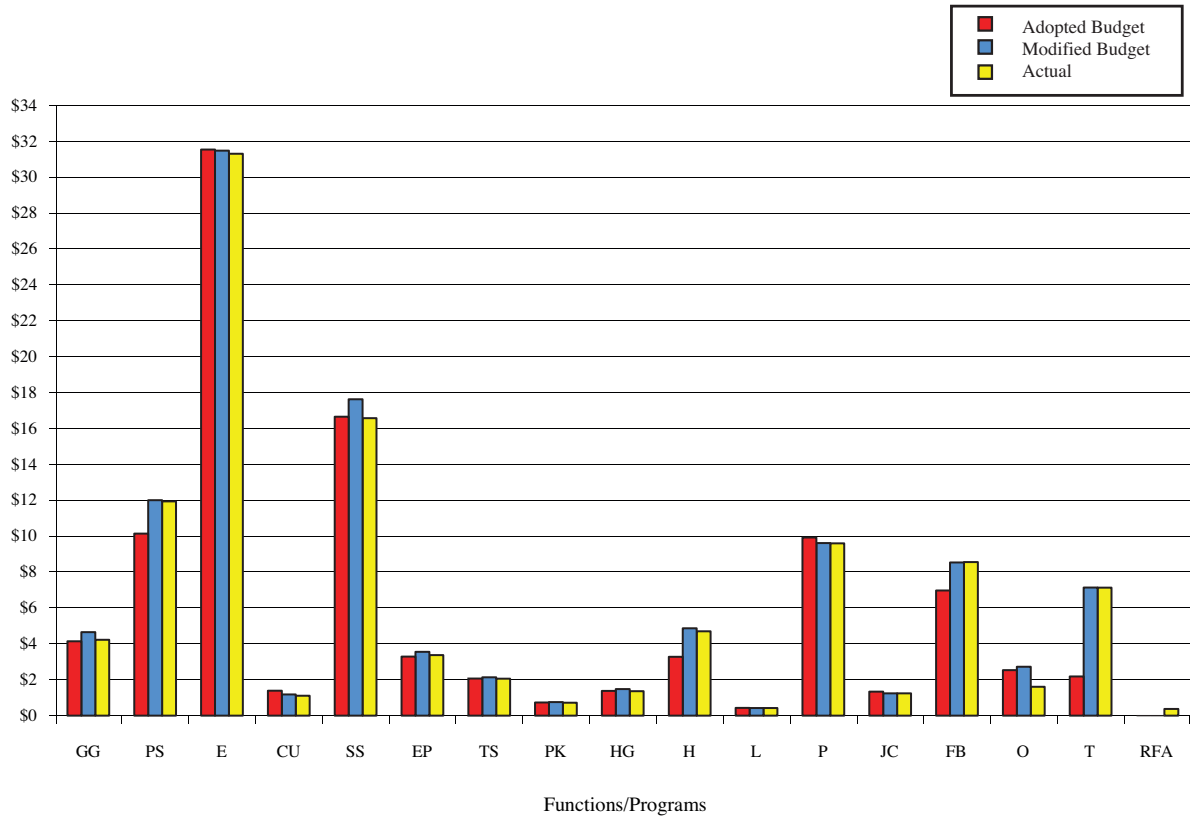
**General Fund Expenditures
Fiscal Year 2023
(in billions)**



**General Fund Expenditures
Fiscal Year 2023**

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>
		(in millions)	
General government (GG)	\$ 4,278	\$ 4,752	\$ 4,389
Public safety and judicial (PS)	10,756	12,173	12,070
Education (E)	31,022	31,425	30,976
City university (CU)	1,398	1,247	1,126
Social services (SS)	16,959	18,788	18,105
Environmental protection (EP)	3,416	3,478	3,370
Transportation services (TS)	2,238	2,245	2,154
Parks, recreation and cultural activities (PK)	745	770	744
Housing (HG)	1,470	1,555	1,491
Health, including NYC Health + Hospitals (H)	3,274	4,326	4,084
Libraries (L)	453	467	466
Pensions (P)	9,301	8,996	8,988
Judgments and claims (JC)	1,199	1,209	1,209
Fringe benefits and other benefit payments (FB)	6,879	7,258	7,774
Other (O)	3,606	2,928	2,818
Transfers and other payments for debt service (T)	3,393	8,114	8,088
Restricted fund activity (RFA)	—	—	326
Total expenditures	\$100,387	\$109,731	\$108,178

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



**General Fund Expenditures
Fiscal Year 2022**

	Adopted Budget	Modified Budget	Actual
		(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	\$97,999	\$109,412	\$105,925

General Fund Surplus

The City had General Fund surpluses of \$5.5 billion, \$6.1 billion and \$6.1 billion before certain expenditures and transfers (discretionary and other), and without regard to the restricted fund balance for Fiscal Years 2023, 2022 and 2021, respectively. For Fiscal Years 2023, 2022 and 2021, 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 2023, 2022 and 2021 budgets follow:

	General Fund		
	<u>2023</u>	<u>2022</u>	<u>2021</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.	\$ 85	\$ 112	\$ 569
Discretionary transfers to the General Debt Service Fund	2,727	3,206	2,431
Debt service prepayments for lease purchase debt service due in the subsequent fiscal year	—	40	—
Grant to TFA	2,166	1,965	2,682
Payment to the Retiree Health Benefits Trust	500	792	425
Total expenditures and transfers (discretionary and other)	5,478	6,115	6,107
Reported surplus*	5	5	5
Total surplus.	<u>\$ 5,483</u>	<u>\$ 6,120</u>	<u>\$ 6,112</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 2023 Adopted Budget:

	<u>2023</u>
	<u>(in millions)</u>
Additional Resources:	
Higher than expected general corporation tax collections	\$ 1,596
Reallocation of general reserve	1,555
Greater than expected personal income tax collections	1,421
Higher than expected sales tax collections	951
Greater than expected Federal categorical aid	855
Lower than expected all other administrative costs	726
Lower than expected Medicaid spending	629
Greater than expected pass-through entity tax collections	513
Greater than expected all other miscellaneous revenue collections	462
Higher than expected unincorporated business tax collections	426
Lower than expected supplies and materials costs (excluding fuel costs)	358
Higher than expected interest income	401
Greater than expected fines and forfeitures collections	379
Higher than expected banking corporation tax collections	321
Greater than expected State categorical aid	318
Lower than expected pension costs	313
Greater than expected all other taxes collections	263
Lower than expected debt service costs (net of prepayments)	260
Reallocation of capital stabilization reserve	250
Higher than expected real estate tax collections	223
Higher than expected commercial rent tax collections	109
Lower than expected all other personal services costs	105
Greater than expected utility tax collections	42
Greater than expected revenues from licenses, permits and privileges	26
Lower than expected judgments & claims costs	17
Lower than expected property and equipment costs	12
Total	<u>12,531</u>
Enabled the City to provide for:	
Prepayments for certain debt service and discretionary transfers due in Fiscal Year 2024	5,479
Greater than expected contractual services costs	2,989
Higher than expected overtime spending	1,122
Higher than expected payments to NYC Health and Hospitals	827
Higher than expected health insurance costs	384
Greater than expected all other fixed and miscellaneous charges	409
Higher than expected public assistance spending	350
Greater than expected all other social services costs (excluding Medicaid and public assistance costs)	227
Lower than expected revenue from all other general government charges	150
Lower than expected non-governmental grants	144
Lower than expected real property transfer tax collections	114
Lower than expected revenue from water and sewer charges	91
Lower than expected unrestricted aid	65
Lower than expected mortgage tax collections	63
Restricted fund activity adjustment*	55
Lower than expected Capital Fund reimbursements for Interfund Agreements associated with underspending	38
Greater than expected energy costs	16
All other net overspending or revenues below budget	3
Total	<u>12,526</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 2022 Adopted Budget:

	<u>2022</u>
	<u>(in millions)</u>
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.

Capital Assets

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

Governmental Activities

	<u>2023</u>	<u>2022</u>	<u>2021</u>
		(in millions)	
Land*	\$ 2,624	\$ 2,523	\$ 2,466
Buildings	33,601	35,364	36,920
Equipment (including software and subscription)	5,604	3,484	3,579
Infrastructure**	20,538	18,173	17,380
Lease assets	12,564	13,087	—
Construction work-in-progress*	10,296	6,043	4,412
Total	<u>\$85,227</u>	<u>\$78,674</u>	<u>\$64,757</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 2023 was \$6.55 billion, a 8.3% increase. Capital assets additions in Fiscal Year 2023 were \$31.11 billion, an increase of \$6.6 million from Fiscal Year 2022.

In 2023, construction work-in-progress was \$10.30 billion, representing a 70.4% 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 2023 addition to work-in-progress was \$5.05 billion, a 24.0% increase from prior year. In 2023 building additions (work-in-progress deletions) were \$0.80 billion, representing a 67.4% decrease from Fiscal Year 2022.

The net increase in the City's governmental activities capital assets during Fiscal Year 2022 was \$13.92 billion, a 21.5% increase. 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. 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.

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>2023</u>	<u>2022</u>	<u>2021</u>
		(in millions)	
Buildings	\$ 30	\$ 32	\$ 33
Equipment (including software)	9	10	12
Infrastructure**	503	468	430
Construction work-in-progress*	80	107	117
Total	<u>\$ 622</u>	<u>\$ 617</u>	<u>\$ 592</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 2023 was \$5.51 million, a 0.9% increase. Capital asset additions net of depreciation in Fiscal Year 2023 were \$87.22 million, a decrease of \$11.64 million, from Fiscal Year 2022.

In 2023, construction work-in-progress was \$79.69 million, representing a 25.2% net decrease. The 2023 addition to work-in-progress was \$54.09 million, a 16.1% decrease from prior year.

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 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 2023, 2022 and 2021.

	New York City and City-Related Debt		
	2023	2022	2021
	(in millions)		
Governmental activities:			
Bonds and notes payable			
General Obligation Bonds	\$ 40,093	\$ 38,845	\$38,574
TFA Bonds	45,627	43,523	41,276
TFA Recovery Bonds	—	143	278
TFA BARBs	7,879	8,154	8,403
TSASC Bonds	938	966	993
IDA Bonds	52	54	57
HYIC Bonds	2,519	2,557	2,677
ECF Bonds	290	297	302
Total bonds and notes outstanding governmental activities	<u>97,398</u>	<u>94,539</u>	<u>92,560</u>
Business-Type Activities:			
Bonds and notes payable			
Tax Lien Collateralized Bonds	<u>21</u>	<u>81</u>	<u>25</u>
Total bonds and notes outstanding business-type activities	<u>21</u>	<u>81</u>	<u>25</u>
Total before premiums/discounts (net)	97,419	94,620	92,585
Premiums/discounts (net)	7,132	7,266	6,856
Total bonds and notes outstanding	<u>\$104,551</u>	<u>\$101,886</u>	<u>\$99,441</u>

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, 2023, 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 \$96.91 billion (compared with \$88.39 billion and \$81.82 billion as of June 30, 2022 and 2021, respectively). As of June 30, 2023, the City's Debt Limit was \$127.45 billion (compared with \$127.35 billion and \$123.02 billion as of June 30, 2022 and 2021, respectively). The remaining debt incurring power for the City and TFA's combined debt as of June 30, 2023 after providing for capital contract liabilities, totaled \$30.54 billion. As of July 1, 2023, the remaining debt incurring power is \$37.24 billion, based on the change in the five-year full valuation average for fiscal year 2023.

As of June 30, 2023, the City's outstanding GO debt was \$40.09 billion, consisting of \$5.10 billion of variable rate bonds and \$34.99 billion of fixed rate bonds. In Fiscal Year 2023, the City issued \$5.25 billion of tax exempt bonds and \$915.70 million of taxable bonds, for a total of \$6.17 billion. This total includes \$2.25 billion issued to refund a portion of the City's outstanding bonds at lower interest rates and \$3.92 billion of bonds for new money for 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 \$1.29 million in Fiscal Year 2023 and budgetary savings of \$37.56 million and \$36.10 million in Fiscal Years 2024 and 2025, respectively. The refunding will generate \$145.36 million in budgetary savings over the life of the bonds or approximately \$133.03 million of savings on a net present value basis.

During Fiscal Year 2023, GO variable rate debt traded at the following average interest rates:

	<u>Tax Exempt</u>
Dailies ⁽¹⁾	2.38%
Weeklies ⁽¹⁾	2.58%
Auction Rate Securities—7 day	3.42%
Index Floaters	3.21%

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

Short-Term Financing

In Fiscal Year 2023, the City had no short-term borrowings.

Transitional Finance Authority

In Fiscal Year 2023, TFA issued \$5.93 billion of Future Tax Security (FTS) Bonds. This total included \$3.80 billion issued for new money capital purposes and \$2.13 billion issued to refund certain outstanding bonds at lower interest rates. The refunding will generate \$281.02 million in budgetary savings over the life of the bonds and approximately \$249.97 million on a net present value basis. In addition, TFA converted \$71.62 million of bonds between modes.

As of June 30, 2023, the total outstanding FTS debt was \$45.63 billion. Of the amount outstanding, variable rate debt totaled \$3.03 billion. During Fiscal Year 2023, TFA’s variable rate bonds traded at the following average interest rates:

	<u>Tax Exempt</u>
Dailies ⁽¹⁾	2.25%
Weeklies ⁽¹⁾	2.34%
Auction Rate Securities—7 day ⁽¹⁾	2.97%
Index Floaters	3.00%

⁽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 2023, TFA issued \$563.75 million of TFA BARBs to refund certain outstanding bonds at lower interest rates. The refunding will generate \$73.58 million in budgetary savings over the life of the bonds and approximately \$68.42 million on a net present value basis. As of June 30, 2023, TFA BARBs outstanding totaled \$7.88 billion.

<i>TSASC, Inc.</i>	In Fiscal Year 2023, TSASC had no financing activity. As of June 30, 2023, TSASC had \$938.11 million of bonds outstanding.
<i>Hudson Yards Infrastructure Corporation</i>	In Fiscal Year 2023, HYIC drew \$6.17 million from its construction loan. As of June 30, 2023, HYIC had \$2.52 billion of bonds outstanding.
<i>New York City Educational Construction Fund</i>	In Fiscal Year 2023, ECF had no financing activity. As of June 30, 2023, ECF had \$290.30 million of bonds outstanding.
<i>New York City Tax Lien Trusts</i>	In Fiscal Year 2023, the New York City Tax Lien Trusts had no financing activity. As of June 30, 2023, the New York City Tax Lien Trusts had in aggregate \$20.60 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 2023. As of June 30, 2023, 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 \$168.95 million and the mark to fair value was approximately negative \$9.44 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 2023, the Authority did not initiate or terminate any swaps. As of June 30, 2023, the outstanding notional amount on the Water Authority’s various swap agreements was \$401 million and the mark to fair value was approximately negative \$37.21 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, 2023, TFA, the City, and the Water Authority completed the following long-term financings:

<i>TFA Debt</i>	<p>On July 27, 2023, the New York City Transitional Finance Authority issued \$1,080,000,000 of Fiscal 2024 Series A Future Tax Secured Subordinate Bonds for capital purposes.</p> <p>On August 31, 2023, the New York City Transitional Finance Authority issued \$1,000,000,000 of Fiscal 2024 Series B Future Tax Secured Subordinate Bonds for capital purposes.</p> <p>On October 26, 2023, the New York City Transitional Finance Authority issued \$1,000,000,000 of Fiscal 2024 Series C Future Tax Secured Subordinate Bonds for capital purposes.</p>
<i>City Debt</i>	<p>On August 17, 2023, the City of New York issued \$950,000,000 of Fiscal 2024 Series A General Obligation Bonds for capital purposes and reoffered \$66,685,000 of Fiscal 2012 Series G, Subseries G-5 General Obligation Bonds to convert a portion of its outstanding variable rate bonds to fixed rate.</p> <p>On October 12, 2023, the City of New York issued \$965,000,000 of Fiscal 2024 Series B General Obligation Bonds for capital purposes.</p>
<i>Water Authority</i>	<p>On October 5, 2023, the New York City Municipal Water Finance Authority issued \$692,725,000 of Fiscal 2024 Series AA Second General Resolution Revenue Bonds for capital purposes, to refund a portion of its outstanding bonds at lower interest rates, and to convert a portion of its outstanding variable rate bonds to fixed rate.</p>

Commitments

At June 30, 2023, the outstanding commitments relating to projects of the New York City's Capital Projects Fund amounted to approximately \$29.4 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 \$164.8 billion over Fiscal Years 2024 through 2033. The City financing program projects \$62.7 billion of long-term borrowing for the period from 2023 through 2027 to support the current City capital program. The City and TFA expect to issue \$27.0 billion and \$26.9 billion, respectively, during the plan period. Water Authority expects to issue approximately \$8.9 billion.

On January 31, 2019, the New York City Housing Authority ("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. The HUD Agreement established a framework by which NYCHA will continue to evaluate and progress towards compliance with federal requirements. 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. The federal monitor has issued and will continue to issue quarterly reports on NYCHA's compliance with the HUD Agreement. Also pursuant to the HUD Agreement, the City allocated \$1.9 billion in capital funding in the Capital Commitment Plan for fiscal years 2023-2027, with an additional \$1.3 billion in City capital funds reflected in the remaining years of the Ten-Year Capital Strategy for fiscal years 2028 through 2033. 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 and \$45 billion over the next twenty years. In July 2023, an updated NYCHA Physical Needs Assessment stated that such costs are projected at approximately \$60 billion over the next five years and \$78 billion over the next twenty years. 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, NYCHA plans to recapitalize approximately 62,000 of its units. As of June 30, 2023, NYCHA's development partners completed renovations on 5,830 apartments, are actively repairing another 12,188 apartments, and are in predevelopment for an additional 19,691 apartments. 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, 2023 and 2022



THE CITY OF NEW YORK
STATEMENT OF NET POSITION

JUNE 30, 2023
(in thousands)

	Primary Government (PG)			Component Units (CU)
	Governmental Activities	Business – Type Activities	Total – (PG)	
ASSETS:				
Cash and cash equivalents	\$ 14,211,492	\$ 40,764	\$ 14,252,256	\$ 3,029,487
Investments	6,136,125	315,730	6,451,855	1,408,100
Receivables:				
Real estate taxes (less allowance for uncollectible amounts of \$273,256)	432,609	—	432,609	—
Federal, State and other aid	19,343,900	5,303	19,349,203	—
Taxes other than real estate	8,349,579	—	8,349,579	—
Leases	4,007,071	172,127	4,179,198	2,958,886
Other	3,659,787	238,735	3,898,522	4,923,640
Mortgage loans and interest receivable, net	—	—	—	16,918,286
Inventories	617,022	—	617,022	9,306
Due from PG, net.	—	—	—	190,832
Due from CU's	5,127,184	—	5,127,184	—
Restricted cash, cash equivalents and investments	7,284,781	82,280	7,367,061	7,900,783
Other	739,190	352	739,542	944,612
Capital assets:				
Land and construction work-in-progress	12,920,126	79,688	12,999,814	11,088,703
Other capital assets (net of depreciation/amortization):				
Property, plant and equipment (including software and subscription)	39,205,396	38,911	39,244,307	37,149,267
Infrastructure	20,537,977	503,673	21,041,650	—
Lease asset	12,563,990	311	12,564,301	1,773,931
Total assets.	<u>155,136,229</u>	<u>1,477,874</u>	<u>156,614,103</u>	<u>88,295,833</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows from pensions	6,152,060	—	6,152,060	1,661,755
Deferred outflows from OPEB	8,922,875	—	8,922,875	706,266
Other deferred outflows of resources	202,001	—	202,001	68,222
Total deferred outflows of resources	<u>15,276,936</u>	<u>—</u>	<u>15,276,936</u>	<u>2,436,243</u>
LIABILITIES:				
Accounts payable and accrued liabilities	29,401,668	38,343	29,440,011	4,323,766
Accrued interest payable	1,236,580	72	1,236,652	222,772
Unearned revenue	—	2,439	2,439	1,006,594
Due to PG, net.	—	—	—	5,127,184
Due to CU, net.	190,832	—	190,832	—
Estimated disallowance of Federal, State and other aid	330,980	—	330,980	—
Other	12,219,872	1,768	12,221,640	98,768
Derivative instruments—interest rate swaps	—	—	—	36,705
Noncurrent liabilities:				
Due within one year.	8,939,933	36,406	8,976,339	2,534,873
Due in more than one year:				
Bonds & notes payable	100,095,114	—	100,095,114	46,335,470
Net pension liability	40,157,827	—	40,157,827	2,682,134
Net OPEB liability	95,018,926	—	95,018,926	6,671,355
Lease liability	12,155,583	223	12,155,806	1,851,858
Other	15,685,081	353,199	16,038,280	6,397,427
Total liabilities.	<u>315,432,396</u>	<u>432,450</u>	<u>315,864,846</u>	<u>77,288,906</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows from pensions	2,511,604	—	2,511,604	1,251,009
Deferred inflows from real estate taxes.	9,651,714	—	9,651,714	—
Deferred inflows from OPEB	28,938,214	—	28,938,214	2,428,783
Deferred inflows from leases	4,007,070	153,646	4,160,716	2,855,281
Other deferred inflows of resources	1,083,549	—	1,083,549	372,452
Total deferred inflows of resources	<u>46,192,151</u>	<u>153,646</u>	<u>46,345,797</u>	<u>6,907,525</u>
NET POSITION:				
Net investment in capital assets.	(7,200,892)	622,272	(6,578,620)	14,042,987
Restricted for:				
Capital projects	435,590	13,689	449,279	109,592
Debt service	2,023,965	—	2,023,965	5,155,154
Loans/security deposits	—	—	—	39,089
Donor/statutory restrictions	—	—	—	597,703
Operations	2,164,115	255,817	2,419,932	503,854
Unrestricted (deficit)	<u>(188,634,160)</u>	<u>—</u>	<u>(188,634,160)</u>	<u>(13,912,734)</u>
Total net position (deficit)	<u>\$ (191,211,382)</u>	<u>\$ 891,778</u>	<u>\$ (190,319,604)</u>	<u>\$ 6,535,645</u>

See accompanying notes to the financial statements.

THE CITY OF NEW YORK
STATEMENT OF NET POSITION

JUNE 30, 2022
(in thousands)

	Restated			
	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	\$ 2,432,027
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	2,928,999
Other	3,512,966	316,904	3,829,870	5,502,126
Mortgage loans and interest receivable, net	—	—	—	15,263,548
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	8,839,598
Other	797,549	276	797,825	945,345
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	36,114,662
Infrastructure	18,172,490	467,536	18,640,026	—
Lease asset	13,087,271	—	13,087,271	1,255,392
Total assets.	143,577,469	1,550,333	145,127,802	85,744,568
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	191,507
Total deferred outflows of resources	19,051,689	—	19,051,689	2,937,510
LIABILITIES:				
Accounts payable and accrued liabilities	25,466,723	49,558	25,516,281	4,308,060
Accrued interest payable	1,207,515	285	1,207,800	206,671
Unearned revenue	—	2,455	2,455	1,003,588
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	186,907
Derivative instruments—interest rate swaps	—	—	—	60,991
Noncurrent liabilities:				
Due within one year.	8,179,931	109,370	8,289,301	2,469,659
Due in more than one year:				
Bonds & notes payable.	97,534,055	—	97,534,055	45,423,289
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	1,291,584
Other	16,013,630	348,061	16,361,691	5,822,487
Total liabilities.	303,824,644	511,188	304,335,832	75,203,489
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows from pensions	3,629,613	—	3,629,613	2,016,534
Deferred inflows from 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	2,833,536
Other deferred inflows of resources	934,676	—	934,676	129,580
Total deferred inflows of resources	53,477,198	156,176	53,633,374	7,390,727
NET POSITION:				
Net investment in capital assets.	(13,033,877)	617,076	(12,416,801)	13,001,935
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	489,265
Unrestricted (deficit)	(186,301,692)	—	(186,301,692)	(12,747,036)
Total net position (deficit)	\$ (194,672,684)	\$ 882,969	\$ (193,789,715)	\$ 6,087,862

See accompanying notes to the financial statements.

THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(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	\$ 3,873,117	\$ 1,134,504	\$ 2,854,710	\$ 124,451	\$ 240,548	\$ —	\$ 240,548	\$ —
Public safety and judicial	22,448,788	336,744	693,649	14,112	(21,404,283)	—	(21,404,283)	—
Education	35,586,049	46,268	16,525,321	143,202	(18,871,258)	—	(18,871,258)	—
City University	1,295,751	210,287	337,980	—	(747,484)	—	(747,484)	—
Social services	20,705,483	68,188	5,398,654	10,180	(15,228,461)	—	(15,228,461)	—
Environmental protection	5,073,949	1,755,829	15,183	18,759	(3,284,178)	—	(3,284,178)	—
Transportation services	3,741,062	1,602,006	398,606	126,894	(1,613,556)	—	(1,613,556)	—
Parks, recreation and cultural activities	1,153,522	16,009	13,715	48,743	(1,075,055)	—	(1,075,055)	—
Housing	3,701,177	462,052	679,484	66,007	(2,493,634)	—	(2,493,634)	—
Health (including payments to NYC Health + Hospitals)	5,328,352	128,365	998,168	67,822	(4,133,997)	—	(4,133,997)	—
Libraries	509,290	—	—	(62)	(509,352)	—	(509,352)	—
Debt service interest	3,188,811	—	—	—	(3,188,811)	—	(3,188,811)	—
Total governmental activities	<u>106,605,351</u>	<u>5,760,252</u>	<u>27,915,470</u>	<u>620,108</u>	<u>(72,309,521)</u>	<u>—</u>	<u>(72,309,521)</u>	<u>—</u>
Business-Type Activities								
Brooklyn Bridge Park Corp	38,558	1,888	—	47	—	(36,623)	(36,623)	—
The Trust for Governor's Island	54,135	6,791	19,200	36,964	—	8,820	8,820	—
WTC Captive Insurance Co	1,752	—	—	—	—	(1,752)	(1,752)	—
New York City Tax Lien Trusts	78,515	—	—	—	—	(78,515)	(78,515)	—
Total business-type activities	<u>172,960</u>	<u>8,679</u>	<u>19,200</u>	<u>37,011</u>	<u>—</u>	<u>(108,070)</u>	<u>(108,070)</u>	<u>—</u>
Total Primary Government (PG)	<u>\$106,778,311</u>	<u>\$ 5,768,931</u>	<u>\$27,934,670</u>	<u>\$ 657,119</u>	<u>(72,309,521)</u>	<u>(108,070)</u>	<u>(72,417,591)</u>	<u>—</u>
Component Units	<u>\$ 25,938,229</u>	<u>\$18,022,650</u>	<u>\$ 4,229,925</u>	<u>\$2,234,210</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$(1,451,444)</u>
General Revenues:								
Taxes (net of refunds):								
Real estate taxes					31,501,534	—	31,501,534	—
Sales and use taxes					10,577,384	—	10,577,384	—
Personal income tax					15,312,978	—	15,312,978	—
Other income taxes					13,180,713	—	13,180,713	—
Other taxes:								
Commercial rent					992,666	—	992,666	—
Conveyance of real property					1,287,403	—	1,287,403	—
Hotel room occupancy					662,181	—	662,181	—
Payments in lieu of taxes					652,483	20,257	672,740	—
Taxes, penalties and refunds					64,375	—	64,375	—
Other					1,434	—	1,434	—
Investment income (loss)					622,175	71,946	694,121	(180,636)
Unrestricted Federal and State aid					234,329	—	234,329	5,939
Gain (Loss) on in-substance defeasance					—	—	—	—
Tax equivalency and PILOT—HYIC					336,315	—	336,315	—
Tobacco settlement—TSASC					192,085	—	192,085	—
Interest income from leases—BBP and TGI					—	10,344	10,344	—
Transfer from (to) residual liability—WTC Captive					—	14,084	14,084	—
Other revenue					154,457	248	154,705	2,073,924
Total general revenues					<u>75,772,512</u>	<u>116,879</u>	<u>75,889,391</u>	<u>1,899,227</u>
Change in net position					3,462,991	8,809	3,471,800	447,783
Net position (deficit)—beginning					(194,672,684)	882,969	(193,789,715)	6,087,862
Restatement of beginning net position					(1,689)	—	(1,689)	—
Net position (deficit)—ending					<u>\$(191,211,382)</u>	<u>\$891,778</u>	<u>\$(190,319,604)</u>	<u>\$ 6,535,645</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					Restated			
	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)			
Governmental Activities					Business-Type Activities	Total – (PG)	Component Units (CU)	
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>\$ 24,763,289</u>	<u>\$ 17,447,465</u>	<u>\$ 5,737,921</u>	<u>\$ 2,105,490</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ 527,587</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	(39,525)	—
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	1,454,968	—
Total general revenues				<u>69,708,702</u>	<u>147,581</u>	<u>69,856,283</u>	<u>1,430,613</u>	<u>—</u>
Change in net position				10,081,212	44,069	10,125,281	1,958,200	—
Net position (deficit)—beginning				(196,468,072)	833,111	(195,634,961)	4,121,075	—
Restatement of beginning net position				(8,285,824)	5,789	(8,280,035)	8,587	—
Net position (deficit)—ending				<u>\$(194,672,684)</u>	<u>\$882,969</u>	<u>\$(193,789,715)</u>	<u>\$6,087,862</u>	<u>—</u>

See accompanying notes to the financial statements.

THE CITY OF NEW YORK
GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2023
(in thousands)

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$13,776,149	\$ 182,757	\$ —	\$ 252,586	\$ —	\$ 14,211,492
Investments	3,496,898	—	—	2,638,890	—	6,135,788
Accounts receivable:						
Real estate taxes (less allowance for uncollectible amounts of \$273,256)	432,609	—	—	—	—	432,609
Federal, State and other aid	18,330,120	1,013,780	—	—	—	19,343,900
Taxes other than real estate	6,949,426	—	—	1,400,153	—	8,349,579
Other receivables, net.	2,990,728	—	—	449,001	—	3,439,729
Due from other funds	5,145,380	—	—	939,370	(939,370)	5,145,380
Due from component units, net.	4,441,435	685,749	—	—	—	5,127,184
Restricted cash and investments	2,236,866	105,312	2,835,389	2,107,214	—	7,284,781
Other assets	133,471	237,254	—	368,465	—	739,190
Total assets	<u>\$57,933,082</u>	<u>\$ 2,224,852</u>	<u>\$ 2,835,389</u>	<u>\$ 8,155,679</u>	<u>\$ (939,370)</u>	<u>\$ 70,209,632</u>
LIABILITIES:						
Accounts payable and accrued liabilities	\$25,851,998	\$ 2,240,515	\$ 186	\$ 1,309,351	\$ —	\$ 29,402,050
Accrued tax refunds:						
Real estate taxes	69,427	—	—	—	—	69,427
Personal income tax	100,541	—	—	—	—	100,541
Other	61,864	—	—	—	—	61,864
Accrued judgments and claims	744,963	110,056	—	—	—	855,019
Due to other funds	—	5,722,597	—	362,153	(939,370)	5,145,380
Due to component units, net	190,832	—	—	—	—	190,832
Estimated disallowance of Federal, State and other aid	330,980	—	—	—	—	330,980
Other liabilities	10,636,730	498,271	—	548	—	11,135,549
Total liabilities	<u>37,987,335</u>	<u>8,571,439</u>	<u>186</u>	<u>1,672,052</u>	<u>(939,370)</u>	<u>47,291,642</u>
DEFERRED INFLOWS OF RESOURCES:						
Prepaid real estate taxes	9,651,714	—	—	—	—	9,651,714
Uncollected real estate taxes	293,672	—	—	—	—	293,672
Taxes other than real estate	5,241,807	—	—	—	—	5,241,807
Other deferred inflows of resources	562,693	—	—	1,595,036	—	2,157,729
Total deferred inflows of resources	<u>15,749,886</u>	<u>—</u>	<u>—</u>	<u>1,595,036</u>	<u>—</u>	<u>17,344,922</u>
FUND BALANCES (DEFICITS):						
Nonspendable	—	—	—	14,505	—	14,505
Spendable:						
Restricted	2,236,865	105,312	85,210	2,275,590	—	4,702,977
Committed	1,958,996	—	2,749,993	—	—	4,708,989
Assigned	—	—	—	2,677,803	—	2,677,803
Unassigned	—	(6,451,899)	—	(79,307)	—	(6,531,206)
Total fund balances (deficit)	<u>4,195,861</u>	<u>(6,346,587)</u>	<u>2,835,203</u>	<u>4,888,591</u>	<u>—</u>	<u>5,573,068</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$57,933,082</u>	<u>\$ 2,224,852</u>	<u>\$ 2,835,389</u>	<u>\$ 8,155,679</u>	<u>\$ (939,370)</u>	<u>\$ 70,209,632</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, 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
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2023
(in thousands)

Total fund balances — governmental funds	\$ 5,573,068
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.	617,022
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	85,227,489
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	15,276,936
Lease receivable	4,007,071
Other long-term assets.	220,058
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	(104,530,320)
Net OPEB liability	(95,018,926)
Accrued interest payable	(1,236,580)
Lease liability	(12,962,670)
Accrued vacation and sick leave	(6,045,283)
Net pension liability	(40,157,827)
Landfill closure and post-closure care costs	(1,137,977)
Pollution Remediation obligations	(326,809)
Accrued judgments and claims	(7,380,868)
Other accrued tax refunds	(1,418,000)
Deferred inflows of resources	(28,847,229)
Other liabilities	(3,070,537)
Net position (deficit) of governmental activities	<u><u>\$(191,211,382)</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, 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.	181,499
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	(37,170,178)
Other liabilities	(2,453,276)
Net position (deficit) of governmental activities (restated)	<u><u>\$ (194,672,684)</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, 2023
(in thousands)

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
REVENUES:						
Real estate taxes	\$ 31,644,665	\$ —	\$ —	\$ —	\$ —	\$ 31,644,665
Sales and use taxes	10,585,017	—	—	—	—	10,585,017
Personal income tax	14,828,978	—	—	1,282,472	(1,282,472)	14,828,978
Other income taxes	12,712,713	—	—	—	—	12,712,713
Other taxes	3,665,405	—	—	—	—	3,665,405
Federal, State and other categorical aid	27,915,470	541,678	48,047	—	—	28,505,195
Unrestricted Federal and State aid	186,282	—	—	—	—	186,282
Charges for services	2,839,757	—	—	—	—	2,839,757
Tobacco settlement	—	—	—	197,585	—	197,585
Investment income	508,143	—	14,589	79,676	—	602,408
Other revenues	2,893,120	1,786,360	57	5,236,083	(4,740,455)	5,175,165
Total revenues	<u>107,779,550</u>	<u>2,328,038</u>	<u>62,693</u>	<u>6,795,816</u>	<u>(6,022,927)</u>	<u>110,943,170</u>
EXPENDITURES:						
General government	4,388,563	1,354,323	—	61,105	(9,083)	5,794,908
Public safety and judicial	12,069,764	589,925	—	—	—	12,659,689
Education	30,975,740	3,703,304	—	3,862,892	(4,731,372)	33,810,564
City University	1,125,903	20,236	—	—	—	1,146,139
Social services	18,105,165	69,406	—	—	—	18,174,571
Environmental protection	3,369,891	1,848,066	—	—	—	5,217,957
Transportation services	2,153,586	1,421,897	—	—	—	3,575,483
Parks, recreation and cultural activities	744,230	687,846	—	—	—	1,432,076
Housing	1,491,109	1,734,810	—	—	—	3,225,919
Health (including payments to NYC Health + Hospitals)	4,083,742	610,583	—	—	—	4,694,325
Libraries	466,191	109,332	—	—	—	575,523
Pensions	8,988,063	—	—	—	—	8,988,063
Judgments and claims	1,208,575	—	—	—	—	1,208,575
Fringe benefits and other benefit payments	7,774,282	—	—	—	—	7,774,282
Administrative and other	3,144,392	—	42,987	1,245,491	—	4,432,870
Debt Service:						
Interest	—	—	1,611,557	2,382,422	—	3,993,979
Redemptions	—	—	2,449,561	4,733,324	—	7,182,885
Lease payments	81,977	—	—	—	—	81,977
Total expenditures	<u>100,171,173</u>	<u>12,149,728</u>	<u>4,104,105</u>	<u>12,285,234</u>	<u>(4,740,455)</u>	<u>123,969,785</u>
Excess (deficiency) of revenues over expenditures	<u>7,608,377</u>	<u>(9,821,690)</u>	<u>(4,041,412)</u>	<u>(5,489,418)</u>	<u>(1,282,472)</u>	<u>(13,026,615)</u>
OTHER FINANCING SOURCES (USES):						
Transfers from (to) General Fund	—	—	3,536,128	2,898,626	—	6,434,754
Transfers from (to) Nonmajor Capital Projects Funds	—	3,940,386	—	9,956	—	3,950,342
Transfers from (to) Nonmajor Special Revenue Funds, net	—	—	—	(453,986)	—	(453,986)
Principal amount of bonds issued	169,391	3,745,609	—	3,806,170	—	7,721,170
Bond premium	—	245,757	201,363	522,829	—	969,949
Other financing source – refunding debt issued	—	—	2,248,195	2,766,285	—	5,014,480
Transfers from (to) Capital Projects Fund	—	—	—	(3,940,386)	—	(3,940,386)
Transfers from (to) General Debt Service Fund	(3,536,128)	—	—	—	—	(3,536,128)
Transfers from (to) Nonmajor Debt Service Funds, net	(4,181,098)	—	—	444,030	1,282,472	(2,454,596)
Payments to refunded bond escrow holder	—	—	(2,441,389)	(259,079)	—	(2,700,468)
Total other financing sources (uses)	<u>(7,547,835)</u>	<u>7,931,752</u>	<u>3,544,297</u>	<u>5,794,445</u>	<u>1,282,472</u>	<u>11,005,131</u>
Net change in fund balances	60,542	(1,889,938)	(497,115)	305,027	—	(2,021,484)
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR						
	4,135,319	(4,456,649)	3,332,318	4,583,564	—	7,594,552
FUND BALANCES (DEFICIT) AT END OF YEAR						
	<u>\$ 4,195,861</u>	<u>\$ (6,346,587)</u>	<u>\$ 2,835,203</u>	<u>\$ 4,888,591</u>	<u>\$ —</u>	<u>\$ 5,573,068</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, 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

**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, 2023
(in thousands)

Net change in fund balances — governmental funds \$ (2,021,484)

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	\$ 30,316,299	
Depreciation expense	<u>(12,487,785)</u>	17,828,514

The net effect of various miscellaneous transactions involving capital assets and other (*i.e.* sales, trade-ins, and donations) is to decrease net position. (10,126,751)

The issuance of long-term debt (*i.e.*, bonds) 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	(12,735,650)	
Principal payments of bonds	8,913,404	
Other	<u>814,398</u>	(3,007,848)

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 (724,766)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds 751,128

Net change in deferred (inflows) and outflows of resources relating to pension liability . . . (1,859,602)

Net change in deferred (inflows) and outflows of resources relating to OPEB liability 5,876,825

Net change in deferred (inflows) and outflows of resources relating to lease receivable. . . . 66,307

Change in net pension liability 2,191,639

Change in OPEB liability (5,493,068)

Change in pollution remediation obligations (17,903)

Change in net position—governmental activities \$ 3,462,991

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.e.* sales, trade-ins, and donations) is to decrease net position. (4,405,899)

The issuance of long-term debt (*i.e.*, bonds) 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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds 3,071,465

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 (86,853)

Change in net position—governmental activities \$ 10,081,212

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, 2023
(in thousands)

	Budget		Actual	Better (Worse) Than Modified Budget
	Adopted	Modified		
REVENUES:				
Real estate taxes	\$31,421,411	\$ 31,619,938	\$ 31,644,665	\$ 24,727
Sales and use taxes	9,675,071	10,552,759	10,585,017	32,258
Personal income tax	13,409,000	14,741,750	14,828,978	87,228
Other income taxes	9,155,000	12,439,875	12,712,713	272,838
Other taxes	4,088,113	3,624,041	3,665,405	41,364
Federal, State and other categorical aid	26,900,608	29,671,434	27,915,470	(1,755,964)
Unrestricted Federal and State aid	251,600	296,844	186,282	(110,562)
Charges for services	3,080,523	2,969,950	2,839,757	(130,193)
Investment income	107,430	477,091	508,143	31,052
Other revenues	2,029,592	2,880,811	2,893,120	12,309
Total revenues	100,118,348	109,274,493	107,779,550	(1,494,943)
EXPENDITURES:				
General government	4,277,677	4,752,467	4,388,563	363,904
Public safety and judicial	10,756,261	12,173,212	12,069,764	103,448
Education	31,021,689	31,424,966	30,975,740	449,226
City University	1,398,250	1,246,594	1,125,903	120,691
Social services	16,958,558	18,788,360	18,105,165	683,195
Environmental protection	3,415,910	3,478,367	3,369,891	108,476
Transportation services	2,238,319	2,244,953	2,153,586	91,367
Parks, recreation and cultural activities	744,603	770,482	744,230	26,252
Housing	1,470,213	1,554,865	1,491,109	63,756
Health (including payments to NYC Health + Hospitals)	3,274,100	4,326,318	4,083,742	242,576
Libraries	452,856	466,924	466,191	733
Pensions	9,301,395	8,996,497	8,988,063	8,434
Judgments and claims	1,199,189	1,208,575	1,208,575	—
Fringe benefits and other benefit payments	6,878,842	7,257,924	7,774,282	(516,358)
Lease payments for debt service	106,842	83,073	81,977	1,096
Other	3,606,382	2,928,376	3,144,392	(216,016)
Total expenditures	97,101,086	101,701,953	100,171,173	1,530,780
Excess of revenues over expenditures	3,017,262	7,572,540	7,608,377	35,837
OTHER FINANCING SOURCES (USES):				
Principal amount of bonds issued	—	169,391	169,391	—
Transfer to Nonmajor Debt Service Fund	(2,378,505)	(4,423,574)	(4,421,720)	(1,854)
Transfer from Nonmajor Debt Service Fund	221,315	240,622	240,622	—
Transfers and other payments for debt service, net	(860,072)	(3,558,979)	(3,536,128)	(22,851)
Total other financing uses	(3,017,262)	(7,572,540)	(7,547,835)	(24,705)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	\$ —	\$ —	60,542	\$ 60,542
FUND BALANCE AT BEGINNING OF YEAR			4,135,319	
FUND BALANCE AT END OF YEAR			\$ 4,195,861	

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	<u>97,725,397</u>	<u>108,979,386</u>	<u>106,795,525</u>	<u>(2,183,861)</u>
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	<u>95,939,456</u>	<u>102,414,094</u>	<u>98,933,172</u>	<u>3,480,922</u>
Excess of revenues over expenditures	<u>1,785,941</u>	<u>6,565,292</u>	<u>7,862,353</u>	<u>1,297,061</u>
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	<u>(134,563)</u>	<u>(6,565,292)</u>	<u>(6,558,536)</u>	<u>(6,756)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ 1,651,378</u>	<u>\$ —</u>	<u>1,303,817</u>	<u>\$ 1,303,817</u>
FUND BALANCE AT BEGINNING OF YEAR			2,831,502	
FUND BALANCE AT END OF YEAR			<u>\$ 4,135,319</u>	

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2023
(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	\$ 33,138	\$ 5,217	\$ 564	\$ —	\$ 47
Investments	—	6,183	—	—	—
Receivables:					
Federal, State and other aid	—	5,303	—	—	—
Accounts receivable	297	1,122	40,196	—	17,521
Restricted cash, cash equivalents	18,598	2,986	—	—	—
Restricted investments	—	—	48,307	—	6,827
Prepaid expenses	179	94	—	—	—
Total current assets	<u>52,212</u>	<u>20,905</u>	<u>89,067</u>	<u>—</u>	<u>24,395</u>
Noncurrent assets:					
Investments	18,841	—	—	—	—
Restricted cash, cash equivalents	—	5,562	—	—	—
Accounts receivable	—	—	140,754	—	32,010
Leases receivable	133,395	38,732	—	—	—
Capital assets:					
Land and construction work-in-progress	4,162	75,526	—	—	—
Other capital assets (net of depreciation/amortization):					
Property, plant and equipment (including software)	30,549	8,362	—	—	—
Infrastructure	273,234	230,439	—	—	—
Lease asset	—	—	—	—	—
Other assets	—	—	—	—	—
Total noncurrent assets	<u>460,181</u>	<u>358,621</u>	<u>140,754</u>	<u>—</u>	<u>32,010</u>
Total assets	<u>512,393</u>	<u>379,526</u>	<u>229,821</u>	<u>—</u>	<u>56,405</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	5,200	13,911	10,997	—	1,090
Accrued interest payable	—	—	—	—	72
Unearned revenue	947	1,492	—	—	—
Security deposits	708	—	—	—	—
Overage due to taxpayers	—	—	1,745	—	23
Bonds payable	—	—	—	—	20,595
Discount on bonds payable	—	—	—	—	(26)
Lease liability	—	—	—	—	—
Residual liability	—	—	14,606	—	—
Total current liabilities	<u>6,855</u>	<u>15,403</u>	<u>27,348</u>	<u>—</u>	<u>21,754</u>
Noncurrent liabilities:					
Security deposits	6,888	5,574	—	—	—
Residual liability	—	—	48,899	—	—
Lease liability	—	—	—	—	—
Total noncurrent liabilities	<u>6,888</u>	<u>5,574</u>	<u>48,899</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>13,743</u>	<u>20,977</u>	<u>76,247</u>	<u>—</u>	<u>21,754</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows from leases	119,019	34,627	—	—	—
Total deferred inflows of resources	<u>119,019</u>	<u>34,627</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET POSITION:					
Net investment in capital assets	307,945	314,327	—	—	—
Restricted for:					
Capital projects	13,689	—	—	—	—
Operations	57,997	9,595	153,574	—	34,651
Total net position	<u>\$ 379,631</u>	<u>\$ 323,922</u>	<u>\$ 153,574</u>	<u>\$ —</u>	<u>\$ 34,651</u>

See accompanying notes to financial statements.

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

JUNE 30, 2023
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 1,798	\$ 40,764
Investments	1,301	7,484
Receivables:		
Federal, State and other aid	—	5,303
Accounts receivable	6,835	65,971
Restricted cash, cash equivalents	—	21,584
Restricted investments	—	55,134
Prepaid expenses	39	312
Total current assets	<u>9,973</u>	<u>196,552</u>
Noncurrent assets:		
Investments	289,405	308,246
Restricted cash, cash equivalents	—	5,562
Accounts receivable	—	172,764
Leases receivable	—	172,127
Capital assets:		
Land and construction work-in-progress	—	79,688
Other capital assets (net of depreciation/amortization):		
Property, plant and equipment (including software)	—	38,911
Infrastructure	—	503,673
Lease asset	311	311
Other assets	40	40
Total noncurrent assets	<u>289,756</u>	<u>1,281,322</u>
Total assets	<u>299,729</u>	<u>1,477,874</u>
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	7,145	38,343
Accrued interest payable	—	72
Unearned revenue	—	2,439
Security deposits	435	1,143
Overage due to taxpayers	—	1,768
Bonds payable	—	20,595
Discount on bonds payable	—	(26)
Lease liability	88	88
Residual liability	—	14,606
Total current liabilities	<u>7,668</u>	<u>79,028</u>
Noncurrent liabilities:		
Security deposits	102,661	115,123
Residual liability	189,177	238,076
Lease liability	223	223
Total noncurrent liabilities	<u>292,061</u>	<u>353,422</u>
Total liabilities	<u>299,729</u>	<u>432,450</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from leases	—	153,646
Total deferred inflows of resources	<u>—</u>	<u>153,646</u>
NET POSITION:		
Net investment in capital assets	—	622,272
Restricted for:		
Capital projects	—	13,689
Operations	—	255,817
Total net position	<u>\$ —</u>	<u>\$ 891,778</u>

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:					
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:		
Operations	—	265,893
Total net position	\$ —	\$ 882,969

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, 2023
(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)	\$ —	\$ —	\$ 72,559	\$ 2,007	\$ 7,176
Permits and other fees	1,888	6,791	—	—	—
Interest income — leases	8,335	2,009	—	—	—
Payments in lieu of taxes and ground leases rent	20,257	—	—	—	—
Operating grants and contributions	—	19,200	—	—	—
Total operating revenues	<u>30,480</u>	<u>28,000</u>	<u>72,559</u>	<u>2,007</u>	<u>7,176</u>
OPERATING EXPENSES:					
General and administrative expense	—	—	4,547	598	1,597
Personnel costs	6,873	9,399	—	—	—
Utilities	404	1,248	—	—	—
Professional fees	1,568	—	—	—	—
Repairs and maintenance	3,521	—	—	—	—
Security	1,722	—	—	—	—
Increase in allowance for doubtful accounts	—	—	56,888	—	584
Change to residual liability due to Water Board	—	—	(117)	231	—
Write-offs of uncollectible liens, net of recoveries	—	—	12,906	194	137
Depreciation and amortization	21,447	25,508	—	1	13
Other general, administrative and project expenses	3,023	17,980	—	—	—
Other	—	—	—	41	895
Total operating expenses	<u>38,558</u>	<u>54,135</u>	<u>74,224</u>	<u>1,065</u>	<u>3,226</u>
Operating income (loss)	<u>(8,078)</u>	<u>(26,135)</u>	<u>(1,665)</u>	<u>942</u>	<u>3,950</u>
NONOPERATING REVENUES (EXPENSES):					
Investment income	782	145	1,093	103	413
Interest income	201	—	—	—	—
Other income	—	47	—	—	—
Total nonoperating revenues	<u>983</u>	<u>192</u>	<u>1,093</u>	<u>103</u>	<u>413</u>
Income (loss) before other revenues and transfers	<u>(7,095)</u>	<u>(25,943)</u>	<u>(572)</u>	<u>1,045</u>	<u>4,363</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:					
Capital contributions from government sources	47	33,246	—	—	—
Capital contributions from private sources ..	—	3,718	—	—	—
Transfer from (to) residual liability	—	—	—	—	—
Transfers in	—	—	14,589	—	—
Transfers out	—	—	—	(14,589)	—
Change in net position	<u>(7,048)</u>	<u>11,021</u>	<u>14,017</u>	<u>(13,544)</u>	<u>4,363</u>
Net position-beginning	386,679	312,901	139,557	13,544	30,288
Net position-ending	<u>\$ 379,631</u>	<u>\$ 323,922</u>	<u>\$ 153,574</u>	<u>\$ —</u>	<u>\$ 34,651</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, 2023
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
OPERATING REVENUES:		
Investment income (loss)	\$ (12,332)	\$ 69,410
Permits and other fees	—	8,679
Interest income — leases	—	10,344
Payments in lieu of taxes and ground leases rent	—	20,257
Operating grants and contributions	—	19,200
Total operating revenues	<u>(12,332)</u>	<u>127,890</u>
OPERATING EXPENSES:		
General and administrative expense	497	7,239
Personnel costs	619	16,891
Utilities	—	1,652
Professional fees	636	2,204
Repairs and maintenance	—	3,521
Security	—	1,722
Increase in allowance for doubtful accounts	—	57,472
Change to residual liability due to Water Board	—	114
Write-offs of uncollectible liens, net of recoveries	—	13,237
Depreciation and amortization	—	46,969
Other general, administrative and project expenses	—	21,003
Other	—	936
Total operating expenses	<u>1,752</u>	<u>172,960</u>
Operating income (loss)	<u>(14,084)</u>	<u>(45,070)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	—	2,536
Interest income	—	201
Other income	—	47
Total nonoperating revenues	<u>—</u>	<u>2,784</u>
Income (loss) before other revenues and transfers	<u>(14,084)</u>	<u>(42,286)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
Capital contributions from government sources	—	33,293
Capital contributions from private sources ..	—	3,718
Transfer from (to) residual liability	14,084	14,084
Transfers in	—	14,589
Transfers out	—	(14,589)
Change in net position	—	8,809
Net position-beginning	—	882,969
Net position-ending	<u>\$ —</u>	<u>\$ 891,778</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	(1,728)	(2,088)	15,209	2,388	30,288
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)

	<u>WTC Captive Insurance Company, Inc.</u>	<u>Total Proprietary Funds</u>
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 CASH FLOW
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023
(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	2,027	7,050	—	—	—
Cash collections	—	—	26,371	9,020	50,712
Tenants payments	23,529	—	—	—	—
Operating grants and contributions	—	23,054	—	—	—
Other receipts	154	5,115	—	—	—
Cash payments for:					
Losses and loss adjustment expenses paid	—	—	—	—	—
Personnel costs	(6,961)	(9,686)	—	—	—
Administration expenses	—	—	—	(565)	(4,263)
Services and supplies	(10,292)	(19,927)	(5,290)	—	—
Net cash provided by operating activities	<u>8,457</u>	<u>5,606</u>	<u>21,081</u>	<u>8,455</u>	<u>46,449</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in/out	—	—	6,179	(6,179)	—
Bond retired	—	—	—	(8,249)	(52,098)
Net cash provided by (used for) noncapital financing activities	<u>—</u>	<u>—</u>	<u>6,179</u>	<u>(14,428)</u>	<u>(52,098)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants and contributions from government sources	47	30,162	—	—	—
Capital grants and contributions from private sources	—	3,849	—	—	—
Capital asset expenditures	(15,196)	(30,756)	—	—	—
Net cash provided by (used for) capital and related financing activities ..	<u>(15,149)</u>	<u>3,255</u>	<u>—</u>	<u>—</u>	<u>—</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investments	(29,259)	(1,998)	(47,316)	(16,751)	(58,996)
Sales and maturities of investments	27,645	—	18,985	22,616	64,203
Interest received	450	145	1,093	103	413
Net cash provided by (used for) investing activities	<u>(1,164)</u>	<u>(1,853)</u>	<u>(27,238)</u>	<u>5,968</u>	<u>5,620</u>
Net increase (decrease) in cash and cash equivalents	(7,856)	7,008	22	(5)	(29)
Cash and cash equivalents July 1	59,592	6,757	542	5	76
Cash and cash equivalents June 30	<u>\$ 51,736</u>	<u>\$ 13,765</u>	<u>\$ 564</u>	<u>\$ —</u>	<u>\$ 47</u>

See accompanying notes to financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2023
(in thousands)

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from:		
Interest income collected	\$ 4,617	\$ 4,617
Receipts from customers	—	9,077
Cash collections	—	86,103
Tenants payments	—	23,529
Operating grants and contributions	—	23,054
Other receipts	—	5,269
Cash payments for:		
Losses and loss adjustment expenses paid	(366)	(366)
Personnel costs	(619)	(17,266)
Administration expenses	(497)	(5,325)
Services and supplies	(635)	(36,144)
Net cash provided by operating activities	2,500	92,548
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in/out	—	—
Bond retired	—	(60,347)
Net cash provided by (used for) noncapital financing activities	—	(60,347)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants and contributions from government sources	—	30,209
Capital grants and contributions from private sources	—	3,849
Capital asset expenditures	—	(45,952)
Net cash provided by (used for) capital and related financing activities ..	—	(11,894)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(410,864)	(565,184)
Sales and maturities of investments	407,849	541,298
Interest received	—	2,204
Net cash provided by (used for) investing activities	(3,015)	(21,682)
Net increase (decrease) in cash and cash equivalents	(515)	(1,375)
Cash and cash equivalents July 1	2,313	69,285
Cash and cash equivalents June 30	\$ 1,798	\$ 67,910

See accompanying notes to financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2023
(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)	\$ (8,078)	\$ (26,135)	\$ (1,665)	\$ 942	\$ 3,950
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	21,447	25,508	—	1	13
Accounts receivable	91	(393)	(33,573)	7,736	41,296
Grants and contributions receivable from government sources	—	3,704	—	—	—
Change in allowance for doubtful accounts	—	—	56,888	—	584
Prepaid expenses	(52)	(26)	—	—	—
Lease receivable	(3,344)	(480)	—	—	—
Accounts payable and accrued expenses . .	(90)	(960)	(569)	(224)	606
Unearned revenue	36	146	—	—	—
Security deposits	154	5,065	—	—	—
Deferred inflow of resources	(1,707)	(823)	—	—	—
Realized gains on sales of investments . .	—	—	—	—	—
Change in unrealized gains on investments	—	—	—	—	—
Accrued investment income	—	—	—	—	—
Total adjustments	<u>16,535</u>	<u>31,741</u>	<u>22,746</u>	<u>7,513</u>	<u>42,499</u>
Net cash provided by operating activities	<u>\$ 8,457</u>	<u>\$ 5,606</u>	<u>\$ 21,081</u>	<u>\$ 8,455</u>	<u>\$ 46,449</u>
RECONCILIATION TO CASH AND CASH					
EQUIVALENTS, END OF YEAR:					
Unrestricted cash and cash equivalents	33,138	5,217	564	—	47
Current restricted cash and cash equivalents . .	18,598	2,986	—	—	—
Noncurrent restricted cash and cash equivalents	—	5,562	—	—	—
Cash and cash equivalents — end of year	<u>\$ 51,736</u>	<u>\$ 13,765</u>	<u>\$ 564</u>	<u>\$ —</u>	<u>\$ 47</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW					
INFORMATION:					
Noncash capital and related financing transactions:					
Accrued capital asset expenditures	\$ (3,963)	\$ 11,102	\$ —	\$ —	\$ —

See accompanying notes to financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2023
(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)	\$ (14,084)	\$ (45,070)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	—	46,969
Accounts receivable	—	15,157
Grants and contributions receivable from government sources	—	3,704
Change in allowance for doubtful accounts	—	57,472
Prepaid expenses	—	(78)
Lease receivable	—	(3,824)
Accounts payable and accrued expenses . .	1,173	(64)
Unearned revenue	—	182
Security deposits	—	5,219
Deferred inflow of resources	—	(2,530)
Realized gains on sales of investments . .	5,130	5,130
Change in unrealized gains on investments	11,049	11,049
Accrued investment income	(768)	(768)
Total adjustments	16,584	137,618
Net cash provided by operating activities	\$ 2,500	\$ 92,548
RECONCILIATION TO CASH AND CASH		
EQUIVALENTS, END OF YEAR:		
Unrestricted cash and cash equivalents	1,798	40,764
Current restricted cash and cash equivalents . .	—	21,584
Noncurrent restricted cash and cash equivalents	—	5,562
Cash and cash equivalents — end of year	\$ 1,798	\$ 67,910
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
INFORMATION:		
Noncash capital and related financing transactions:		
Accrued capital asset expenditures	\$ —	\$ 7,139

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>

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)

	<u>WTC Captive Insurance Company, Inc.</u>	<u>Total Proprietary Funds</u>
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	<u>(2,200)</u>	<u>(34,636)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Bond issued	—	88,864
Bond retired	—	(32,411)
Net cash provided by (used for) noncapital financing activities	<u>—</u>	<u>56,453</u>
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 ..	<u>—</u>	<u>(42,096)</u>
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	<u>(7,415)</u>	<u>(28,468)</u>
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	<u>\$ 2,313</u>	<u>\$ 69,285</u>

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)

	<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
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023
(in thousands)

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Custodial Fund</u>
ASSETS:		
Cash and cash equivalents	\$ 4,733,765	\$ 531,665
Receivables:		
Member loans	2,463,121	—
Investment securities sold	4,967,413	—
Accrued interest and dividends	1,081,470	—
Other receivables	1,043	—
Total receivables	<u>8,513,047</u>	<u>—</u>
Investments:		
Short-term investments	4,509,936	—
Debt securities	74,955,821	290,897
Equity securities	131,923,201	—
Alternative investments	61,301,112	—
Mutual funds	18,239,158	—
Collective trust funds	6,641,637	—
Collateral from securities lending transactions	20,445,303	—
Guaranteed investment contracts	7,754,901	—
Total investments	<u>325,771,069</u>	<u>290,897</u>
Other assets	482,084	—
Total assets	<u>339,499,965</u>	<u>822,562</u>
LIABILITIES:		
Accounts payable and accrued liabilities	1,052,593	626,905
Payable for investment securities purchased	5,988,559	—
Accrued benefits payable	1,492,753	—
Securities lending transactions	20,445,303	—
Other liabilities	235,482	195,657
Total liabilities	<u>29,214,690</u>	<u>822,562</u>
NET POSITION:		
Restricted for benefits to be provided by QPPs	223,780,542	—
Restricted for benefits to be provided by VSFs	6,398,501	—
Restricted for benefits to be provided by TDA program	48,542,112	—
Restricted for other employee benefits	31,564,120	—
Total net position	<u>\$310,285,275</u>	<u>\$ —</u>

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 CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(in thousands)

	<u>Pension And Other Employee Benefit Trust Funds</u>	<u>Custodial Fund</u>
ADDITIONS:		
Contributions:		
Member contributions	\$ 3,748,929	\$ —
Employer contributions	13,815,200	—
Other employer contributions	<u>57,721</u>	<u>—</u>
Total contributions	<u>17,621,850</u>	<u>—</u>
Investment income:		
Interest income	4,000,492	—
Dividend income	3,214,380	—
Net appreciation in fair value of investments	13,220,310	—
Investment expenses	<u>(1,702,532)</u>	<u>—</u>
Investment income, net	<u>18,732,650</u>	<u>—</u>
Securities lending transactions:		
Securities lending income	61,733	—
Securities lending fees	<u>(5,102)</u>	<u>—</u>
Securities lending income, net	<u>56,631</u>	<u>—</u>
Custodial fund additions	—	480,886
Other	<u>(14,742)</u>	<u>1,126,499</u>
Total additions	<u>36,396,389</u>	<u>1,607,385</u>
DEDUCTIONS:		
Benefit payments and withdrawals	24,624,803	—
Administrative expenses	298,196	—
Custodial fund payments and withdrawals	—	784,823
Other	<u>10,282</u>	<u>822,562</u>
Total deductions	<u>24,933,281</u>	<u>1,607,385</u>
Net increase in net position	11,463,108	—
NET POSITION:		
Restricted for Benefits:		
Beginning of year	298,822,167	—
End of year	<u>\$310,285,275</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
COMPONENT UNITS
STATEMENT OF NET POSITION

JUNE 30, 2023
(in thousands)

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2022	New York City Housing Development Corporation October 31, 2022	New York City Water and Sewer System
ASSETS:					
Cash and cash equivalents	\$ 58,959	\$ 1,902,489	\$ 263,058	\$ 703,663	\$ —
Investments	127,471	647,668	448,355	46,011	10,742
Lease receivables	2,365,856	114,833	23,668	—	—
Other receivables	306,584	2,014,852	1,071,727	471,586	1,030,603
Mortgage loans and interest receivable, net	40,427	—	194,156	16,683,703	—
Inventories	—	—	9,306	—	—
Due from Primary Government	—	100,002	—	—	74,755
Restricted cash, cash equivalents and investments	395,679	347,672	574,010	3,420,088	3,016,552
Other	80,527	471,649	112,805	212,621	63,505
Capital assets:					
Land and construction work-in-progress	132,387	730,422	3,263,646	—	6,881,740
Other capital assets (net of depreciation/amortization):					
Property, plant and equipment (including software)	273,178	3,876,888	5,711,678	3,661	26,673,842
Lease asset	231,077	560,919	781,920	163	—
Total assets	<u>4,012,145</u>	<u>10,767,394</u>	<u>12,454,329</u>	<u>21,541,496</u>	<u>37,751,739</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflows from pensions	—	1,362,406	291,856	7,081	412
Deferred outflows from OPEB	4,862	297,804	401,910	1,018	672
Other deferred outflows of resources	793	5,000	13,574	2,510	46,345
Total deferred outflows of resources	<u>5,655</u>	<u>1,665,210</u>	<u>707,340</u>	<u>10,609</u>	<u>47,429</u>
LIABILITIES:					
Accounts payable and accrued liabilities	272,269	2,894,988	632,485	459,720	27,003
Accrued interest payable	—	13,103	6,801	142,640	60,228
Unearned revenue	48,282	—	222,086	605,306	89,689
Due to Primary Government	143,039	—	—	4,441,435	542,710
Other	5,956	—	82,309	—	—
Derivative instruments-interest rate swaps	—	—	—	—	36,705
Noncurrent liabilities:					
Due within one year	13,701	791,343	667,792	327,349	725,401
Due in more than one year:					
Bonds & notes payable	—	581,354	612,892	10,999,843	34,141,381
Net pension liability	—	1,881,690	786,625	12,204	824
Net OPEB liability	—	4,159,241	2,504,827	5,263	2,024
Leases liability	260,391	569,876	803,170	—	—
Other	263,481	533,041	4,608,810	683,738	83,513
Total liabilities	<u>1,007,119</u>	<u>11,424,636</u>	<u>10,927,797</u>	<u>17,677,498</u>	<u>35,709,478</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows from pensions	—	1,163,408	86,717	848	36
Deferred inflows from OPEB	7,900	1,488,899	922,259	8,879	846
Deferred inflows from leases	2,328,082	110,490	21,934	—	—
Other deferred inflows of resources	—	925	—	176,467	195,060
Total deferred inflows of resources	<u>2,335,982</u>	<u>2,763,722</u>	<u>1,030,910</u>	<u>186,194</u>	<u>195,942</u>
NET POSITION:					
Net investment in capital assets	230,163	4,345,833	8,073,733	3,824	718,114
Restricted for:					
Capital projects	69,923	—	—	—	—
Debt service	—	94,788	—	3,154,604	1,905,323
Loans/security deposits	39,089	—	—	—	—
Donor/statutory restrictions	—	545,845	—	—	—
Operations	—	—	11,914	105,703	322,235
Unrestricted (deficit)	335,524	(6,742,220)	(6,882,685)	424,282	(1,051,924)
Total net position (deficit)	<u>\$ 674,699</u>	<u>\$ (1,755,754)</u>	<u>\$ 1,202,962</u>	<u>\$ 3,688,413</u>	<u>\$ 1,893,748</u>

See accompanying notes to financial statements.

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

JUNE 30, 2023
(in thousands)

	Nonmajor Component Units	Total
ASSETS:		
Cash and cash equivalents	\$ 101,318	\$ 3,029,487
Investments	127,853	1,408,100
Lease receivables	454,529	2,958,886
Other receivables	28,288	4,923,640
Mortgage loans and interest receivable, net . . .	—	16,918,286
Inventories	—	9,306
Due from Primary Government	16,075	190,832
Restricted cash, cash equivalents and investments	146,782	7,900,783
Other	3,505	944,612
Capital assets:		
Land and construction work-in-progress. . .	80,508	11,088,703
Other capital assets (net of depreciation/amortization):		
Property, plant and equipment (including software)	610,020	37,149,267
Lease asset	199,852	1,773,931
Total assets	1,768,730	88,295,833
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows from pensions	—	1,661,755
Deferred outflows from OPEB	—	706,266
Other deferred outflows of resources	—	68,222
Total deferred outflows of resources . . .	—	2,436,243
LIABILITIES:		
Accounts payable and accrued liabilities . . .	37,301	4,323,766
Accrued interest payable	—	222,772
Unearned revenue	41,231	1,006,594
Due to Primary Government	—	5,127,184
Other	10,503	98,768
Derivative instruments-interest rate swaps. . .	—	36,705
Noncurrent liabilities:		
Due within one year	9,287	2,534,873
Due in more than one year:		
Bonds & notes payable	—	46,335,470
Net pension liability	791	2,682,134
Net OPEB liability	—	6,671,355
Leases liability	218,421	1,851,858
Other	224,844	6,397,427
Total liabilities	542,378	77,288,906
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pensions	—	1,251,009
Deferred inflows from OPEB	—	2,428,783
Deferred inflows from leases	394,775	2,855,281
Other deferred inflows of resources	—	372,452
Total deferred inflows of resources	394,775	6,907,525
NET POSITION:		
Net investment in capital assets	671,320	14,042,987
Restricted for:		
Capital projects	39,669	109,592
Debt service	439	5,155,154
Loans/security deposits	—	39,089
Donor/statutory restrictions	51,858	597,703
Operations	64,002	503,854
Unrestricted (deficit)	4,289	(13,912,734)
Total net position (deficit)	\$ 831,577	\$ 6,535,645

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	\$ 505,672	\$ —
Investments	88,085	600,030	515,492	7,829	6,132
Lease receivables	2,441,772	—	26,525	—	—
Other receivables	312,504	2,843,622	898,380	475,548	945,933
Mortgage loans and interest receivable, net . . .	47,026	—	196,439	15,020,083	—
Inventories	—	—	8,409	—	—
Due from Primary Government	—	—	—	—	98,227
Restricted cash, cash equivalents and investments	348,887	386,735	657,387	4,699,171	2,619,830
Other	62,880	673,081	105,584	37,218	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	870	26,787,672
Lease asset	243,136	—	824,330	2,117	—
Total assets	<u>4,021,286</u>	<u>10,164,601</u>	<u>12,278,849</u>	<u>20,748,508</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	107,105	71,149
Total deferred outflows of resources	<u>5,884</u>	<u>2,005,366</u>	<u>741,368</u>	<u>112,404</u>	<u>72,488</u>
LIABILITIES:					
Accounts payable and accrued liabilities . . .	214,878	2,909,803	620,501	500,916	18,985
Accrued interest payable	—	9,828	10,497	132,815	53,531
Unearned revenue	36,660	—	199,908	650,304	95,636
Due to Primary Government	165,808	327,450	—	4,139,436	523,152
Other	5,469	—	61,665	106,656	—
Derivative instruments-interest rate swaps . . .	—	—	—	—	60,991
Noncurrent liabilities:					
Due within one year	13,548	864,388	494,941	640,557	435,969
Due in more than one year:					
Bonds & notes payable	—	679,831	655,495	10,265,054	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	—	824,138	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>10,343,869</u>	<u>17,139,960</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	—	25,219	—	—
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>1,077,071</u>	<u>15,693</u>	<u>119,115</u>
NET POSITION:					
Net investment in capital assets	249,879	3,487,440	7,918,922	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)	(6,359,747)	634,616	(884,813)
Total net position (deficit)	<u>\$ 642,166</u>	<u>\$ (2,320,328)</u>	<u>\$ 1,599,277</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)

	<u>Nonmajor Component Units</u>	<u>Total</u>
ASSETS:		
Cash and cash equivalents	\$ 115,697	\$ 2,432,027
Investments	117,093	1,334,661
Lease receivables	460,702	2,928,999
Other receivables	26,139	5,502,126
Mortgage loans and interest receivable, net . . .	—	15,263,548
Inventories	—	8,409
Due from Primary Government	29,751	127,978
Restricted cash, cash equivalents and investments	127,588	8,839,598
Other	3,191	945,345
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	36,114,662
Lease asset	185,809	1,255,392
Total assets	<u>1,739,062</u>	<u>85,744,568</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows from pensions	—	1,746,499
Deferred outflows from OPEB	—	999,504
Other deferred outflows of resources	—	191,507
Total deferred outflows of resources . . .	<u>—</u>	<u>2,937,510</u>
LIABILITIES:		
Accounts payable and accrued liabilities . . .	42,977	4,308,060
Accrued interest payable	—	206,671
Unearned revenue	21,080	1,003,588
Due to Primary Government	—	5,155,846
Other	13,117	186,907
Derivative instruments-interest rate swaps. . .	—	60,991
Noncurrent liabilities:		
Due within one year	20,256	2,469,659
Due in more than one year:		
Bonds & notes payable	—	45,423,289
Net pension liability	1,720	2,171,473
Net OPEB liability	—	7,102,934
Leases liability	197,730	1,291,584
Other	227,109	5,822,487
Total liabilities	<u>523,989</u>	<u>75,203,489</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	2,833,536
Other deferred inflows of resources	—	129,580
Total deferred inflows of resources	<u>414,051</u>	<u>7,390,727</u>
NET POSITION:		
Net investment in capital assets	656,717	13,001,935
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	62,415	489,265
Unrestricted (deficit)	(5,018)	(12,747,036)
Total net position (deficit)	<u>\$ 801,022</u>	<u>\$ 6,087,862</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023
(in thousands)

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2022	New York City Housing Development Corporation October 31, 2022	New York City Water and Sewer System
EXPENSES	\$ 1,126,162	\$ 14,068,943	\$ 5,512,031	\$ 383,420	\$ 4,367,090
PROGRAM REVENUES:					
Charges for services	309,994	11,638,392	989,273	680,221	4,301,599
Operating grants and contributions	150,088	502,340	3,251,824	—	—
Capital grants, contributions and other	685,569	627,956	806,150	272	52,870
Total program revenues	<u>1,145,651</u>	<u>12,768,688</u>	<u>5,047,247</u>	<u>680,493</u>	<u>4,354,469</u>
Net (expenses) program revenues	<u>19,489</u>	<u>(1,300,255)</u>	<u>(464,784)</u>	<u>297,073</u>	<u>(12,621)</u>
GENERAL REVENUES:					
Investment income (loss)	9,996	43,715	(26,135)	(315,685)	96,007
Unrestricted Federal and State aid	—	—	—	—	—
Other	3,048	1,821,114	94,604	1,766	149,896
Total general revenue	<u>13,044</u>	<u>1,864,829</u>	<u>68,469</u>	<u>(313,919)</u>	<u>245,903</u>
Change in net position	32,533	564,574	(396,315)	(16,846)	233,282
Net position (deficit)—beginning	642,166	(2,320,328)	1,599,277	3,705,259	1,660,466
Net position (deficit)—ending	<u>\$ 674,699</u>	<u>\$ (1,755,754)</u>	<u>\$ 1,202,962</u>	<u>\$ 3,688,413</u>	<u>\$ 1,893,748</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF ACTIVITIES - (Continued)
FOR THE YEAR ENDED JUNE 30, 2023
(in thousands)

	<u>Nonmajor Component Units</u>	<u>Total</u>
EXPENSES	\$ 480,583	\$25,938,229
PROGRAM REVENUES:		
Charges for services	103,171	18,022,650
Operating grants and contributions	325,673	4,229,925
Capital grants, contributions and other	<u>61,393</u>	<u>2,234,210</u>
Total program revenues	490,237	24,486,785
Net (expenses) program revenues	<u>9,654</u>	<u>(1,451,444)</u>
GENERAL REVENUES:		
Investment income (loss)	11,466	(180,636)
Unrestricted Federal and State aid	5,939	5,939
Other	<u>3,496</u>	<u>2,073,924</u>
Total general revenue	20,901	1,899,227
Change in net position	30,555	447,783
Net position (deficit)—beginning	<u>801,022</u>	<u>6,087,862</u>
Net position (deficit)—ending	<u>\$ 831,577</u>	<u>\$ 6,535,645</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	\$ 5,073,474	\$ 368,628	\$ 3,849,336
PROGRAM REVENUES:					
Charges for services	335,314	11,586,177	921,655	613,063	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>656,114</u>	<u>3,916,259</u>
Net (expenses) program revenues	<u>93,410</u>	<u>332,074</u>	<u>(271,842)</u>	<u>287,486</u>	<u>66,923</u>
GENERAL REVENUES:					
Investment income (loss)	(1,855)	(25,913)	13,147	(1,212)	(5,985)
Unrestricted Federal and State aid	—	—	—	—	—
Gain on in-substance defeasance	—	—	—	—	9,244
Other	4,147	1,192,478	105,429	1,047	147,729
Total general revenue	<u>2,292</u>	<u>1,166,565</u>	<u>118,576</u>	<u>(165)</u>	<u>150,988</u>
Change in net position	95,702	1,498,639	(153,266)	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>\$ 1,599,277</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	\$ 488,738	\$ 24,763,289
PROGRAM REVENUES:		
Charges for services	102,201	17,447,465
Operating grants and contributions	320,642	5,737,921
Capital grants, contributions and other	<u>85,431</u>	<u>2,105,490</u>
Total program revenues	<u>508,274</u>	<u>25,290,876</u>
Net (expenses) program revenues	<u>19,536</u>	<u>527,587</u>
GENERAL REVENUES:		
Investment income (loss)	(17,707)	(39,525)
Unrestricted Federal and State aid	5,926	5,926
Gain on in-substance defeasance	—	9,244
Other	<u>4,138</u>	<u>1,454,968</u>
Total general revenue	<u>(7,643)</u>	<u>1,430,613</u>
Change in net position	11,893	1,958,200
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>\$ 801,022</u>	<u>\$ 6,087,862</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

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. The Custodial Fund uses the accrual basis of accounting and economic resources measurement focus.

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 Standards Adopted

In Fiscal Year 2023, the City adopted new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No.91, *Conduit Debt Obligations*
- Statement No.94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No.96, *Subscription-Based Information Technology Arrangements*
- Statement No.99, *Omnibus 2022*

Statement No. 91, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Dormitory Authority of the State of New York (DASNY) and City University Construction Fund and The City University of New York entered a lease agreement on October 13, 1993, that authorizes DASNY to acquire, design, construct, reconstruct, rehabilitate or improve court facilities located within the City for the transaction of business by the state paid courts and court related agencies of the Unified Court System of the State. The Dormitory Authority Act (“The Act”), being and constituting Title 4 of Article 8 of the Public Authorities Law of the State of New York authorizes DASNY to lease such facilities to the City and to establish the rents or other charges. As part of this arrangement, DASNY issues its revenue bonds payable from rentals to be received from the City. Accordingly, the City is a party to this three-party agreement: (1) DASNY as issuer, (2) The City as third party obligor, and (3) debt trustee. Statement 91 only addresses the issuers responsibilities, and therefore did not impact the City’s reporting of conduit debt. DASNY’s commitments extend as long as outstanding bonds remain for the leased facilities. In the event the City fails to pay all or any part of the rentals when due, whether or not as a result of the failure of the City to appropriate moneys therefore, The Act directs the State Comptroller to pay DASNY the amount of unpaid rentals from certain moneys appropriated by the State as State assistance to the City. The total outstanding principal amount of all conduit debt obligations as of fiscal year ended June 30, 2023, is \$576.3 million. For additional information, see footnote (2) of Note D.5.

Statement No. 94, provides new definitions and guidance for accounting and financial reporting for public-private, public-public partnerships (PPPs) and availability payment arrangements (APAs).

A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time, in an exchange or exchange-like transaction.

All of the City’s PPPs meet the definition of a service concession arrangement (SCA).¹ An SCA is a PPP arrangement between a transferor and an operator in which all the following criteria are met: 1) the transferor conveys to the operator the right and related obligation to provide public services through the use and operation of an underlying PPP asset in exchange for significant consideration, such as an upfront payment, installment payments, a new facility, or improvements to an existing facility. 2) the operator collects and is compensated by fees from third parties. 3) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services. 4) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

An APA is an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time, in an exchange or exchange-like transaction. In an APA, a government procures a capital asset or service, rather than receiving compensation to allow another entity to provide public services. During the process of evaluating the impact of this statement, it was confirmed that The City is not involved in APA arrangements.

Recognition of the underlying PPP asset should be reported using the economic resources measurement focus. However, in the case of an underlying PPP asset that is not owned by the transferor or is not the underlying asset of an SCA, a transferor should recognize a receivable measured based on the operator’s estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, a transferor should recognize a receivable for installment payments, if any, to be received from the operator in relation to the PPP. A transferor also should recognize a deferred inflow of resources for the consideration received or to be received by the transferor as part of the PPP. Revenue should be recognized by a transferor in a systematic and rational manner over the PPP term.

The new standard requires enhanced disclosure which includes a general description of its PPP arrangements, as well as the nature and amounts of assets and deferred inflows of resources related to PPPs that are recognized in the financial statements. Additional disclosures also required include noting the amount of inflows of resources recognized in the reporting period for variable and other payments not previously included in the measurement of the receivable for installment payments, including inflows of resources related to residual value guarantees and termination penalties. (See Note A.19).

The financial reporting impact from the implementation of Statement No. 94 resulted in the restatement of the City’s Statement of Net Position for fiscal year ended June 30, 2022, of \$36.1 million. There was no effect on the Capital Assets associated with the PPP Arrangements since these Capital Assets have been previously recorded in the City’s financial statements under GASB 60, *Accounting and Financial Reporting for Service Concession Arrangements*.

Therefore, the Governmental Activities Statement of Net Position for fiscal year 2022 increased from \$194,636 million to \$194,672 million. The change in net position is outlined below and incorporates the restatement.

	Fiscal Year 2022 Original	GASB stmt no. 94	Fiscal Year 2022 (Restated)
Governmental activities			
		(in thousands)	
Change in net position	\$ 10,081,212	—	\$ 10,081,212
Net position (deficit) - Beginning	(196,468,072)	—	(196,468,072)
Restatement of beginning net position			
(GASB no. 87)*	(8,249,710)	—	(8,249,710)
Restatement of beginning net position			
(GASB no. 94)**	N/A	(36,114)	(36,114)
Net position (deficit) - Ending	<u>\$(194,636,570)</u>	<u>\$(36,114)</u>	<u>\$(194,672,684)</u>

* GASB Statement No. 87 was implemented by The City in statements issued Fiscal Year ended June 30, 2022.

** The City has implemented GASB Statement No. 94 for Fiscal Year ended June 30, 2023.

¹ The City has been consistently reporting SCA’s since its implementation of Statement no. 60, *Accounting and Financial Reporting for Service Concession Arrangements* in fiscal year 2013.

As of June 30, 2023 the net Capital Assets associated with the PPP Arrangements were \$210 million and the deferred inflows related to these assets were \$292 million.

Additional disclosures of the City’s implementation with respect to Statement No. 94 is included in Note A.19.

Statement No. 96, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The Statement is based on the principle that SBITAs are financings of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangements on a government’s resources (See Note D.4).

The City has implemented Statement No.96 and found that it had no material impact on the City’s financial statements. Throughout the analysis of assessing the affect of Statement No. 96, it became evident that a majority of The City’s subscription arrangements are perpetual agreements and mainly to access content. Therefore, beginning balances of the prior period (Fiscal year ended June 30, 2022) were not restated; rather The City restated the current fiscal year beginning balance by the cumulative effect of \$1.69 million, which represents less than 1% increase over the prior year’s net position balance.

Statement No. 99, Omnibus 2022, addresses a variety of practice issues, such as requirements related to derivatives, leases, PPPs and SBITAs that were identified during implementation and application of certain GASB Statements. The effective periods of Statement No. 99 covered multiple fiscal years. The City implemented some of the requirements of this statement in its fiscal year ended June 30, 2022 financials, and the residual items in the current fiscal year and found that there were no material impacts to the City’s financial statements. Additionally, the City does not have derivative or hedging instruments as defined by Statement No. 99, but does however maintain other investment instruments. For more information on the City’s investment instruments please see Note A.12.

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.

<u>GASB Statement No.</u>	<u>GASB Accounting Standard</u>	<u>Effective Fiscal Year</u>
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.

Reclassifications

Certain amounts in the prior periods presented have been reclassified to conform to the current period's financial statement presentation. These reclassifications have no effect on previously reported change in net position.

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

Generally, for purposes of reporting cash flows, cash includes cash and cash equivalents. Available cash balances consist of all cash and cash equivalents that can be converted to cash in under 90 days. 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 costs which approximates fair value.

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 2023 and 2022 is included in Deposits and Investments (see Note D.1).

6. Inventories

Inventories on hand at June 30, 2023 and 2022, estimated based on average cost at \$617 and \$533 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 and subscriptions), 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. Infrastructure elements include the roads, bridges, curbs and gutters, streets and sidewalks, park land and improvements, piers, bulkheads and tunnels.

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. The derivative instrument is classified in Level 2 as its valuation relies primarily on observable inputs.

Hedging Derivative Instruments

As of June 30, 2023 the City does not have any swaps that are classified as hedging derivative instruments.

Contingencies

The City's derivative instruments include provisions that require the City to post collateral in the event its credit rating falls below Baa3 (Moody's) and BBB- (Standard & Poor's) for derivative instrument E. The collateral posted is to be in the form of cash, U.S. Treasury securities, or specified U.S. Government Agency securities in the amount equal to (when in the form of cash) or 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 \$700 thousand for ratings below Baa3 or BBB- based on posting cash. The City's credit rating as of June 30, 2023 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, 2023 ⁽²⁾ (in thousands)	Collateral Threshold at Baa2/BBB to Baa3/BBB- ⁽³⁾	Collateral Amount ⁽⁴⁾ (in thousands)	Collateral Threshold below Baa3/BBB-	Collateral Amount ⁽⁴⁾⁽⁵⁾ (in thousands)
US Bank National Association	\$(690)	Infinity	\$ 0	\$ 0	\$700
Total Fair Value	\$(690)		\$ —		\$700

- ⁽¹⁾ The City's swap counterpart has an agreement 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, 2023, were due July 1, 2022 and January 1, 2023 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 2023 taxes was June 13, 2022. 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 17, 2023, on properties with an assessed value of \$250,000 or less and before July 1, 2023, on properties with an assessed value over \$250,000 received the discount. Collections of these real estate taxes received on or before June 30, 2023 and 2022 were approximately \$9.7 billion and \$9.3 billion, respectively.

There was no real property tax liens sales in fiscal year 2023. No reserve for defective tax liens in fiscal year 2023 was required.

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 refunded the value of liens determined to be defective, plus interest and a 5% surcharge. 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.

In fiscal years 2023 and 2022, \$273 million and \$216 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, 2023 and 2022, excess amounts of \$85 million and \$112 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 not for profit cultural organizations which are represented and supported by the New York City Department of Cultural Affairs.

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 2023		FY 2022	
	Primary Government	Component Units	Primary Government	Component Units
	(in thousands)			
Deferred Outflows of Resources:				
Deferred outflows from pension	\$ 6,152,060	\$1,661,755	\$ 9,129,671	\$1,746,499
Deferred outflows from OPEB	8,922,875	706,266	9,639,344	999,504
Unamortized deferred bond refunding costs	200,672	—	281,391	—
Other	1,329	68,222	1,283	191,507
Total deferred outflows of resources	<u>\$15,276,936</u>	<u>\$2,436,243</u>	<u>\$19,051,689</u>	<u>\$2,937,510</u>
Deferred Inflows of Resources:				
Deferred inflows from pension	\$ 2,511,604	\$1,251,009	\$ 3,629,613	\$2,016,534
Real estate taxes	9,651,714	—	9,308,024	—
Deferred inflows from OPEB	28,938,214	2,428,783	35,531,508	2,411,077
Public-private partnerships	292,563	—	42,469	—
Grant advances	—	—	106,307	—
Deferred inflows from leases	4,160,716	2,855,281	4,229,553	2,833,536
Other	790,986	372,452	785,900	129,580
Total deferred inflows of resources	<u>\$46,345,797</u>	<u>\$6,907,525</u>	<u>\$53,633,374</u>	<u>\$7,390,727</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 2023	FY 2022
	(in thousands)	
Total revenues	\$107,779,550	\$106,795,525
Total expenditures	100,171,173	98,933,172
Excess of revenues over expenditures . . .	7,608,377	7,862,353
Total other financing uses	(7,547,835)	(6,558,536)
Net change in fund balance	60,542	1,303,817
(Less) Restricted Fund activity	(55,395)	151,481
Fiscal Year Operating Surplus/ Revenue Stabilization contribution	\$ 5,147	\$ 1,455,298

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, 2023 and 2022:

	Fiscal Year 2023				
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	(in thousands)				
Nonspendable:					
Prepaid items	\$ —	\$ —	\$ —	\$ 14,505	\$ 14,505
Spendable:					
Restricted for:					
Education	3,078	—	—	6,557	9,635
Environmental protection	485	—	—	—	485
General government	1,274,580	—	—	—	1,274,580
Housing	90,257	—	—	—	90,257
Other	237,769	—	—	—	237,769
Parks, recreation and cultural	13,893	—	—	—	13,893
Public safety and judicial	612,891	—	—	—	612,891
Social services	3,912	—	—	—	3,912
Capital projects	—	105,312	—	330,278	435,590
Debt service	—	—	85,210	1,938,755	2,023,965
Committed for:					
Revenue stabilization fund	1,958,996	—	—	—	1,958,996
Debt service	—	—	2,749,993	—	2,749,993
Assigned for:					
Debt service	—	—	—	2,172,056	2,172,056
Operations	—	—	—	505,747	505,747
Unassigned	—	(6,451,899)	—	(79,307)	(6,531,206)
Total fund balances (deficit)	\$4,195,861	\$(6,346,587)	\$2,835,203	\$4,888,591	\$ 5,573,068

	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
Housing	85,889	—	—	—	85,889
Other	237,598	—	—	—	237,598
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

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.

25. Public-Private Partnerships (PPP)

The City is the transferor in 79 PPP Arrangements contracted at the Department of Parks and Recreation (Parks) and two arrangements with the Department of Transportation (DOT). 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. Parks 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. DOT operators maintain concession stands and provide food and beverages to the public at two separate locations.

The PPP Agreements do not contain any upfront payments from the operators nor are there any guarantees or commitments by the City. The total net asset value associated with the above PPP Arrangements is \$210.05 million and reported within infrastructure on the capital assets table (See note D.2). The deferred inflows resulting from such arrangements are \$292.56 million for Fiscal Year 2023. A total of \$32.6 million was recognized as inflows of resources for the year ended June 30, 2023.

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.

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

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.

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 \$9.3 and \$11.41 billion subsequent to its original adoption in Fiscal Years 2023 and 2022, 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 \$6.35 and \$4.46 billion for the years ended June 30, 2023 and 2022, 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 September 2023. 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, 2023 and June 30, 2022:

	Governmental Activities	
	2023	2022
	(in thousands)	
Restricted cash and cash equivalents:		
Cash	\$ 1,973,792	\$ 18,617
Cash Equivalents	<u>4,195,179</u>	<u>5,535,546</u>
Total restricted cash and cash equivalents:	<u>6,168,971</u>	<u>5,554,163</u>
Unrestricted cash and cash equivalents:		
Cash*	3,595,458	3,061,771
Cash Equivalents	<u>10,616,034</u>	<u>8,364,286</u>
Total unrestricted cash and cash equivalents:	<u>14,211,492</u>	<u>11,426,057</u>
Grand Total cash and cash equivalents	<u>\$20,380,463</u>	<u>\$16,980,220</u>

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

At June 30, 2023, of the City's unrestricted Governmental Activities bank balances, General Funds were \$5.05 billion, Nonmajor Governmental Funds were \$109.84 million, and Capital Funds were \$182.76 million. Of the General Funds bank balances, the City's Treasury and Community bank balances were \$570.78 million and Real Estate Tax collections were \$4.05 billion. At June 30, 2023, the City's bank balances were FDIC insured or fully collateralized. At June 30, 2023 and 2022, the City's restricted Governmental Activities cash balances were \$1.97 billion and \$18.62 million, respectively.

The following is a summary of the cash and cash equivalents of the City's business-type activities as of June 30, 2023 and June 30, 2022:

	Business-Type Activities	
	2023	2022
	(in thousands)	
Restricted cash and cash equivalents:		
Cash	\$ 27,146	\$ 17,629
Cash Equivalents	<u>—</u>	<u>—</u>
Total restricted cash and cash equivalents:	<u>27,146</u>	<u>17,629</u>
Unrestricted cash and cash equivalents:		
Cash	39,080	49,476
Cash Equivalents	<u>1,684</u>	<u>2,180</u>
Total unrestricted cash and cash equivalents:	<u>40,764</u>	<u>51,656</u>
Grand Total cash and cash equivalents	<u>\$ 67,910</u>	<u>\$ 69,285</u>

At June 30, 2023 and 2022, the City's unrestricted business-type activities bank balances were \$39.08 and \$49.48 million, respectively. At June 30, 2023 and 2022, the City's restricted business-type activities cash balances were \$27.15 and \$17.63 million, 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, 2023 and 2022:

Governmental Activities:

Investment Type	Investment Maturities					
	2023			2022		
	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	\$3,907,891	\$ 24,436	\$ —	\$ 913,255	\$ —	\$ —
U.S. Government agency obligations . . .	2,172,503	—	—	1,961,859	—	—
Time deposits	31,985	—	—	28,763	—	—
Investment derivative instruments	—	—	(690) ⁽¹⁾	—	—	(19,850) ⁽²⁾
Total unrestricted	<u>\$6,112,379</u>	<u>\$ 24,436</u>	<u>\$ (690)</u>	<u>\$2,903,877</u>	<u>\$ —</u>	<u>\$(19,850)</u>
Restricted						
U.S. Government securities	\$ 149,015	\$308,090	\$ —	\$1,057,869	\$416,404	\$ —
U.S. Government agency obligations . . .	647,510	848	—	700,732	885	—
Money Market Fund	10,271	—	—	—	—	—
Time deposits	76	—	—	50,775	—	—
Total restricted	<u>\$ 806,872</u>	<u>\$308,938</u>	<u>\$ —</u>	<u>\$1,809,376</u>	<u>\$417,289</u>	<u>\$ —</u>

⁽¹⁾ The City has one pay-fixed interest rate swap that is treated as investment derivative instrument. On June 30, 2023, the swap had fair value of \$(690) in thousands.

⁽²⁾ 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.

Business-Type Activities:

Investment Type	Investment Maturities					
	2023			2022		
	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	\$19,586	\$142,206	\$18,841	\$ 8,454	\$155,673	\$ 27,615
Commercial paper	2,860	61,032	—	2,188	66,530	1,094
Bonds	—	32	—	—	56	—
Time deposits	234	—	—	218	—	—
Mortgage backed & asset backed securities	—	—	70,939	—	—	72,581
Total unrestricted	<u>\$22,680</u>	<u>\$203,270</u>	<u>\$ 89,780</u>	<u>\$10,860</u>	<u>\$222,259</u>	<u>\$101,290</u>
Restricted						
Money market fund	\$55,134	\$ —	\$ —	\$37,874	\$ —	\$ —
Total restricted	<u>\$55,134</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$37,874</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 value any of its investments using level 3 input).

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, 2023 and June 30, 2022:

Investments ⁽¹⁾ by Fair Value Level	2023			2022		
	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	\$ 5,427,573	\$941,238	\$4,486,335	\$4,983,719	\$ 3,365,178	\$ 1,618,541
U.S. Government agency obligations . .	3,674,332	5	3,674,327	3,297,706	—	3,297,706
Commercial paper	63,892	2,860	61,032	69,812	—	69,812
Money market funds (includes time deposits)	224,600	46,213	178,387	375,943	47,162	328,781
Bonds	3,089	3,089	—	1,780	1,724	56
Mortgage backed & asset back securities	70,939	—	70,939	72,581	—	72,581
Investment derivative instruments . . .	(690)	—	(690)	(19,850)	—	(19,850)
Total Investment & Cash Equivalent by Fair Value Level	<u>\$9,463,735⁽²⁾</u>	<u>\$993,405</u>	<u>\$8,470,330</u>	<u>\$8,781,691⁽²⁾</u>	<u>\$ 3,414,064</u>	<u>\$ 5,367,627</u>

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

⁽²⁾ As of June 30, 2023 and June 30, 2022, all ECF investment maturities were recorded at carrying value. For the year ended June 30, 2023 and June 30, 2022, ECF's listed investments totaled \$154.81 and \$196.42 million, respectively.

Investments classified in Level 1 of the fair value hierarchy, valued at \$993.41 million and \$3.41 billion in Fiscal Years 2023 and 2022 respectively, are valued using quoted prices in active markets.

The following investments are classified in Level 2 of the fair value hierarchy and valued using matrix pricing techniques maintained by various pricing vendors for Fiscal Years 2023 and 2022 respectively: U.S. Government securities totaling \$4.49 and \$1.62 billion; U.S. Government agency obligations totaling \$3.67 and \$3.30 billion; commercial paper totaling \$61.03 and \$69.81 million; money market funds totaling \$178.39 and \$328.78 million; mortgage backed and asset backed securities totaling \$70.94 and \$72.58 million; and bonds totaling \$56 thousand for Fiscal Year 2022. There were no bonds in Fiscal Year 2023 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 \$(690) thousand and \$(19.85) million in Fiscal Years 2023 and 2022, 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, 2023 and 2022, 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 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, 2023 was \$(690) thousand. 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. For derivative instrument E, a pay-fixed, receive-variable interest rate swap, as Secured Overnight Financing Rate (SOFR) or Securities Industry and Financial Markets Association (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 SIFMA, but receives a variable rate on the swap based on a percentage of SOFR.

Tax risk: The City is at risk that a change in Federal tax rates will alter the fundamental relationship between the SIFMA and SOFR indices. A reduction in Federal tax rates, for example, may 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, 2023 and 2022, 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 112 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, 2022 and 2023:

<u>Primary Governmental</u>	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
	(in thousands)						
Governmental activities:							
Capital assets, not being depreciated/amortized:							
Land	\$ 2,465,662	\$ 57,446	\$ 27	\$ 2,523,081	\$ 100,793	\$ 64	\$ 2,623,810
Construction work-in-progress	4,412,432	4,074,382	2,443,774	6,043,040	5,050,562	797,286	10,296,316
Total capital assets, not being depreciated/amortized	6,878,094	4,131,828	2,443,801	8,566,121	5,151,355	797,350	12,920,126
Capital assets, being depreciated/amortized:							
Building	72,842,496	2,443,774	3,029,737	72,256,533	797,286	155,247	72,898,572
Equipment (including software)	12,803,127	1,046,134	370,401	13,478,860	3,253,998	341,681	16,391,177
Infrastructure	29,307,318	1,991,531	770,243	30,528,606	3,864,211	836,233	33,556,584
Lease asset	—	14,884,442	—	14,884,442	18,033,479	18,347,542	14,570,379
Subscription asset ⁽²⁾	—	—	—	—	13,256	—	13,256
Total capital assets, being depreciated/amortized	114,952,941	20,365,881	4,170,381	131,148,441	25,962,230	19,680,703	137,429,968
Less accumulated depreciation/amortization:							
Building	35,922,969	2,393,106	1,423,750	36,892,325	2,486,894	81,439	39,297,780
Equipment (including software)	9,223,910	876,307	105,025	9,995,192	892,719	90,589	10,797,322
Infrastructure	11,927,341	1,309,218	880,443	12,356,116	1,492,436	829,945	13,018,607
Lease asset	—	1,797,171	—	1,797,171	7,610,017	7,400,799	2,006,389
Subscription asset ⁽²⁾	—	—	—	—	2,507	—	2,507
Total accumulated depreciation/amortization	57,074,220	6,375,802 ⁽¹⁾	2,409,218	61,040,804	12,484,573 ⁽¹⁾	8,402,772	65,122,605
Total capital assets, being depreciated/amortized, net	57,878,721	13,990,079	1,761,163	70,107,637	13,477,657	11,277,931	72,307,363
Governmental activities capital assets, net	\$64,756,815	\$18,121,907	\$4,204,964	\$78,673,758	\$18,629,012	\$12,075,281	\$85,227,489

⁽¹⁾ Depreciation expense was charged to functions/programs of The City for the Fiscal Years ended June 30, 2022 and 2023.

⁽²⁾ See Note A.2 for additional information regarding the City’s adoption of GASB Statement No. 96, Subscription Based Information Technology Arrangements.

The following is a summary of the governmental activities depreciation expense by function/program for the Fiscal Years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Governmental activities:		
General government	\$ 1,699,427	\$1,546,854
Public safety and judicial	946,124	593,092
Education	4,568,515	1,819,274
City University	63,704	75,303
Social services	2,580,446	1,021,329
Environmental protection	521,589	220,460
Transportation services	1,184,182	552,551
Parks, recreation and cultural activities	515,298	221,390
Housing	14,402	5,960
Health	366,364	309,155
Libraries	24,522	10,434
Total depreciation expense-governmental activities	<u>\$12,484,573</u>	<u>\$6,375,802</u>

The following is a summary of the amount of lease assets by major classes of underlying assets for the Fiscal Years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Governmental activities:		
Lease asset:		
Lease land	\$ 41,042	\$ 81,221
Less accumulated amortization	10,253	54,039
Lease land, net	<u>30,789</u>	<u>27,182</u>
Lease building	14,115,495	14,140,871
Less accumulated amortization	1,864,951	1,371,830
Lease building, net	<u>12,250,544</u>	<u>12,769,041</u>
Lease equipment	232,316	561,112
Less accumulated amortization	103,201	336,803
Lease equipment, net	<u>129,115</u>	<u>224,309</u>
Lease infrastructure	181,526	101,238
Less accumulated amortization	27,984	34,499
Lease infrastructure, net	<u>153,542</u>	<u>66,739</u>
Total lease assets	<u>\$12,563,990</u>	<u>\$13,087,271</u>

The following is a summary of business-type activities capital assets for the Fiscal Years ended June 30, 2022 and 2023:

Primary Government	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022 (in thousands)	Additions	Deletions	Balance June 30, 2023
Business-Type Activities:							
Capital assets, not being depreciated/amortized:							
Construction work-in-progress . . .	\$ 116,631	\$ 64,453	\$ 73,771	\$ 107,313	\$ 54,085	\$ 81,710 ⁽¹⁾	\$ 79,688
Total capital assets, not being depreciated/amortized	<u>116,631</u>	<u>64,453</u>	<u>73,771</u>	<u>107,313</u>	<u>54,085</u>	<u>81,710</u>	<u>79,688</u>
Capital assets, being depreciated/amortized:							
Building	41,785	23	—	41,808	—	—	41,808
Equipment (including software) . . .	22,724	629	—	23,353	464	—	23,817
Infrastructure	622,904	73,783	—	696,687	79,313	—	776,000
Lease asset	—	—	—	—	311	—	311
Total capital assets, being depreciated/amortized . . .	<u>687,413</u>	<u>74,435</u>	<u>—</u>	<u>761,848</u>	<u>80,088⁽¹⁾</u>	<u>—</u>	<u>841,936</u>
Less accumulated depreciation/amortization:							
Building	8,607	1,522	—	10,129	1,523	—	11,652
Equipment (including software) . . .	10,570	2,235	—	12,805	2,257	—	15,062
Infrastructure	192,875	36,276	—	229,151	43,176	—	272,327
Total accumulated depreciation/amortization	<u>212,052</u>	<u>40,033</u>	<u>—</u>	<u>252,085</u>	<u>46,956</u>	<u>—</u>	<u>299,041</u>
Total capital assets, being depreciated/amortized, net	<u>475,361</u>	<u>34,402</u>	<u>—</u>	<u>509,763</u>	<u>33,132</u>	<u>—</u>	<u>542,895</u>
Business-type activities capital assets, net	<u>\$ 591,992</u>	<u>\$ 98,855</u>	<u>\$ 73,771</u>	<u>\$ 617,076</u>	<u>\$ 87,217</u>	<u>\$ 81,710</u>	<u>\$ 622,583</u>

⁽¹⁾ For Fiscal Year 2023, 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: \$2,180,495 (retainage payable adjustment), and \$216,000 (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 had no commitments for leases that did not commence as of the end of the Fiscal Year 2023. The City also enters into lease arrangements with third parties in which the City is a sublessee.

As of June 30, 2023, 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:

	Total Principal	Total Interest	Total Payment	Liability Ending Balance
		(in thousands)		
Governmental Activities:				
Fiscal year ending June 30:				
2023	\$ 821,417	\$ 385,041	\$ 1,206,458	\$ 12,962,670
2024	\$ 807,087	\$ 368,100	\$ 1,175,187	\$ 12,155,583
2025	799,218	345,519	1,144,736	11,356,365
2026	780,803	323,304	1,104,107	10,575,562
2027	718,150	301,933	1,020,083	9,857,412
2028	688,831	281,560	970,392	9,168,581
2029-2033	2,811,908	1,143,500	3,955,408	6,356,673
2034-2038	2,382,434	767,100	3,149,534	3,974,239
2039-2043	1,863,471	450,939	2,314,410	2,110,768
2044-2048	1,302,385	216,405	1,518,790	808,384
2049-2053	563,677	70,040	633,717	244,706
2054-2058	144,880	23,626	168,506	99,826
2059-2063	77,985	8,957	86,942	21,841
2064-2068	18,357	1,205	19,562	3,484
2069-2073	272	503	775	3,212
2074-2078	316	459	775	2,896
2079-2083	367	408	775	2,528
2084-2088	427	349	775	2,102
2089-2093	496	280	775	1,606
2094-2098	576	199	775	1,030
2099-2103	669	106	775	361
2104-2108	361	14	375	—
Lease liability:	<u>\$12,962,670</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 \$266 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, 2023, 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:

	Total Principal	Total Interest (in thousands)	Total Payment	Receivable Ending Balance
Governmental Activities:				
Fiscal year ending June 30:				
2023	\$ 66,307	\$ 121,272	\$ 187,579	\$ 4,007,071
2024	\$ 64,767	\$ 119,327	\$ 184,094	\$ 3,942,302
2025	66,266	117,359	183,625	3,876,036
2026	66,436	115,370	181,806	3,809,600
2027	68,294	113,354	181,649	3,741,306
2028	70,234	111,278	181,512	3,671,072
2029-2033	366,494	524,237	890,731	3,304,578
2034-2038	421,423	465,311	886,734	2,883,155
2039-2043	476,649	397,839	874,488	2,406,507
2044-2048	541,235	322,067	863,302	1,865,271
2049-2053	610,987	235,401	846,388	1,254,285
2054-2058	695,692	138,137	833,829	558,593
2059-2063	399,781	40,305	440,086	158,812
2064-2068	24,006	22,096	46,102	134,807
2069-2073	28,198	18,196	46,394	106,609
2074-2078	32,792	13,634	46,427	73,816
2079-2083	38,429	8,313	46,741	35,387
2084-2088	31,580	2,373	33,953	3,808
2089-2093	3,334	306	3,640	474
2094-2098	63	67	130	410
2099-2103	74	56	130	336
2104-2108	85	45	130	251
2109-2113	99	31	130	153
2114-2118	115	15	130	38
2119-2123	38	1	39	—
Lease receivable:	<u>\$ 4,007,071</u>			

4. Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The City uses various SBITA assets that it contracts through cloud computing arrangements, such as software as a service and platform as a service. The related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining SBITA term. A SBITA asset is presented as part of Equipment, in the Capital Assets section, on the government-wide *Statement of Net Position* and presented as part of Equipment in the Capital Assets note table D.2.

The City has a variety of variable payment clauses, within its SBITA arrangements, 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 SBITA liability presented in the table below. The City did not incur expenses related to its SBITA activities such as termination penalties, not previously included in the measurement of the SBITA liability, or losses due to impairment.

Furthermore, the City does not have commitments under SBITA that have not commenced as of the end of the Fiscal Year 2023.

As of June 30, 2023, the City (excluding discretely presented component units) had minimum principal and interest payment requirements for its SBITA activities, with a remaining term in excess of one year, as follows:

	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Payment</u>	<u>SBITA Asset Liability</u>
	(in thousands)			
Government Activities:				
Fiscal year ending June 30:				
2023.....	\$ 1,304	\$ 26	\$ 1,330	\$ 4,870
2024.....	\$ 1,809	\$ 37	\$ 1,847	\$ 3,060
2025.....	1,489	23	1,511	1,572
2026.....	1,108	11	1,119	464
2027.....	464	4	467	—
SBITA Liability:	<u>\$ 4,870</u>			

5. Long-Term Liabilities

Changes in Long-term liabilities

In Fiscal Years 2022 and 2023, the changes in long-term liabilities were as follows:

Primary Government	Balance	Additions	Deletions	Balance	Additions	Deletions	Balance	Due
	June 30, 2021			June 30, 2022			June 30, 2023	
Governmental activities:								
Bonds and notes payable								
General Obligation Bonds ⁽¹⁾	\$ 37,949,404	\$ 3,459,905	\$ 3,169,735	\$ 38,239,574	\$ 6,163,195	\$ 4,884,641	\$ 39,518,128	\$ 2,505,231
from direct borrowing and direct placement	625,000	75,000	95,000	605,000	—	30,000	575,000	—
Total General Obligation Bonds	38,574,404	3,534,905	3,264,735	38,844,574	6,163,195	4,914,641	40,093,128	2,505,231
TFA Bonds	49,490,165	6,534,750	4,563,790	51,461,125	6,566,285	4,871,200	53,156,210	1,841,115
from direct borrowing and direct placement	466,600	—	108,100	358,500	—	8,500	350,000	—
Total TFA Bonds	49,956,765	6,534,750	4,671,890	51,819,625	6,566,285	4,879,700	53,506,210	1,841,115
Total TSASC Bonds	992,615	—	26,675	965,940	—	27,835	938,105	29,050
Total IDA Bonds	57,165	—	2,680	54,485	—	2,810	51,675	4,770
HYIC Bonds	2,675,325	454,140	576,255	2,553,210	—	44,675	2,508,535	46,825
from direct borrowing and direct placement	2,259	2,201	—	4,460	6,170	—	10,630	—
Total HYIC Bonds	2,677,584	456,341	576,255	2,557,670	6,170	44,675	2,519,165	46,825
ECF Bonds	183,580	—	4,845	178,735	—	6,850	171,885	7,145
from direct borrowing and direct placement	118,410	—	—	118,410	—	—	118,410	1,070
Total ECF Bonds	301,990	—	4,845	297,145	—	6,850	290,295	8,215
Total before premiums/discounts(net)	92,560,523	10,525,996	8,547,080	94,539,439	12,735,650	9,876,511	97,398,578	4,435,206
Less premiums/(discounts)(net)	6,856,454	1,533,073	1,123,295	7,266,232	969,949	1,104,439	7,131,742	—
Total governmental activities bonds and notes payable	99,416,977	12,059,069	9,670,375	101,805,671	13,705,599	10,980,950	104,530,320	4,435,206
Lease liability	891,460	13,880,050	813,555	13,957,955	188,634	1,183,919	12,962,670	807,087
Conduit debt ⁽²⁾	707,246	—	54,535	652,711	—	76,436	576,275	76,436
Subscription liability	—	—	—	—	4,901	31	4,870	1,810
Other tax refunds	2,046,221	482,368	194,221	2,334,368	—	753,963	1,580,405	162,405
Judgments and claims	6,937,418	2,133,607	1,876,014	7,195,011	2,885,268	1,844,392	8,235,887	2,113,845
Real estate tax certiorari	1,254,823	228,844	138,401	1,345,266	266,651	136,702	1,475,215	127,675
Vacation and sick leave	6,372,726	431,526	669,150	6,135,102	954,096	1,043,915	6,045,283	1,043,915
Net pension liability	9,598,353	43,577,952	10,826,839	42,349,466	25,857,410	28,049,049	40,157,827	—
Net OPEB liability	117,979,233	9,028,900	37,482,275	89,525,858	10,323,461	4,830,393	95,018,926	—
Landfill closure and postclosure care costs	1,185,463	—	65,922	1,119,541	37,849	19,413	1,137,977	16,864
Pollution remediation obligation	222,053	227,821	140,968	308,906	179,103	161,200	326,809	154,690
Total changes in governmental activities long-term liabilities	\$ 246,611,973	\$ 82,050,137	\$ 61,932,255	\$ 266,729,855	\$ 54,402,972	\$ 49,080,363	\$ 272,052,464	\$ 8,939,933
Business-type activities:								
Bonds and notes payable								
NYCTL 2019-A TRUST bonds	\$ 24,489	\$ —	\$ 16,240	\$ 8,249	\$ —	\$ 8,249	\$ —	\$ —
NYCTL 2021-A TRUST bonds	—	88,864	16,171	72,693	—	52,098	20,595	20,595
Total before premiums/discounts(net)	24,489	88,864	32,411	80,942	—	60,347	20,595	20,595
Less premiums/(discounts)(net)	(1)	(39)	—	(40)	—	(14)	(26)	(26)
Total business-type activities bonds and notes payable	24,488	88,825	32,411	80,902	—	60,333	20,569	20,569
Lease liability	—	—	—	—	311	—	311	88
Other liabilities	380,169	3,569	7,209	376,529	23,219	30,800	368,948	15,749
Total business-type activities long-term liabilities	\$ 404,657	\$ 92,394	\$ 39,620	\$ 457,431	\$ 23,530	\$ 91,133	\$ 389,828	\$ 36,406

⁽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 Dormitory Authority of the State of New York (DASNY) and City University Construction Fund and The City University of New York entered a lease agreement October 13, 1993, that authorizes DASNY to acquire, design, construct, reconstruct, rehabilitate or improve court facilities located within the City of New York. According to the agreement, May 15, 2039 is the date on which no bonds are outstanding and The City has satisfied its obligations, unless terminated sooner.

The bonds and notes payable, net of treasury obligations, at June 30, 2022 and 2023 summarized by type of issue are as follows:

Primary Government	2022				2023			
	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	\$ 38,239,574	\$ —	\$ —	\$ 38,239,574	\$ 39,518,128	\$ —	\$ —	\$ 39,518,128
from Direct borrowing and direct placement	605,000	—	—	605,000	575,000	—	—	575,000
Total General obligation bonds . . .	38,844,574	—	—	38,844,574	40,093,128	—	—	40,093,128
TFA Bonds	—	43,307,580	—	43,307,580	—	45,277,025	—	45,277,025
from Direct borrowing and direct placement	—	358,500	—	358,500	—	350,000	—	350,000
TFA Bonds BARBS	—	—	8,153,545	8,153,545	—	—	7,879,185	7,879,185
Total TFA Bonds	—	43,666,080	8,153,545	51,819,625	—	45,627,025	7,879,185	53,506,210
TSASC Bonds	—	—	965,940	965,940	—	—	938,105	938,105
IDA Bonds	—	54,485	—	54,485	—	51,675	—	51,675
HYIC Bonds	—	—	2,553,210	2,553,210	—	—	2,508,535	2,508,535
from Direct borrowing and direct placement	—	4,460	—	4,460	—	—	10,630	10,630
Total HYIC Bonds	—	4,460	2,553,210	2,557,670	—	—	2,519,165	2,519,165
ECF Bonds	—	—	178,735	178,735	—	—	171,885	171,885
from Direct borrowing and direct placement	—	—	118,410	118,410	—	—	118,410	118,410
Total ECF Bonds	—	—	297,145	297,145	—	—	290,295	290,295
Total before net of premium / discount . .	38,844,574	43,725,025	11,969,840	94,539,439	40,093,128	45,678,700	11,626,750	97,398,578
Net Premiums/(discounts)	2,390,007	3,693,395	1,182,830	7,266,232	2,388,092	3,629,508	1,114,142	7,131,742
Total bond payable	\$41,234,581	\$47,418,420	\$13,152,670	\$101,805,671	\$42,481,220	\$49,308,208	\$12,740,892	\$104,530,320
Business-type activities:								
NYCTL Trusts bonds	—	—	80,942	80,942	—	—	20,595	20,595
Net Premiums/(discounts)	—	—	(40)	(40)	—	—	(26)	(26)
Total bond payable	\$ —	\$ —	\$ 80,902	\$ 80,902	\$ —	\$ —	\$ 20,569	\$ 20,569

(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) and IDA. 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, 2023:

<u>Primary Government</u>	<u>Governmental activities</u>							
	<u>City General Obligation Bonds</u>				<u>Other bonds and notes payable</u>			
	<u>Bonds</u>		<u>Bond from Direct Borrowings/ Direct Placements</u>		<u>Bonds</u>		<u>Bond from Direct Borrowings/ Direct Placements</u>	
	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Fiscal year ending June 30:	(in thousands)							
2024.....	\$ 2,505,231	\$ 1,721,741	\$ —	\$ 28,750	\$ 1,676,680	\$ 1,907,069	\$ —	\$ 8,383
2025.....	2,457,116	1,650,451	—	28,750	1,715,430	1,849,563	—	8,382
2026.....	2,390,951	1,542,605	—	28,750	1,802,700	1,783,419	—	8,383
2027.....	2,222,150	1,441,241	10,820	28,750	2,036,470	1,710,254	—	8,383
2028.....	2,201,140	1,344,939	19,685	28,209	2,129,960	1,614,233	—	8,382
2029-2033.....	9,127,342	5,431,954	104,900	125,359	9,826,300	6,825,389	—	41,913
2034-2038.....	7,574,313	3,537,027	151,830	96,209	10,519,045	4,574,688	—	41,913
2039-2043.....	5,758,968	1,972,345	80,995	61,210	9,774,255	2,178,226	130,625	37,604
2044-2048.....	3,776,923	783,898	206,770	33,441	4,579,655	652,479	219,375	6,432
2049-2053.....	1,503,954	146,302	—	—	1,268,205	74,279	—	—
2054-2058.....	4	13	—	—	—	—	—	—
Thereafter until 2147.....	36	122	—	—	—	—	—	—
Total future debt service requirements.....	39,518,128	19,572,638	575,000	459,428	45,328,700	23,169,599	350,000	169,775
Less interest.....	—	(19,572,638)	—	(459,428)	—	(23,169,599)	—	(169,775)
Total principal outstanding.....	<u>\$39,518,128</u>	<u>\$ —</u>	<u>\$575,000</u>	<u>\$ —</u>	<u>\$45,328,700</u>	<u>\$ —</u>	<u>\$350,000</u>	<u>\$ —</u>
<u>Business-type activities</u>								
	<u>Bonds</u>							
	<u>Principal</u>	<u>Interest⁽¹⁾</u>						
Fiscal year ending June 30:	(in thousands)							
2024.....	\$ —	\$ 433						
2025.....	—	433						
2026.....	—	433						
2027.....	—	433						
2028.....	—	433						
2029-2033.....	—	2,163						
2034-2038.....	20,595	649						
Total future debt service requirements.....	20,595	4,977						
Less interest.....	—	(4,977)						
Total principal outstanding.....	<u>\$ 20,595</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:				
2024.....	\$ 297,380	\$ 535,447	\$ 1,070	\$ 6,266
2025.....	309,890	523,453	1,130	6,212
2026.....	322,245	510,307	2,125	6,156
2027.....	486,260	491,813	12,860	6,050
2028.....	461,405	469,892	2,345	5,593
2029-2033.....	2,658,590	1,985,640	13,600	26,084
2034-2038.....	3,173,880	1,248,982	17,350	22,327
2039-2043.....	2,067,400	611,896	22,150	17,532
2044-2048.....	1,664,675	204,381	28,265	11,414
2049-2053.....	55,985	1,916	28,145	3,604
2054-2058.....	—	—	—	—
Thereafter until 2147.....	—	—	—	—
Total future debt service requirements.....	11,497,710	6,583,727	129,040	111,238
Less interest.....	—	(6,583,727)	—	(111,238)
Total principal outstanding.....	<u>\$11,497,710</u>	<u>\$ —</u>	<u>\$129,040</u>	<u>\$ —</u>

The average (weighted) interest rates for outstanding City General Obligation Bonds as of June 30, 2023 and 2022, were 4.57% 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 2023 and 2022, the City issued \$2.25 billion and \$954.91 million, respectively, of General Obligation Bonds to advance refund General Obligation Bonds of \$2.47 and \$1.07 billion, respectively, aggregate principal amounts. The net proceeds from the sales of the refunding bonds, together with other funds of \$2.47 million and \$595 thousand, 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 2023, the refunding transactions will decrease the City’s aggregate debt service payments by \$145.36 million and provide an economic gain of \$133.03 million. In Fiscal Year 2022, the refunding transactions decreased the City’s aggregate debt service payments by \$114.67 million and provided an economic gain of \$108.40 million. At June 30, 2023 and 2022, \$16.97 and \$16.88 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, 2023 and 2022, the 10% general limitation was approximately \$127.45 and \$127.35 billion, respectively. Also, as of June 30, 2023, the City’s remaining GO debt-incurring power totaled \$30.54 billion, after providing for capital commitments. As of July 1, 2023, the debt incurring power was \$37.24 billion based on the change in the five-year full valuation average for fiscal year 2024.

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 2023, prepayment transfers of \$2.81 billion were made from the General Fund which included discretionary transfers of \$2.73 billion to the General Debt Service Fund for Fiscal Year 2023 debt service. In Fiscal Year 2022, prepayment transfers of \$3.32 billion were made from the General Fund to the General Debt Service Fund for Fiscal Year 2023 debt service.

As of June 30, 2023, the City had 35 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 \$3.70 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 35 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, 2023, the City has seven series of Index Rate Bonds outstanding with a total par value of \$575 million, all of which are Direct Purchases. The Series 2012G-5 bonds was issued with a Continuing Covenant Agreement with event of default provisions comparable to those of the City's Variable Rate Demand Bonds. The Continuing Covenant Agreement can be found on the Municipal Securities Rulemaking Board's EMMA website at <https://emma.msrb.org>.

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, 2023, 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.

As of June 30, 2023, the City had one series of fixed rate step coupon bonds outstanding with a par value of \$85.37 million and a step up date of December 1, 2025. Fixed rate step coupon bonds provide for an increased rate of interest commencing on the step up date if such bonds are not converted or refunded.

As of June 30, 2023, the City had four series of Auction Rate Bonds outstanding with a par value of \$464.40 million. Auction rate bonds are variable rate bonds whose interest rate is reset periodically through a Dutch auction process.

Hedging derivative instrument payments and hedged debt

As of June 30, 2023 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, 2023 and 2022, claims in excess of \$2.24 and \$1.69 trillion, respectively, were outstanding against the City for which the City estimates its potential future liability to be \$8.24 and \$7.19 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 118 notices of claim from putative plaintiffs and been named as a defendant in approximately 31 legal actions, and received approximately 2,368 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 3,200 judgments have been entered in favor of the claimants totaling approximately \$840 million. 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 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. On April 27, 2023, the Court of Appeals affirmed the decision of the Appellate Division and dismissed all claims against the City. On May 18, 2023, plaintiffs moved for reargument before the Court of Appeals. On September 21, 2023, the Court of Appeals denied the plaintiffs’ motion, thus ending the action.

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 February 3, 2023, the Court stayed this action pending the decision of the Court of Appeals in the first-filed action. On April 27, 2023, the Court of Appeals dismissed the first-filed action and on September 21, 2023 the Court of Appeals denied plaintiffs’ motion for reargument in that 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 (“RICO”), 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. On March 31, 2023, the Court issued a decision dismissing the amended complaint in its entirety, finding that all of plaintiffs’ claims, including their RICO, antitrust, and unjust enrichment claims, are time-barred and that there were sufficient warnings to allow plaintiffs to learn their claims had accrued. On April 28, 2023, plaintiffs filed a motion for reconsideration, or in the alternative, for entry of final judgment. City defendants filed their opposition on June 1, 2023, and the motion was fully briefed as of June 14, 2023 and is pending before the Court.

In 2010, a single claimant filed an action in New York State Supreme Court, Bronx County, alleging that the City engaged in 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.

The City is named as a defendant in two putative class actions relating to the City's Speed Camera Program authorized pursuant to Vehicle and Traffic Law ("VTL") section 1180-b (the "Speed Camera Program"). In September 2020 in New York County Supreme Court, plaintiffs filed *Mulhadzhanov v. City*, challenging the processing of vehicular speeding tickets issued by the City under the Speed Camera Program. 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. Oral argument was held on April 26, 2023, and the Court's decision is pending.

In a separate action filed by separate petitioners in March 2023 in New York County Supreme Court, *Palma v. City*, petitioners challenge the facial validity of notices of liability issued pursuant to the Speed Camera Program. Petitioners claim that the notices of liability are null and void because they neither allege nor provide evidence that (1) there were posted speed limits in the school speed zones and (2) there was signage giving notice to approaching motor vehicle operators that a photo speed violation monitoring system was installed and in use. Petitioners seek refunds of fines paid under the Speed Camera Program for all individuals who received a final agency action with respect to their photo school speed zone violations during the period commencing four months prior to the date the action was filed to the present and continuing. If the class were to be certified by the Court and the City was ordered to pay refunds for said violations, the potential monetary liability could be substantial. The City filed its response to petitioners' claims and petitioners have filed opposition to the City's response. Oral argument was held on July 27, 2023, and 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. Currently, the City is named as a defendant in approximately 1,057 cases authorized by the Act, which claims are primarily 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 107 of the cases. The cases are being co-managed by two justices in New York County Supreme Court. On October 6, 2022, the court 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 similar motion to dismiss pending on a separate case, which motion remains to be decided. Plaintiff has appealed. 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. To date, the City reached approximately \$90,185,000 in settlements. While it is still too early to provide an accurate estimate of the potential cost to the City; the exposure could be substantial in each of the future years during which settlements are reached.

On May 31, 2023, in New York State Supreme Court, New York County, a group of City retirees filed a legal challenge to the implementation of the City's Medicare Advantage plan which is intended to generate savings in retiree health benefit costs. The retirees sought a temporary restraining order and preliminary injunction to stop the implementation of the Medicare Advantage plan which the City scheduled to go into effect on September 1, 2023. On August 11, 2023, the Supreme Court permanently enjoined the City from requiring any City retirees, and their dependents, from being removed from their current health insurance plans, and from being required to either enroll in the Medicare Advantage plan or seek their own health coverage. On September 19, 2023, the Supreme Court issued a superseding order to the same effect. On September 20, 2023, the City noticed an appeal to the Appellate Division, First Department.

Previously, on September 26, 2021, in New York State Supreme Court, New York County, 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 November 22, 2022, the Appellate Division, First Department affirmed the Supreme Court's order. On January 6, 2023, the City filed a motion for leave to appeal in the New York Court of Appeals, petitioners opposed. On June 13, 2023, the New York Court of Appeals granted the City leave to appeal. The City's opening brief is due on October 13, 2023.

On May 11, 2023, an advocacy organization and four employee members of three City pension funds (NYCERS, BERS, and TRS) filed a lawsuit alleging that the funds had breached their fiduciary duties owed to pension fund participants and beneficiaries, by divesting from fossil fuel companies. The plaintiffs do not allege that they have suffered direct damages, and are unlikely to recover damages. Rather, the primary relief they seek is injunctive relief to undo the divestment decision, such as through the appointment of a monitor or the requirement that the funds buy back some or all of the fossil fuel stocks that they sold. The plaintiffs also seek an order requiring payments into the funds to compensate the funds for alleged losses caused by the divestments. Even if that relief were ordered by the court, it would be unlikely to alter the City's pre-existing and ongoing financial obligation to ensure that the pension funds are able to pay the benefits owed to their beneficiaries. If the court were to order payments into the funds to offset alleged losses from the divestment, those are infusions that the City would likely have to pay into the funds at some point in the future, in any event, to ensure the funds are adequately funded. On August 7, 2023, the City filed a motion to dismiss the complaint. It is too early at this stage of the litigation to provide an accurate estimate of the potential cost to the City.

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 \$1.47 and \$1.34 million at June 30, 2023 and June 30, 2022 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, 2023, for all inactive landfills and hazardous waste sites, equates to the total estimated current cost of \$1.14 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 15, 2023, 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, 2023, the financial assurance cost estimate for the Fresh Kills Landfill is \$845 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 2023, expenditures for landfill and inactive hazardous waste site closure and postclosure care costs totaled \$17.7 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>2023</u>	<u>2022</u>
	(in thousands)	
Landfill	\$1,027,060	\$1,011,361
Hazardous waste sites	110,917	108,180
Total landfill and hazardous waste sites liability	<u>\$1,137,977</u>	<u>\$1,119,541</u>

Pollution Remediation Obligations

The pollution remediation obligations (PROs) at June 30, 2023 and June 30, 2022, summarized by obligating event and pollution type, respectively, are as follows:

<u>Obligating Event</u>	<u>Fiscal Year 2023</u>		<u>Fiscal Year 2022</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	65,033	19.89	67,332	21.79
Voluntary commencement	261,761	80.10	241,559	78.20
Total	<u>\$326,809⁽¹⁾</u>	<u>100.00%</u>	<u>\$308,906⁽¹⁾</u>	<u>100.00%</u>

<u>Pollution Type</u>	<u>Fiscal Year 2023</u>		<u>Fiscal Year 2022</u>	
	<u>Amount</u> (in thousands)	<u>Percentage</u>	<u>Amount</u> (in thousands)	<u>Percentage</u>
Asbestos removal	\$199,103	60.93%	\$183,557	59.43%
Lead paint removal	17,059	5.22	17,106	5.54
Soil remediation	21,648	6.62	27,255	8.82
Water remediation	50,796	15.54	50,796	16.44
Other	38,203	11.69	30,192	9.77
Total	<u>\$326,809⁽¹⁾</u>	<u>100.00%</u>	<u>\$308,906⁽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 in total, 51 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 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, 2-6204-007/00013, 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, 2023, which equates to the total current closure cost, is \$1.17 million for North Shore, \$1.03 million for Hamilton Avenue, \$970 thousand for Southwest Brooklyn, \$1.12 million for East 91st Street, and \$254 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 is 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 \$4.54 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, the south shore of Staten Island, and the communities surrounding Jamaica Bay in Brooklyn and Queens. On January 29, 2013, President 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 percent 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 March 31, 2023, the City, NYCHH and NYCHA have received \$5.1 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 March 31, 2023. 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 primarily 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 April 20, 2023, the City released PlaNYC: Getting Sustainability Done (PlaNYC 2023). Building on prior recommendations released closely after Ida hit the City, PlaNYC 2023 includes measures to address flooding caused by extreme rainfall. The total costs of implementing all of PlaNYC 2023's recommendations, including those relating to extreme rainfall, would be substantial and in some cases would require State and federal funding alongside additional City funding. The City continues to review the effects of climate change, including increased flooding and heavy rain events.

Since 2007, the City has been engaged in strategic planning for climate change, recognizing the challenges it presents for City operations and infrastructure. Among other things, the City created the New York City Panel on Climate Change (the NPCC), a body of more than a dozen leading independent climate and social scientists. Since 2008, NPCC has analyzed climate trends, developed projections, explored key impacts, issued reports (the NPCC Reports) and advised on response strategies for the City. The NPCC has determined that the City is already experiencing the impacts of climate change and projects dramatic impacts on the City in the future. Climate change is causing more extreme heat, extreme rainfall, coastal storm surge, and chronic tidal flooding. NPCC projections form the basis for the City's climate resiliency planning, which involves coordination and cooperation among multiple public and private stakeholders, and expansion of ongoing maintenance and development of municipal infrastructure as well as specific initiatives such as those described below.

Building on NPCC's recommendations and the City's strategic planning, the City has developed PlaNYC 2023 which addresses some of the risks identified in the NPCC Reports. Among other things, PlaNYC 2023 includes measures to address the biggest risks to the City associated with climate change, including extreme heat and flooding from extreme rainfall, coastal storms and tidal flooding due to sea level rise. PlaNYC 2023 also describes measures to reduce economy-wide greenhouse gas emissions and initiatives to transition away from polluting fossil fuels to clean energy.

The City is in the process of implementing infrastructure projects to protect areas of the City from flooding associated with extreme rainfall, storm surge, and tidal flooding due to sea level rise. (See below for additional information on the impacts of flooding.) These projects and initiatives are in various stages of feasibility review, design, construction, and 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). ESCR, which broke ground in 2021, is an integrated coastal flood protection system which will 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 end of 2026. The total expected cost of ESCR is \$1.97 billion, with remaining costs fully funded through a combination of City, federal and other funding sources.

Other projects in Lower Manhattan include constructing 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 constructing an elevated waterfront esplanade in the Battery and flood barriers in Battery Park City. Coastal resilience projects are also underway in the Tottenville and Red Hook neighborhoods, and an energy resilience project is underway in Hunts Point, with shoreline reinforcement projects also happening in other identified areas of the City. These projects are in various stages of feasibility review, design, construction, and implementation. Funding for these projects is coming from City and federal sources, and \$672 million is included in the Ten-Year Capital Strategy. As the projects proceed, the City continues to monitor anticipated costs and reflects updates in the capital plan as needed.

The U.S. Army Corps of Engineers (USACE) is pursuing the South Shore of Staten Island Coastal Storm Risk Management Project (the Staten Island Project) and the Rockaways Atlantic Shorefront and Bayside Projects (the Rockaways Projects). The Staten Island Project 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 \$1.7 billion. The City is responsible for 10.5 percent of the project costs, and the remaining project costs are to be paid for with federal and State funds. Approximately half of the City's share of such project costs is currently reflected in the Ten Year Capital Strategy. The Rockaways Projects consist of coastal protection elements on the Atlantic shorefront and on the Jamaica Bay side of the Rockaways. Construction has begun on the Atlantic Shorefront Project, which is fully funded by the federal government, with an expected cost of approximately \$590 million. Design has started on the Bayside Project, which is fully funded by the federal government, with a current expected cost of \$253 million.

In addition to site-specific resiliency projects, the City is taking steps to integrate climate resiliency into capital planning through the NYC Climate Resiliency Design Guidelines, which translate future-looking climate change projections into technical guidance to inform the design of roads, buildings, sewer systems, hospitals, public housing, and other pieces of critical public infrastructure. In 2021, the City began a five-year pilot program through which dozens of new projects will be designed and constructed using the standards in the NYC Climate Resiliency Design Guidelines. Starting in 2027, all City projects will be required to meet a stringent set of requirements that will certify their preparedness for extreme weather threats.

Reducing risk from extreme rainfall requires a multi-layered strategy with investments in infrastructure adaptation, building level protection, data collection, and community engagement. In July 2022, the City released the Rainfall Ready NYC action plan, a plan to prepare the City for more extreme rainfall in the future. The City continues to install grey infrastructure, such as building out a comprehensive storm sewer system in Southeast Queens, and green infrastructure, such as rain gardens and bluebelt wetlands, to manage stormwater and protect water quality. This work is being carried out by DEP and funding is included in the City's capital budget. The City is also working to develop Cloudburst management projects that will use grey and green infrastructure to absorb, store and transfer rainwater during extreme storm events.

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.

The City is also committed to minimizing its own greenhouse gas emissions by reaching carbon neutrality by 2050. The City's efforts to reach such goal include promoting and investing in electrification, clean energy, energy efficiency, and sustainable transportation, and reducing energy use. Since 2014, the City has invested over \$775 million in more than 12,500 energy conservation measures across almost 2,300 buildings, comprising more than 70 percent of City government's building square footage. The investments have decreased energy use and reduced emissions by nearly 325,000 metric tons. The Ten-Year Capital Strategy includes \$4.3 billion to continue this work to reduce energy use and greenhouse gas emissions.

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 more frequent and intense climate impacts such as hurricanes, tropical storms, cloudbursts, droughts, 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 Brooklyn, 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, EPA 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 \$1.4 billion, \$1.2 billion of 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, EPA 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, EPA 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. In 2013 when it issued the ROD, EPA estimated that the cost of this work, the first of the three phases, would be \$125 million. The City believes that these costs will be substantially higher. 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 for Newtown Creek is expected to proceed until 2027. 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 \$40 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 liable 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, 2023 and 2022, 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	2023	2022
		(in thousands)	
General Fund	Capital Projects Fund	\$4,783,227 ⁽¹⁾	\$3,868,836 ⁽¹⁾
	TFA—Debt Service	362,153	116,446
Capital Projects Fund	HYIC—Capital Projects Fund	—	17
	Total due from/to other funds	<u>\$5,145,380</u>	<u>\$3,985,299</u>

Component units:

Due from/to City and Component Units:

Receivable Entity	Payable Entity	2023	2022
		(in thousands)	
City—General Fund	Component units—HDC	\$4,441,435	\$4,139,436
	NYC Health + Hospitals	—	327,450
		<u>4,441,435</u>	<u>4,466,886</u>
City—Capital Projects Fund	Component units—the System	542,710	523,152
	EDC	143,039	165,808
		<u>685,749</u>	<u>688,960</u>
	Total due from Component Units	<u>\$5,127,184</u>	<u>\$5,155,846</u>
Component Unit—the System	City—General Fund	\$ 74,755	\$ 98,227
Component Unit—BPL	City—General Fund	10,407	26,051
Component Unit—QBPL	City—General Fund	5,668	3,700
Component Unit—NYC Health & Hospitals	City—General Fund	100,002	—
	Total due to Component Units	<u>\$ 190,832</u>	<u>\$ 127,978</u>

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

Note: During Fiscal Years 2023 and 2022, 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 2023			
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds
	(in thousands)			
Transfer from (to):				
General Fund	\$ —	\$ —	\$3,536,128	\$2,898,626
General Debt Service Fund	(3,536,128)	—	—	—
Capital Projects Fund	—	—	—	(3,940,386)
Nonmajor Debt Service Funds	(4,181,098)	—	—	444,030
Nonmajor Capital Projects Funds	—	3,940,386	—	9,956
Nonmajor Special Revenue Funds	—	—	—	(453,986)
Total	<u>\$ (7,717,226)</u>	<u>\$ 3,940,386</u>	<u>\$3,536,128</u>	<u>\$ (1,041,760)</u>
	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>\$ (6,706,208)</u>	<u>\$4,185,605</u>	<u>\$3,963,739</u>	<u>\$ (1,617,790)</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 2023, the City made the following transfer: A transfer of unrestricted grants from the General Fund in the amount of \$2.17 billion to TFA. The funds were used to fund debt service requirements for future tax secured debt during the Fiscal Year ending June 30, 2024.

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.

Governmental activities: (cont.)

	<u>Fiscal Year 2023</u>	
	<u>Adjustments/ Eliminations</u>	<u>Total</u>
	(in thousands)	
Transfer from (to):		
General Fund	\$ —	\$ 6,434,754
General Debt Service Fund	—	(3,536,128)
Capital Projects Fund	—	(3,940,386)
Nonmajor Debt Service Funds	1,282,472	(2,454,596)
Nonmajor Capital Projects Funds	—	3,950,342
Nonmajor Special Revenue Funds	—	(453,986)
Total	<u>\$ 1,282,472</u>	<u>\$ —</u>

	<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>

7. Tax Abatements

<i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i>	Programs Administered by NYC Housing Preservation & Development (HPD)													
	J-51 Program	Commercial Conversion Programs 421-a and 421-g												
1) Purpose of program.	J-51 encourages the rehabilitation of existing residential structures by providing tax exemptions and abatements.	421-a promotes construction of multi-family residential buildings with at least three dwelling units by providing a declining exemption on the new value created by the improvement. 421-g promotes the conversion of non-residential buildings in lower Manhattan to residential use.												
2) Tax being abated.	Real Property Tax	Real Property Tax												
3) Authority under which abatement agreements are entered into.	NYS Real Property Tax Law, Section 489 NYC Administrative Code, Section 11-243	NYS Real Property Tax Law, Section 421-a and 421-g NYC Administrative Code, Sections 11-245, 11-245.1, 11-245.1-a												
4) Criteria to be eligible to receive abatement.	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.	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-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.												
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.	421-a: 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.												
6) How amount of abatement is determined.	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.	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-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.												
7) Provisions for recapturing abated taxes.	N/A	N/A												
8) Types of commitments made by the City other than to reduce taxes.	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.	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" style="width: 100%;"> <tr> <td style="text-align: center;"><u>2023</u></td> <td style="text-align: center;"><u>2022</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$266,300</td> <td style="text-align: center;">\$272,500</td> </tr> </table>	<u>2023</u>	<u>2022</u>	(in thousands)		\$266,300	\$272,500	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>2023</u></td> <td style="text-align: center;"><u>2022</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$1,811,500</td> <td style="text-align: center;">\$1,784,900</td> </tr> </table>	<u>2023</u>	<u>2022</u>	(in thousands)		\$1,811,500	\$1,784,900
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(in thousands)														
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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 returns City-owned buildings to responsible private owners.		UDAAP encourages the construction of residential housing in designated areas.		420-C assists nonprofit organizations in providing affordable housing for low-income tenants.																			
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.																			
N/A		N/A		N/A																			
N/A		N/A		N/A																			
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(in thousands)																							
\$395,100	\$365,900																						

NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Programs Administered by NYC Department of Finance (DOF)													
	The Commercial Revitalization (CRP) and Commercial Expansion (CEP) Programs	Industrial and Commercial Incentive Program (ICIP) and Industrial and Commercial Abatement Program (ICAP)												
1) Purpose of program.	CRP encourages more productive use of older non-residential and mixed-use buildings in Lower Manhattan. CEP encourages businesses to locate in Manhattan north of 96th Street, the midtown Special Garment Center District, or the other four boroughs of New York City.	ICAP replaced ICIP in 2008. Both programs encourage economic development for construction and rehabilitation of commercial, industrial or mixed-use structures.												
2) Tax being abated.	Real Property Tax	Real Property Tax												
3) Authority under which abatement agreements are entered into.	NYS Real Property Tax Law, Sections 499a — 499h, and 421-g (CRP); NYS Real Property Tax Law, Sections 499aa — 499hh (CEP)	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												
4) Criteria to be eligible to receive abatement.	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.	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.												
5) How recipients' taxes are reduced.	Through a reduction of the property's assessed value.	As a credit to the amount of taxes owed.												
6) How amount of abatement is determined.	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.	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.												
7) Provisions for recapturing abated taxes.	N/A	N/A												
8) Types of commitments made by the City other than to reduce taxes.	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 style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 50%;"><u>2023</u></td> <td style="text-align: center; width: 50%;"><u>2022</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$14,400</td> <td style="text-align: center;">\$14,000</td> </tr> </table>	<u>2023</u>	<u>2022</u>	(in thousands)		\$14,400	\$14,000	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 50%;"><u>2023</u></td> <td style="text-align: center; width: 50%;"><u>2022</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$841,600</td> <td style="text-align: center;">\$789,000</td> </tr> </table>	<u>2023</u>	<u>2022</u>	(in thousands)		\$841,600	\$789,000
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\$841,600	\$789,000													

Programs Administered by NYC Department of Finance (DOF)

Relocation and Assistance Programs—(REAP)	Sports Arena Used by the NHL and NBA	Major Capital Improvement (MCI) Program
REAP promotes business development in Manhattan north of 96th Street, in Lower Manhattan, and in the other boroughs of New York City.	The arena ensures the viability of a major league sports facility in the City.	MCI helps 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
A credit is available for certain taxpayers that relocate all or part of their business operations to eligible premises in Upper Manhattan (the area above 96th Street), Lower Manhattan (approximately the area below Houston Street), or the other boroughs.	The exemption is contingent upon the continued use of Madison Square Garden by professional major league hockey and basketball teams for their home games.	In connection with various amendments in 2015 to the City’s rent control and rent stabilization laws, the period during which a landlord can amortize or recoup the cost of building-wide major capital improvements (MCIs) through increased apartment rents has been increased from seven years to eight years in the case of a building with no more than 35 units or nine years in the case of a building with more than 35 units. Landlords affected by this change are eligible to receive a Real Property Tax abatement equal to 50 percent of the economic loss attributable to the extended amortization period.
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.
Under legislation enacted in 2000, firms that relocate to “revitalization areas” in Upper Manhattan or the other boroughs may qualify for a credit of \$3,000 per eligible employment share; starting in 2004, a \$3,000 credit is also available to eligible firms that relocate to Lower Manhattan.	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>2023</u> (in thousands)	<u>2022</u> (in thousands)	<u>2023</u> (in thousands)
\$30,000	\$27,000	\$18,400
	<u>2023</u> (in thousands)	<u>2022</u> (in thousands)
	\$42,400	\$43,200
		\$21,400

<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 Corporation																																										
	Solar Electric Generating System (SEGS) Abatement Program	Commercial Growth and Industrial Incentive Programs	Build NYC Tax Abatement Program																																										
1) Purpose of program.	SEGS helps reduce greenhouse emissions and provides cleaner energy and more efficient energy systems.	IDA's programs are designed to encourage economic development in the City. IDA tax 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 Title 1 of Article 18-A of the General Municipal Law ⁽¹⁾ .	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.																																										
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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 declared by the Mayor related to the COVID-19 pandemic expired on August 18, 2023. It has been extended approximately monthly during the pandemic and may be extended beyond the current expiration date. The reduction in business activity, travel and tourism resulting from the pandemic had a severe impact on the City’s retail, cultural, hospitality and entertainment sectors. Hotel occupancy declined drastically, as did arrivals to City airports. As a result of the COVID-19 pandemic, unemployment rates throughout the City increased substantially and currently remain above pre-pandemic levels. To date, the City has recovered approximately 97% of jobs lost during the pandemic. Certain real estate sectors have sustained losses as a result of the business distress caused by COVID-19. Higher unemployment as well as increased numbers of employees working from home have stressed the City’s office market. The pandemic has also reduced income for retail stores and hotels. Property tax revenues declined in fiscal year 2022 from the pandemic impact but rebounded in fiscal year 2023. Growth is projected to average 1.3 percent from fiscal years 2024 through 2027. The pandemic has also resulted in a decline in the City’s estimated population. The future course of the pandemic is uncertain. There can be no assurance that the City will not experience future surges or that rates of cases, hospitalizations and deaths will not increase significantly in the future. There can be no assurances as to what further impacts the pandemic may have on the City’s population and economy or that new pandemic-related restrictions will not be imposed in the future. An outbreak of disease or public health emergency, including a resurgence of COVID-19, could have an adverse impact on the City’s population and economy and may result in revenues to the City that are lower than projected.

To help respond to the pandemic and the resulting economic disruption, The City has been awarded various federal funds. From inception to date, the City has received a total of approximately \$9.06 billion in reimbursed funds.

E. OTHER INFORMATION

1. Audit Responsibility

In Fiscal Years 2023 and 2022, 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 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.

	Government-wide						Fund-based			
	Governmental Activities		Business-Type Activities		Component Units		Nonmajor Governmental Funds		Fiduciary Funds	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total Assets	5%	5%	100%	100%	45%	47%	100%	100%	8%	9%
Revenues, other financing sources and net position held in trust.	6%	5%	100%	100%	27%	27%	100%	100%	8%	10%

2. Subsequent Events

Subsequent to June 30, 2023, TFA, the City, and the Water Authority completed the following long-term financings:

- TFA Debt* On July 27, 2023, the New York City Transitional Finance Authority issued \$1,080,000,000 of Fiscal 2024 Series A Future Tax Secured Subordinate Bonds for capital purposes.
- On August 31, 2023, the New York City Transitional Finance Authority issued \$1,000,000,000 of Fiscal 2024 Series B Future Tax Secured Subordinate Bonds for capital purposes.
- On October 26, 2023, the New York City Transitional Finance Authority issued \$1,000,000,000 of Fiscal 2024 Series C Future Tax Secured Subordinate Bonds for capital purposes.
- City Debt* On August 17, 2023, The City of New York issued \$950,000,000 of Fiscal 2024 Series A General Obligation Bonds for capital purposes and reoffered \$66,685,000 of Fiscal 2012 Series G, Subseries G-5 General Obligation Bonds to convert a portion of its outstanding variable rate bonds to fixed rate.
- On October 12, 2023, The City of New York issued \$965,000,000 of Fiscal 2024 Series B General Obligation Bonds for capital purposes.
- Water Authority* On October 5, 2023, the New York City Municipal Water Finance Authority issued \$692,725,000 of Fiscal 2024 Series AA Second General Resolution Revenue Bonds for capital purposes, to refund a portion of its outstanding bonds at lower interest rates, and to convert a portion of its outstanding variable rate bonds to fixed rate.

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, 2023, the City paid \$3.3 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.

	<u>Number of Participants</u>	
	<u>FY 2023</u> <u>(at 6/30/22)</u>	<u>FY 2022</u> <u>(at 6/30/21)</u>
Active plan members	289,660	296,690
Inactive plan members entitled to but not yet receiving benefits	24,733	22,462
Inactive plan members or beneficiaries currently receiving benefits	<u>252,635</u>	<u>246,832</u>
Total	<u>567,028</u>	<u>565,984</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 2023 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.

The City was expected to implement a new Medicare Advantage plan in FY 2024. However, as of August 11, 2023, the implementation has been ruled illegal by a Judge, prohibiting the city from administering the program. The City has since appealed this ruling. The FY 2023 results do not reflect the anticipated change given continued uncertainty. Had the new Medicare Advantage plan began as scheduled the June 30, 2023 Net OPEB liability would decrease by approximately \$18 billion.

Changes in Net OPEB Liability. Changes in the City's net OPEB liability for the Fiscal Years ended June 30, 2023 and June 30, 2022 are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2021	\$122,199,740,871	\$ 4,220,507,470	\$ 117,979,233,401
2. Changes for the Year:			
a. 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)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
3. Balances at June 30, 2022	\$ 94,902,356,982	\$ 5,376,498,844	\$ 89,525,858,138
4. Changes for the Year:			
a. Service Cost	3,726,363,061	—	3,726,363,061
b. Interest	3,963,214,876	—	3,963,214,876
c. Differences b/t Expected and Actual Experience	(1,396,055,419)	—	(1,396,055,419)
d. Changes in Assumptions	2,633,653,342	—	2,633,653,342
e. Contributions-Employer	—	3,282,286,594	(3,282,286,594)
f. Contributions-Employee	—	—	—
g. Net Investment Income	—	152,050,807	(152,050,807)
h. Actual Benefit Payments	(3,492,197,300)	(3,492,197,300)	—
i. Administrative Expenses	—	(54,000)	54,000
j. Other Changes	—	(175,000)	175,000
k. Net Changes	\$ 5,434,978,560	\$ (58,088,899)	\$ 5,493,067,459
5. Balances at June 30, 2023	\$100,337,335,542	\$ 5,318,409,945	\$ 95,018,925,597

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

	Fiscal Year 2023			Fiscal Year 2022		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	\$109,506,454,591	\$95,018,925,597	\$83,202,563,168	\$103,508,060,972	\$89,525,858,138	\$78,151,289,460
		Discount Rate		Discount Rate		
City	3.13%	4.13%	5.13%	3.09%	4.09%	5.09%
Component Units	3.13%	4.13%	5.13%	3.09%	4.09%	5.09%

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

	Fiscal Year 2023			Fiscal Year 2022		
	1% Decrease	Current Trend Rate	1% Increase	1% Decrease	Current Trend Rate	1% Increase
	\$80,446,028,128	\$95,018,925,597	\$113,597,620,927	\$75,464,853,742	\$89,525,858,138	\$107,532,414,273
		Pre-Medicare Trend Rate		Pre-Medicare Trend Rate		
Initial	6.00%	7.00%	8.00%	5.50%	6.50%	7.50%
Ultimate	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%
		Medicare Trend Rate		Medicare Trend Rate		
Initial	3.80%	4.80%	5.80%	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, 2023 and June 30, 2022 are \$2.9 and \$3.8 billion, respectively.

Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2023 and June 30, 2022 are as follows:

	Fiscal Year 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 3,174,960,418	\$ 5,050,323,424
Changes of Assumptions	5,506,701,140	23,887,890,580
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	241,213,233	—
Total	<u>\$8,922,874,791</u>	<u>\$28,938,214,004</u>
	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>

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
2024	\$(3,452,038,576)
2025	(4,073,095,305)
2026	(4,500,307,509)
2027	(4,188,621,928)
2028	(3,991,231,932)
2029	174,245,429
2030	15,710,608

Funded Status and Funding Progress. As of June 30, 2023, the most recent actuarial measurement date, the funded status was 5.3%. The total OPEB liability for benefits was \$100.3 billion, and the plan fiduciary net position was \$5.3 billion, resulting in a net OPEB liability of \$95.0 billion. The covered employee payroll (annual payroll of active employees covered) was \$31.1 billion, and the ratio of the net OPEB liability to the covered employee payroll was 305.1%. 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 2023 and 2022.

Actuarial Methods and Assumptions. The actuarial assumptions used in the Fiscal Years 2023 and 2022 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 2023 OPEB valuation have not changed from the prior valuation, with the exception of the discount rate, the pre-Medicare trend rate assumption and the stabilization fund load as described later in this section.

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 2023 OPEB valuation of the Plan are as follows:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Discount Rate	4.13% for benefits provided by the City and Component Units. Results as of the June 30, 2022 Measurement Date are presented at 4.09% for benefits provided by the City, and Component Units.

The Municipal Bond 20-year Index Rate was used as the discount rate. The rate was not blended with the long-term expected rate of return because the expected return on assets assumption was lower than the Municipal Bond 20-year Index Rate.

For the prior year, 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.

Initial monthly premium rates used in valuation are shown below:

Plan	Monthly Costs @ Average Age	
	FY 2023	FY 2022
HIP HMO		
Non-Medicare Single	\$ 871.42	\$ 819.68
Non-Medicare Family	2,134.99	2,008.22
Medicare	199.62	190.47
GHI/EBCBS		
Non-Medicare Single	917.92	854.44
Non-Medicare Family	2,409.11	2,242.05
Medicare	201.59	201.80
Others HMOs ⁽¹⁾		
Non-Medicare Single	1,302.87	1,242.93
Non-Medicare Family	3,567.29	3,440.67
Medicare Single	311.73	291.71
Medicare Family	620.28	580.41

⁽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 2022 and FY 2023 valuations are shown below:

Plan	Monthly Costs @ Age 65	
	FY 2023	FY 2022
HIP HMO		
Non-Medicare	\$1,844.10	\$1,734.61
Medicare	199.62	190.47
GHI/EBCBS		
Non-Medicare	1,970.02	1,833.91
Medicare	192.11	192.08
Other HMOs	Varies by system	

The normative database used to adjust premium values to age 65 per capita cost is unchanged from 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 2023 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.

For the HIP premium rate the Fiscal Year 2023 valuation assumed the prior year’s rate of \$190.47 with trend given the assumption that the MA plan will not be implemented during Fiscal Year 2024.

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, 2023, (including any reported retroactive amounts) was trended back to the valuation date, June 30, 2022, 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 2023 GASB 74/75 report in Section V, Tables V-b to V-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.

	FY 2023	FY 2022
NYCERS	\$1,867	\$1,858
TRS	1,763	1,763
BERS	1,906	1,907
POLICE	1,651	1,669
FIRE	1,319	1,721

Calendar Year	Monthly Premium
2018	125.85
2019	134.43
2020	143.21
2021	146.97
2022	167.82
2023	164.90

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2023. Due to limited cost-of-living adjustment in past Social Security benefits, some Medicare Part B participants were not charged the Medicare Part B premium originally projected or ultimately announced for those years. The portion of Medicare Part B participants protected by the hold-harmless provision however decreased from 3.5% in 2022 to 1.5% in 2023. The prior valuation used a blended estimate as a better representation of future Part B premium costs, while the current valuation assumes the full Part B premium amount.

The Calendar Year (CY) 2022 monthly premium of \$167.82 was determined using 3.5% of the \$104.90 hold-harmless amount and 96.5% of the \$170.10 rate that was in effect for CY 2022. For CY 2023, no participants were assumed to be protected by the hold-harmless provision and the monthly premium of \$164.90 was set equal to the CY 2023 announced amount. For the FY 2023 OPEB valuation the annual premium used was \$1,996.32, which is equal to 12 times an average of the CY 2022 and 2023 monthly premiums above.

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 is unchanged from the prior valuation.

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)

<u>Year Ending</u>	<u>Pre-Medicare Plans</u>	<u>Medicare Plans</u>	<u>Medicare Part B Premium¹</u>	<u>Welfare Fund Contributions</u>
2023	7.00%	4.80%	5.00%	3.50%
2024	7.00%	4.80%	5.00%	3.50%
2025	7.00%	4.70%	5.00%	3.50%
2026	6.75%	4.70%	5.00%	3.50%
2027	6.50%	4.60%	5.00%	3.50%
2028	6.25%	4.60%	5.00%	3.50%
2029	6.00%	4.50%	5.00%	3.50%
2030	5.75%	4.50%	5.00%	3.50%
2031	5.50%	4.50%	5.00%	3.50%
2032	5.25%	4.50%	5.00%	3.50%
2033	5.00%	4.50%	5.00%	3.50%
2034	4.75%	4.50%	5.00%	3.50%
2035 and later	4.50%	4.50%	5.00%	3.50%

⁽¹⁾ We are no longer using a blended first year trend in order to reduce volatility.

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. The pre-Medicare trend has been updated for the FY2023 valuation.

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 to increase 6% for 2024, beyond that point they expect the increases to average 6.3% out to 2032. 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	1.470
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	1.260	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 \$429.67 out of \$917.92 for single coverage, and \$1,139.67 out of \$2,409.11 for family coverage for FY 2023 rates. The Non-Medicare EBCBS portion is the remainder of the premiums. The Medicare GHI portion is \$105.46 out of the \$201.59 for FY 2023 rates. The EBCBS portion is the remainder of the premium.

Participation Rates Plan participation assumptions remain unchanged from the prior valuation and are in line with 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 2023</u>
NYCERS	13%
TRS	13%
BERS	15%
POLICE	3%
FIRE	3%
TIAA	13%

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 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. This assumption is unchanged from the prior valuation.

<u>NYCRS Group</u>	<u>FY 2023</u>
NYCERS	8 years
TRS	7 years
BERS	7 years
POLICE	11 years
FIRE	11 years
TIAA	7 years

Dependent allocation assumptions are shown below and remain unchanged from the prior valuation.

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 2023.

Demographic Assumption The actuarial assumptions used in the FY 2023 OPEB valuation are a combination of the demographic assumptions used in the NYCERS pension actuarial valuations and certain OPEB-specific assumptions, as detailed below.

NYCRS

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:

Years of Service	Withdrawal	Age	Retirement
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	3.0%
5	7.0%	60	3.0%
6	6.0%	61	4.0%
7	6.0%	62	4.0%
8	6.0%	63	5.0%
9	4.0%	64	5.0%
10	4.0%	65	7.0%
11	3.0%	66	10.0%
12	3.0%	67	10.0%
13	2.0%	68	8.0%
14-19	2.0%	69	8.0%
20+	2.0%	70	10.0%
		75	15.0%
		80+	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>Employees and beneficiaries who enroll in COBRA coverage 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.</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 \$1,550 was assumed for terminations during Fiscal Year 2023. 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 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. This method is unchanged from the prior valuation.</p>
Stabilization Fund	<p>A 0.6% load is applied to the City’s obligations to reflect certain benefits paid for retirees directly from the Stabilization Fund which is a 0.1% increase from the FY 2022 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 2019 through 2023 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 29 of the Fiscal Year 2023 GASB 74/75 Report dated September 8, 2023. 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. POVFS 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, 2022 and June 30, 2021, 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, 2022						
Retirees and Beneficiaries Receiving Benefits	166,631	92,282	20,481	53,608	16,717	349,719
Deferred Vested Members Not Yet						
Receiving Benefits	29,080	19,630	2,410	1,214	71	52,405
Terminated Nonvested	36,636	5,106	9,245	2,125	—	53,112
Active Members	<u>179,596</u>	<u>123,674</u>	<u>25,639</u>	<u>34,655</u>	<u>10,685</u>	<u>374,249</u>
Total QPP Membership	<u>411,943</u>	<u>240,692</u>	<u>57,775</u>	<u>91,602</u>	<u>27,473</u>	<u>829,485</u>
	<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>

As of June 30, 2022 and June 30, 2021, 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, 2022						
Retirees Receiving or Eligible to Receive Benefits	250	206	119	186	9,056	9,817
Active Members	—	—	—	—	6,738	6,738
Total Membership	<u>250</u>	<u>206</u>	<u>119</u>	<u>186</u>	<u>15,794</u>	<u>16,555</u>
	<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	—	—	—	—	8,054	8,054
Total Membership	<u>263</u>	<u>219</u>	<u>127</u>	<u>194</u>	<u>16,598</u>	<u>17,401</u>

As of June 30, 2022 and 2021, 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, 2022						
Retirees Receiving or Eligible to Receive Benefits	21,618	13,693	35,311	1,514	3,121	4,635
Active Members	12,132	22,523	34,655	2,526	8,159	10,685
Total Membership	<u>33,750</u>	<u>36,216</u>	<u>69,966</u>	<u>4,040</u>	<u>11,280</u>	<u>15,320</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, 2021						
Retirees Receiving or Eligible to Receive Benefits	21,101	13,378	34,479	1,467	3,130	4,597
Active Members	11,874	23,132	35,006	2,590	8,203	10,793
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>

*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, 2023 and 2022 were \$33.7 billion and \$31.9 billion, respectively, and interest paid on TDA Program fixed return funds by the TRS QPP for the years then ended were \$2.3 billion and \$2.1 billion, respectively. The balance of TDA Program fixed return funds held by the BERS QPP as of June 30, 2023 and 2022 are \$2,552.3 million and \$2,374.1 million, respectively, and interest paid on TDA Program fixed return funds by the BERS QPP for the years then ended were \$201.4 million and \$191.1 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, 2021 actuarial valuation was used for determining the Fiscal Year 2023 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 2023 and 2022 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 2023 Aggregate Statutory Contribution	Fiscal Year 2023 City Statutory/Actual Contribution	Fiscal Year 2022 Aggregate Statutory Contribution	Fiscal Year 2022 City Statutory/Actual Contribution
	(in millions)			
NYCERS	\$ 3,457	\$2,045	\$ 3,831	\$2,283
TRS	3,086	2,983	3,304	3,201
BERS	234	233	262	262
POLICE	2,334	2,334	2,490	2,490
FIRE	1,424	1,424	1,447	1,447
Total	<u>\$10,535</u>	<u>\$9,019</u>	<u>\$11,334</u>	<u>\$9,683</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 POVSF or the PSOVSF 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 2019, 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, TPSOVSF, HPOVSF and HPSOVSF sufficient to meet their annual benefit payments.

For Fiscal Year 2023, Excess Earnings on equity investments exceeded zero, but was less than the prior year's cumulative deficiencies and therefore, no transfers of assets from the QPPs to their respective VSFs were required other than to TPOVSF, TPSOVSF, HPOVSF, and HPSOVSF. For Fiscal Year 2023, the NYCERS QPP made required transfers of \$2.9 million, \$2.4 million, \$1.3 million, and \$2.2 million to TPOVSF, TPSOVSF, HPOVSF, and HPSOVSF, respectively, to fund annual benefits.

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, TPSOVSF, HPOVSF, and HPSOVSF. 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, TPSOVSF, HPOVSF, and HPSOVSF, 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, 2023 and 2022 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, 2022 and June 30, 2021, 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, 2022 and June 30, 2021 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2022</u>	<u>June 30, 2021</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 NYCERS 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 5.2% to 6.2% 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:

<u>NYCERS</u>		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	27.0%	6.9%
Developed Public Market Equities	12.0%	7.2%
Emerging Public Market Equities	5.0%	9.1%
Fixed Income	30.5%	2.7%
Private Equity	8.0%	11.1%
Private Real Estate	7.5%	7.1%
Infrastructure	4.0%	6.4%
Opportunistic Fixed Income	6.0%	8.6%
Total	100.0%	

<u>TRS</u>		
<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%	6.1%
Emerging Public Market Equities	9.5%	7.5%
Fixed Income	32.5%	2.1%
Private Equity	7.0%	10.4%
Private Real Estate	7.0%	7.8%
Infrastructure	4.0%	7.9%
Opportunistic Fixed Income	5.0%	5.2%
Total	100.0%	

<u>BERS</u>		
<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%	6.9%
Emerging Public Market Equities	6.0%	8.4%
Fixed Income	27.0%	2.0%
Private Equity	9.0%	9.6%
Private Real Estate	8.0%	4.7%
Infrastructure	4.0%	5.4%
Opportunistic Fixed Income	5.0%	6.0%
Total	100.0%	

<u>POLICE</u>		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	30.0%	5.5%
Developed Public Market Equities	8.0%	6.1%
Emerging Public Market Equities	5.0%	7.7%
Fixed Income	28.0%	3.2%
Private Equity	8.0%	10.9%
Private Real Estate	7.0%	5.3%
Infrastructure	3.0%	7.8%
Hedge Funds	6.0%	4.6%
Opportunistic Fixed Income	5.0%	6.0%
Total	100.0%	

<u>FIRE</u>		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	27.0%	5.5%
Developed Public Market Equities	9.0%	5.7%
Emerging Public Market Equities	6.0%	10.2%
Fixed Income	31.0%	2.8%
Private Equity	8.0%	10.1%
Private Real Estate	7.0%	4.5%
Infrastructure	3.0%	5.0%
Hedge Funds	5.0%	4.3%
Opportunistic Fixed Income	4.0%	6.7%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability of each QPP as of June 30, 2023 and June 30, 2022 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, 2023 and June 30, 2022 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, 2021	\$59,303	\$57,266	\$ 2,037	\$24,871	\$19,892	\$ 4,979
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>
Changes for the Year 2023:						
Service Cost	1,419	—	1,419	593	—	593
Interest	4,256	—	4,256	1,782	—	1,782
Changes of Benefit Terms	63	—	63	36	—	36
Differences b/t Expected and Actual Experience	564	—	564	340	—	340
Changes of Assumptions	—	—	—	—	—	—
Contributions—Employer	—	2,334	(2,334)	—	1,424	(1,424)
Contributions—Employee	—	268	(268)	—	118	(118)
Net Investment Income	—	4,395	(4,395)	—	1,427	(1,427)
Benefit Payments	(4,290)	(4,290)	—	(1,777)	(1,777)	—
Administrative Expenses	—	(30)	30	—	(13)	13
Other Changes	—	4	(4)	—	1	(1)
Net Changes	<u>\$ 2,012</u>	<u>\$ 2,681</u>	<u>\$ (669)</u>	<u>\$ 974</u>	<u>\$ 1,180</u>	<u>\$ (206)</u>
Balances at June 30, 2023	<u>\$63,527</u>	<u>\$54,480</u>	<u>\$ 9,047</u>	<u>\$26,701</u>	<u>\$19,437</u>	<u>\$ 7,264</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 2023			Fiscal Year 2022		
	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	\$16,375	\$9,047	\$2,940	\$16,828	\$9,716	\$3,794
FIRE	10,273	7,264	4,733	10,381	7,470	5,023

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, 2023 and June 30, 2022, and the proportion percentage of the aggregate net pension liability allocated to the City:

	Fiscal Year 2023			Fiscal Year 2022		
	NYCERS	TRS	BERS	NYCERS	TRS	BERS
	(in millions, except for %)					
City’s Proportion of the Net Pension Liability	59.15%	96.65%	99.96%	59.58%	96.88%	99.95%
City’s Proportionate Share of the Net Pension Liability	\$10,554	\$13,220	\$73	\$10,786	\$14,253	\$124

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 2023			Fiscal Year 2022		
	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	\$17,102	\$10,554	\$5,028	\$17,165	\$10,786	\$5,399
TRS	22,163	13,220	5,715	22,925	14,253	6,968
BERS	802	73	(542)	837	124	(476)

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, 2023 and June 30, 2022 related to the NYCERS are as follows:

NYCRS	2023	2022
	(in millions)	
NYCERS	\$2,097	\$1,521
TRS (Excluding TDA)	2,897	1,771
BERS (Excluding TDA)	289	235
POLICE	2,089	1,267
FIRE	1,369	1,055
Total	<u>\$8,741</u>	<u>\$5,849</u>

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Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2023 and June 30, 2022 for each NYCERS are as follows:

	Fiscal Year 2023							
	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	\$1,187,441	\$ 47,019	\$158,421	\$1,390,630	\$42,106	\$ 54,812	\$ 923,188	\$6,500
Changes of assumptions	17	214,542	—	496,574	—	49,268	53,369	2,717
Net difference between projected and actual earnings on pension plan investments	1,315,743	—	—	143,339	—	65,984	1,083,214	—
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	373,404	34,248	(99,644)	(6,233)	(98)	4	—	—
Total	<u>\$2,876,605</u>	<u>\$295,809</u>	<u>\$ 58,777</u>	<u>\$2,024,310</u>	<u>\$42,008</u>	<u>\$170,068</u>	<u>\$2,059,771</u>	<u>\$9,217</u>
	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	—	81,922	—	1,916,064	—
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	607,282	68,419	(64,200)	(360)	(166)	(12)	—	—
Total	<u>\$3,515,937</u>	<u>\$650,549</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 2023			
	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	\$ 427,263	\$12,200	\$2,738,419	\$1,511,161
Changes of assumptions	99,305	—	152,691	763,101
Net difference between projected and actual earnings on pension plan investments	588,331	—	2,987,288	209,323
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	—	—	273,662	28,019
Total	<u>\$1,114,899</u>	<u>\$12,200</u>	<u>\$6,152,060</u>	<u>\$2,511,604</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	—	6,152,458	—
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>\$9,129,669</u>	<u>\$3,629,612</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2023 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,						
2024.....	\$ 584,027	\$(1,567,776)	\$(146,345)	\$ 356,093	\$ 263,641	\$ (510,360)
2025.....	198,747	(1,506,410)	(110,261)	52,627	119,883	(1,245,414)
2026.....	1,659,009	1,928,333	193,144	1,710,898	667,011	6,158,395
2027.....	73,629	(689,363)	(63,447)	(69,064)	40,337	(707,908)
2028.....	65,384	(115,586)	(1,151)	—	11,827	(39,526)
Thereafter.....	—	(14,731)	—	—	—	(14,731)
Total.....	<u>\$2,580,796</u>	<u>\$(1,965,533)</u>	<u>\$(128,060)</u>	<u>\$2,050,554</u>	<u>\$1,102,699</u>	<u>\$ 3,640,456</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, 2023 and 2022

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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,

	2023	2022	2021	2020	2019
1. Total Pension Liability					
a. Service Cost	\$ 1,418,720,101	\$ 1,431,720,079	\$ 1,473,815,656	\$ 1,483,109,352	\$ 1,498,909,863
b. Interest	4,257,712,941	4,120,230,291	3,980,110,444	3,833,636,348	3,782,996,761
c. Changes of Benefit Terms	62,622,008	—	—	—	—
d. Differences b/t Expected and Actual Experience	563,620,501	473,140,931	275,949,731	441,654,144	(818,966,821)
e. Change of Assumptions	—	—	136,758,940	—	(342,401,789)
f. Benefit Payments	(4,290,430,000)	(3,813,713,000)	(3,831,639,000)	(3,487,402,000)	(3,278,745,000)
g. Net Changes	2,012,245,551	2,211,378,301	2,034,995,771	2,270,997,844	841,793,014
2. Total Pension Liability—Beginning	61,514,803,295	59,303,424,994	57,268,429,223	54,997,431,379	54,155,638,365
3. Total Pension Liability—Ending	63,527,048,846	61,514,803,295	59,303,424,994	57,268,429,223	54,997,431,379
4. Plan Fiduciary Net Position					
a. Contributions—Employer	2,333,707,000	2,490,134,000	2,437,728,000	2,458,907,000	2,558,256,000
b. Contributions—Employee	267,720,000	281,185,000	255,789,000	280,129,000	278,087,000
c. Net Investment Income	4,396,487,000	(4,405,904,000)	11,961,703,000	2,038,305,000	2,861,544,000
d. Benefit Payments	(4,290,430,000)	(3,813,713,000)	(3,831,639,000)	(3,487,402,000)	(3,278,745,000)
e. Administrative Expenses	(30,348,000)	(24,301,000)	(24,925,000)	(26,803,000)	(29,005,000)
f. Other Changes	4,458,000	5,301,000	4,458,000	6,541,000	4,183,000
g. Net Changes	2,681,594,000	(5,467,298,000)	10,803,114,000	1,269,677,000	2,394,320,000
5. Plan Fiduciary Net Position—Beginning	51,798,672,000	57,265,970,000	46,462,856,000	45,193,179,000	42,798,859,000
6. Plan Fiduciary Net Position—Ending	54,480,266,000	51,798,672,000	57,265,970,000	46,462,856,000	45,193,179,000
7. POLICE Net Pension Liability	<u>\$ 9,046,782,846</u>	<u>\$ 9,716,131,295</u>	<u>\$ 2,037,454,994</u>	<u>\$ 10,805,573,223</u>	<u>\$ 9,804,252,379</u>
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>85.8%</u>	<u>84.2%</u>	<u>96.6%</u>	<u>81.1%</u>	<u>82.2%</u>
9. Covered Payroll ¹	\$ 4,316,368,272	\$ 4,262,625,521	\$ 4,299,648,848	\$ 4,244,806,289	\$ 4,047,772,414
10. POLICE Net Pension Liability as a Percentage of Covered Payroll	<u>209.6%</u>	<u>227.9%</u>	<u>47.4%</u>	<u>254.6%</u>	<u>242.2%</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1. Total Pension Liability					
a. Service Cost	\$ 1,386,278,934	\$ 1,320,416,462	\$ 1,340,614,909	\$ 1,325,807,839	\$ 1,301,753,171
b. Interest	3,649,115,174	3,524,331,362	3,441,398,429	3,245,225,246	3,117,317,330
c. Changes of Benefit Terms	104,671,094	—	—	—	—
d. Differences b/t Expected and Actual Experience	(144,119,939)	(645,248,116)	233,461,664	(215,417,691)	—
e. Change of Assumptions	—	—	794,679,950	—	—
f. Benefit Payments	<u>(3,193,553,000)</u>	<u>(2,987,000,000)</u>	<u>(2,878,451,000)</u>	<u>(2,746,784,000)</u>	<u>(2,682,223,000)</u>
g. Net Changes	1,802,392,263	1,212,499,708	2,931,703,952	1,608,831,394	1,736,847,501
2. Total Pension Liability—Beginning	<u>52,353,246,102</u>	<u>51,140,746,394</u>	<u>48,209,042,442</u>	<u>46,600,211,048</u>	<u>44,549,855,738</u>
3. Total Pension Liability—Ending	<u>54,155,638,365</u>	<u>52,353,246,102</u>	<u>51,140,746,394</u>	<u>48,209,042,442</u>	<u>46,286,703,239</u>
4. Plan Fiduciary Net Position					
a. Contributions—Employer	2,415,153,000	2,293,840,000	2,393,940,000	2,309,619,000	2,320,910,000
b. Contributions—Employee	267,031,000	276,301,000	249,921,000	241,102,000	228,783,000
c. Net Investment Income	3,964,010,000	4,286,894,000	403,534,000	1,098,220,000	5,147,483,000
d. Benefit Payments	<u>(3,193,553,000)</u>	<u>(2,987,000,000)</u>	<u>(2,878,451,000)</u>	<u>(2,746,784,000)</u>	<u>(2,682,223,000)</u>
e. Administrative Expenses	(21,146,000)	(18,917,000)	(18,478,000)	(17,903,000)	(17,450,000)
f. Other Changes	<u>3,465,000</u>	<u>10,507,000</u>	<u>6,756,000</u>	<u>4,616,000</u>	<u>6,911,000</u>
g. Net Changes	3,434,960,000	3,861,625,000	157,222,000	888,870,000	5,004,414,000
5. Plan Fiduciary Net Position—Beginning	<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>
6. Plan Fiduciary Net Position—Ending	<u>42,798,859,000</u>	<u>39,363,899,000</u>	<u>35,502,274,000</u>	<u>35,345,052,000</u>	<u>34,456,182,000</u>
7. POLICE Net Pension Liability	<u>\$11,356,779,365</u>	<u>\$12,989,347,102</u>	<u>\$15,638,472,394</u>	<u>\$12,863,990,442</u>	<u>\$11,830,521,239</u>
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>79.0%</u>	<u>75.2%</u>	<u>69.4%</u>	<u>73.3%</u>	<u>74.4%</u>
9. Covered Payroll ¹	\$ 3,673,054,287	\$ 3,509,985,075	\$ 3,540,326,198	\$ 3,512,777,844	\$ 3,420,312,390
10. POLICE Net Pension Liability as a Percentage of Covered Payroll	<u>309.2%</u>	<u>370.1%</u>	<u>441.7%</u>	<u>366.2%</u>	<u>345.9%</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
1. Total Pension Liability					
a. Service Cost	\$ 592,612,807	\$ 586,319,415	\$ 570,829,158	\$ 572,654,633	\$ 484,827,782
b. Interest	1,781,262,396	1,726,200,591	1,672,680,868	1,616,535,939	1,523,611,014
c. Changes of Benefit Terms	36,205,947	—	—	—	—
d. Differences b/t Expected and Actual Experience	340,357,109	165,148,630	(27,513,079)	143,725,611	140,780,365
e. Change of Assumptions	—	—	113,160,630	—	571,767,848
f. Benefit Payments	<u>(1,776,549,000)</u>	<u>(1,620,806,000)</u>	<u>(1,540,705,000)</u>	<u>(1,517,723,000)</u>	<u>(1,446,114,000)</u>
g. Net Changes	973,889,259	856,862,636	788,452,577	815,193,183	1,274,873,009
2. Total Pension Liability—Beginning	<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>
3. Total Pension Liability—Ending	<u>26,701,182,844</u>	<u>25,727,293,585</u>	<u>24,870,430,949</u>	<u>24,081,978,372</u>	<u>23,266,785,189</u>
4. Plan Fiduciary Net Position					
a. Contributions—Employer	1,423,679,000	1,446,992,000	1,436,977,000	1,419,270,000	1,398,565,000
b. Contributions—Employee	118,264,000	134,469,000	112,566,000	106,821,000	108,015,000
c. Net Investment Income	1,426,616,000	(1,582,857,000)	3,963,257,000	718,739,000	982,348,000
d. Benefit Payments	(1,776,549,000)	(1,620,806,000)	(1,540,705,000)	(1,517,723,000)	(1,446,114,000)
e. Administrative Expenses	(13,020,000)	(12,711,000)	(10,345,000)	(9,131,000)	(9,861,000)
f. Other Changes	<u>838,000</u>	<u>953,000</u>	<u>758,000</u>	<u>2,842,000</u>	<u>2,057,000</u>
g. Net Changes	1,179,828,000	(1,633,960,000)	3,962,508,000	720,818,000	1,035,010,000
5. Plan Fiduciary Net Position—Beginning	<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>
6. Plan Fiduciary Net Position—Ending	<u>19,437,466,000</u>	<u>18,257,638,000</u>	<u>19,891,598,000</u>	<u>15,929,090,000</u>	<u>15,208,272,000</u>
7. FIRE Net Pension Liability	<u>\$ 7,263,716,844</u>	<u>\$ 7,469,655,585</u>	<u>\$ 4,978,832,949</u>	<u>\$ 8,152,888,372</u>	<u>\$ 8,058,513,189</u>
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>72.8%</u>	<u>71.0%</u>	<u>80.0%</u>	<u>66.1%</u>	<u>65.4%</u>
9. Covered Payroll ¹	\$ 1,438,282,242	\$ 1,401,377,517	\$ 1,348,006,398	\$ 1,336,843,002	\$ 1,302,871,992
10. FIRE Net Pension Liability as a Percentage of Covered Payroll	<u>505.0%</u>	<u>533.0%</u>	<u>369.3%</u>	<u>609.9%</u>	<u>618.5%</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.)

	2018	2017	2016	2015	2014
1. Total Pension Liability					
a. Service Cost	\$ 436,368,702	\$ 432,482,302	\$ 431,267,723	\$ 419,575,546	\$ 412,911,205
b. Interest	1,484,608,815	1,438,804,602	1,395,735,250	1,312,813,977	1,215,276,517
c. Changes of Benefit Terms	11,602,422	—	—	—	—
d. Differences b/t Expected and Actual Experience	124,635,710	134,478,099	323,609,267	171,347,136	—
e. Change of Assumptions	—	—	405,497,988	—	—
f. Benefit Payments	(1,379,533,000)	(1,335,343,000)	(1,359,095,000)	(1,220,441,000)	(1,171,998,000)
g. Net Changes	677,682,649	670,422,003	1,197,015,228	683,295,659	456,189,722
2. Total Pension Liability—Beginning	21,314,229,531	20,643,807,528	19,446,792,300	18,763,496,641	17,524,302,616
3. Total Pension Liability—Ending	21,991,912,180	21,314,229,531	20,643,807,528	19,446,792,300	17,980,492,338
4. Plan Fiduciary Net Position					
a. Contributions—Employer	1,200,417,000	1,061,170,000	1,054,478,000	988,784,000	969,956,000
b. Contributions—Employee	108,338,000	108,368,000	116,619,000	108,582,000	108,859,000
c. Net Investment Income	1,249,731,000	1,371,721,000	203,104,000	302,567,000	1,689,485,000
d. Benefit Payments	(1,379,533,000)	(1,335,343,000)	(1,359,095,000)	(1,220,441,000)	(1,171,998,000)
e. Administrative Expenses	(6,412,000)	—	—	—	—
f. Other Changes	9,411,000	47,284,000	43,673,000	41,201,000	39,980,000
g. Net Changes	1,181,952,000	1,253,200,000	58,779,000	220,693,000	1,636,282,000
5. Plan Fiduciary Net Position—Beginning	12,991,310,000	11,738,110,000	11,679,331,000	11,458,638,000	9,822,356,000
6. Plan Fiduciary Net Position—Ending	14,173,262,000	12,991,310,000	11,738,110,000	11,679,331,000	11,458,638,000
7. FIRE Net Pension Liability	\$ 7,818,650,180	\$ 8,322,919,531	\$ 8,905,697,528	\$ 7,767,461,300	\$ 6,521,854,338
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	64.4%	61.0%	56.9%	60.1%	63.7%
9. Covered Payroll ¹	\$ 1,164,528,195	\$ 1,145,919,396	\$ 1,129,469,957	\$ 1,111,744,091	\$ 1,102,396,453
10. FIRE Net Pension Liability as a Percentage of Covered Payroll	671.4%	726.3%	788.5%	698.7%	591.6%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
1. NYCERS					
a. City's Proportion of the Net Pension Liability	59.15%	59.58%	58.94%	55.98%	55.47%
b. City's Proportion share of the Net Pension Liability . .	\$10,554.3	\$10,786.4	\$ 3,780.4	\$11,799.2	\$10,274.3
c. City's Covered Payroll	\$ 8,454.2	\$ 8,412.5	\$ 8,436.8	\$ 8,203.9	\$ 7,833.4
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	124.84%	128.22%	44.81%	143.82%	131.16%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.22%	81.28%	93.14%	76.93%	78.84%
2. TRS					
a. City's Proportion of the Net Pension Liability	96.65%	96.88%	96.93%	97.12%	97.22%
b. City's Proportion share of the Net Pension Liability . .	\$13,220.0	\$14,253.0	\$ 69.0	\$15,342.1	\$14,929.0
c. City's Covered Payroll	\$11,444.2	\$11,119.0	\$10,863.8	\$10,572.4	\$10,107.6
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	115.52%	128.19%	0.64%	145.11%	147.70%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.24%	81.31%	99.91%	78.97%	79.06%
3. BERS					
a. City's Proportion of the Net Pension Liability	99.96%	99.95%	99.93%	99.95%	99.98%
b. City's Proportion share of the Net Pension Liability . .	\$ 73.0	\$ 124.4	\$ (1,267.3)	\$ 277.1	\$ 274.2
c. City's Covered Payroll	\$ 1,426.7	\$ 1,483.7	\$ 1,476.0	\$ 1,352.7	\$ 1,263.5
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	5.12%	8.38%	(85.86)%	20.48%	21.70%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.83%	97.93%	121.96%	94.92%	94.79%

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1. NYCERS					
a. City's Proportion of the Net Pension Liability	54.44%	54.33%	54.77%	55.64%	55.54%
b. City's Proportion share of the Net Pension Liability . .	\$ 9,898.5	\$ 11,281.7	\$ 13,307.9	\$ 11,262.0	\$ 10,008.2
c. City's Covered Payroll	\$ 6,729.9	\$ 6,556.7	\$ 6,462.2	\$ 6,500.5	\$ 6,506.4
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	147.08%	172.06%	205.93%	173.25%	153.83%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.82%	74.80%	69.57%	73.13%	75.32%
2. TRS					
a. City's Proportion of the Net Pension Liability	97.19%	97.62%	97.07%	97.27%	97.28%
b. City's Proportion share of the Net Pension Liability . .	\$ 18,184.9	\$ 22,674.0	\$ 25,599.9	\$ 20,219.1	\$ 17,331.1
c. City's Covered Payroll	\$ 8,961.5	\$ 8,612.8	\$ 8,039.3	\$ 7,869.8	\$ 7,772.8
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	202.92%	263.26%	318.43%	256.92%	222.97%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.45%	68.32%	62.33%	68.04%	71.41%
3. BERS					
a. City's Proportion of the Net Pension Liability	99.97%	99.96%	99.99%	99.98%	99.99%
b. City's Proportion share of the Net Pension Liability . .	\$ 501.2	\$ 973.4	\$ 1,384.1	\$ 1,006.1	\$ 906.5
c. City's Covered Payroll	\$ 1,101.6	\$ 1,051.6	\$ 1,007.5	\$ 1,016.8	\$ 988.8
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	45.50%	92.56%	137.38%	98.95%	91.68%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.31%	80.81%	71.17%	77.44%	78.34%

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

	2023	2022	2021	2020	2019	2018	2017
	(in thousands except %)						
NYCERS							
Contractually required contribution . . .	\$ 2,044,824	\$2,282,671	\$ 2,217,956	\$ 2,086,530	\$ 2,049,222	\$1,838,554	\$1,808,067
Contributions in relation to the contractually required contributions.	\$ 2,044,824	\$ 2,282,671	\$ 2,217,956	\$ 2,086,530	\$ 2,049,222	\$1,838,554	\$1,808,067
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 8,454,187	\$ 8,412,517	\$ 8,436,814	\$ 8,203,879	\$ 7,833,362	\$6,729,880	\$6,556,720
Contributions as a percentage of covered payroll.	24.187%	27.134%	26.289%	25.433%	26.160%	27.319%	27.576%
TRS							
Contractually required contribution . .	\$ 2,982,559	\$ 3,200,858	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742	\$3,779,638	\$3,795,657
Contributions in relation to the contractually required contributions.	\$ 2,982,559	\$ 3,200,858	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742	\$3,779,638	\$3,795,657
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$11,444,231	\$11,118,967	\$10,863,830	\$10,572,449	\$10,107,561	\$8,961,509	\$8,612,809
Contributions as a percentage of covered payroll.	26.062%	28.787%	27.942%	32.986%	35.555%	42.176%	44.070%
BERS							
Contractually required contribution . .	\$ 233,452	\$ 262,279	\$ 182,855	\$ 257,367	\$ 269,594	\$ 318,540	\$ 288,116
Contributions in relation to the contractually required contributions.	\$ 233,452	\$ 262,279	\$ 182,855	\$ 257,367	\$ 269,594	\$ 318,540	\$ 288,116
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 1,426,694	\$ 1,483,750	\$ 1,476,030	\$ 1,352,676	\$ 1,263,450	\$ 1,101,553	\$1,051,567
Contributions as a percentage of covered payroll.	16.363%	17.677%	12.388%	19.027%	21.338%	28.917%	27.399%
POLICE							
Contractually required contribution . .	\$ 2,333,707	\$ 2,490,134	\$ 2,437,728	\$ 2,458,907	\$ 2,558,256	\$2,415,153	\$2,293,840
Contributions in relation to the contractually required contributions.	\$ 2,333,707	\$ 2,490,134	\$ 2,437,728	\$ 2,458,907	\$ 2,558,256	\$2,415,153	\$2,293,840
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 4,316,368	\$ 4,262,626	\$ 4,299,649	\$ 4,244,806	\$ 4,047,772	\$3,673,054	\$3,509,985
Contributions as a percentage of covered payroll.	54.066%	58.418%	56.696%	57.927%	63.202%	65.753%	65.352%
FIRE							
Contractually required contribution . .	\$ 1,423,601	\$ 1,446,992	\$ 1,436,977	\$ 1,419,270	\$ 1,398,565	\$1,200,417	\$1,061,170
Contributions in relation to the contractually required contributions.	\$ 1,423,601	\$ 1,446,992	\$ 1,436,977	\$ 1,419,270	\$ 1,398,565	\$1,200,417	\$1,061,170
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 1,438,282	\$ 1,401,378	\$ 1,348,006	\$ 1,336,843	\$ 1,302,872	\$1,164,528	\$1,145,919
Contributions as a percentage of covered payroll.	98.979%	103.255%	106.600%	106.166%	107.345%	103.082%	92.604%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
NYCERS			
Contractually required contribution ..	\$1,843,323	\$1,758,378	\$1,729,616
Contributions in relation to the contractually required contributions.	<u>\$1,843,323</u>	<u>\$1,758,378</u>	<u>\$1,729,616</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$6,462,231	\$6,500,475	\$6,506,353
Contributions as a percentage of covered payroll.	28.524%	27.050%	26.583%
TRS			
Contractually required contribution ..	\$3,594,301	\$3,180,865	\$2,917,129
Contributions in relation to the contractually required contributions.	<u>\$3,594,301</u>	<u>\$3,180,865</u>	<u>\$2,917,129</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$8,039,326	\$7,869,774	\$7,772,827
Contributions as a percentage of covered payroll.	44.709%	40.419%	37.530%
BERS			
Contractually required contribution ..	\$ 265,497	\$ 258,055	\$ 214,574
Contributions in relation to the contractually required contributions.	<u>\$ 265,497</u>	<u>\$ 258,055</u>	<u>\$ 214,574</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$1,007,499	\$1,016,277	\$ 988,757
Contributions as a percentage of covered payroll.	26.352%	25.392%	21.701%
POLICE			
Contractually required contribution ..	\$2,393,940	\$2,309,619	\$2,320,910
Contributions in relation to the contractually required contributions.	<u>\$2,393,940</u>	<u>\$2,309,619</u>	<u>\$ 2,320,910</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$3,540,326	\$3,512,778	\$3,420,312
Contributions as a percentage of covered payroll.	67.619%	65.749%	67.857%
FIRE			
Contractually required contribution ..	\$1,054,478	\$ 988,784	\$ 969,956
Contributions in relation to the contractually required contributions.	<u>\$1,054,478</u>	<u>\$ 988,784</u>	<u>\$ 969,956</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$1,129,470	\$1,111,744	\$1,102,396
Contributions as a percentage of covered payroll.	93.360%	88.940%	87.986%

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 2024 contributions were determined using an actuarial valuation as of June 30, 2022). The methods and assumptions used to determine the actuarially determined and contractually required contributions are as follows:

Fiscal Year	2024	2023	2022	2021	2020	2019	2018
Valuation Dates	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
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	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)
2010 ERI	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)
2011 (G)/L	4 Years (Closed)	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)
2012 (G)/L	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)
2013 (G)/L	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)
2013 Transit Refunds	0 Year (Closed)	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	1 Years (Closed)	2 Years (Closed)
2014 (G)/L	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 years (Closed)	12 years (Closed)	13 years (Closed)
2014 Assumption Change	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)
2015 (G)/L	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2016 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2017 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2017 Assumption Change	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2017 Method Change	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2018 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2019 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2019 Assumption Change	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2019 Method Change	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2020 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA
2021 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA	NA
2022 (G)/L	15 Years (Closed)	NA	NA	NA	NA	NA	NA
Actuarial Asset Valuation Method ²	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value	6-year moving average of fair value	6-year moving average of fair value	6-year moving average of fair 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 2019	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.)

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

Notes to Schedule D: (Cont.)

Fiscal Year	2024	2023	2022	2021	2020	2019	2018
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 2019	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>2017</u>	<u>2016</u>	<u>2015</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
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
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

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

	2023	2022	2021	2020
1. Total OPEB Liability				
a. Service Cost	\$ 3,726,363,061	\$ 6,252,924,365	\$ 5,574,231,539	\$ 5,293,736,382
b. Interest	3,963,214,876	2,775,746,623	3,142,299,330	3,278,703,940
c. Differences b/t Expected and Actual Experience	(1,396,055,419)	(1,809,027,928)	220,744,272	(5,819,834,778)
d. Changes of Assumptions	2,633,653,342	(31,086,237,440)	3,188,999,201	2,507,951,510
e. Benefit Payments	(3,492,197,300)	(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	\$ 5,434,978,560	\$ (27,297,383,889)	\$ 8,942,333,519	\$ 787,797,552
2. Total OPEB Liability – Beginning	\$ 94,902,356,982	\$122,199,740,871	\$113,257,407,352	\$112,469,609,800
3. Total OPEB Liability – Ending	\$100,337,335,542	\$ 94,902,356,981	\$122,199,740,871	\$113,257,407,352
4. Plan Fiduciary Net Position . .				
a. Contributions – Employer . . .	\$ 3,282,286,594	\$ 4,583,897,302	\$ 3,600,386,859	\$ 2,059,853,571
b. Contributions – Employee . . .	—	—	—	—
c. Net Investment Income	152,050,807	3,112,581	3,801,273	76,119,735
d. Benefit Payments	(3,492,197,300)	(3,430,789,509)	(3,183,940,823)	(3,014,860,319)
e. Administrative Expenses	(54,000)	(54,000)	(54,000)	—
f. Other Changes	(175,000)	(175,000)	(175,000)	(175,000)
g. Net Changes in Plan Fiduciary Net Position	\$ (58,088,899)	\$ 1,155,991,374	\$ 420,018,309	\$ (879,062,013)
5. Plan Fiduciary Net Position – Beginning	\$ 5,376,498,844	\$ 4,220,507,470	\$ 3,800,489,161	\$ 4,679,551,174
6. Plan Fiduciary Net Position – Ending	\$ 5,318,409,945	\$ 5,376,498,844	\$ 4,220,507,470	\$ 3,800,489,161
7. Net OPEB Liability	\$ 95,018,925,597	\$ 89,525,858,137	\$117,979,233,401	\$109,456,918,191
8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	5.3%	5.7%	3.5%	3.4%
9. Covered Employee Payroll . . .	\$ 31,138,638,796	\$ 28,974,273,294	\$ 29,110,588,626	\$ 28,201,101,945
10. Net OPEB Liability as a Percentage of Covered Employee Payroll	305.1%	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:**
 - The Pre-Medicare healthcare cost trend rates were updated to an initial trend rate of 7.00% for FY 2023 – FY 2025 then decreases 25 basis points each year until the ultimate 4.50% is reached in FY 2035.
 - The valuation discount rate as of June 30, 2023, was updated to 4.13% for benefits provided by the City and for benefits provided by Component Units. The valuation discount rate as of June 30, 2022, was 4.09% for benefits provided by the City and for benefits provided by Component Units.
 - The Stabilization Fund Load was updated from 0.50% as of June 30, 2022 to 0.60% as of June 30, 2023, 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:

	2023	2022	2021
Valuation Date	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Discount Rate	4.13% - City 4.13% - Component Units	4.09% - City 4.09% - Component Units	2.19% - City 2.18% - 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%

All additional actuarial assumptions used for determining the net OPEB liability are shown starting on page 13 of the Fiscal Year 2023 GASB 74/75 Report dated September 8, 2023. 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.)

	2020	2019	2018	2017
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Discount Rate	2.68% - City 2.66% - Component Units	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	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	Same as those used in the NYCERS pension actuarial valuation
Long-term				
Expected Rate of Return	4.0%	4.0%	4.0%	4.0%
General Wage Increases	3.0%	3.0%	3.0%	3.0%
Consumer Price Index	2.5%	2.5%	2.5%	2.5%

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THE CITY OF NEW YORK
ACFR Related Combining Schedules of Financial Information and Other
Supplementary Information
For the year ended June 30, 2023

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, 2023. 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, 2023

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	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	20-A0-00-1004926	\$ 45	\$ —	\$ —
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	NYS ED	N/A	105,380	—	—
National School Lunch Program	10.555	NYS ED	N/A	438,314	—	57,084
Summer Food Service Program for Children	10.559	NYS ED	3R13919 01	21,138	—	—
	10.559	NYS DOH	C037677	111	—	—
<i>Total Child Nutrition Cluster</i>				<u>564,943</u>	<u>—</u>	<u>57,084</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	16,962	—	63,418
Child and Adult Care Food Program	10.558	NYS DOH	CACFP 4316, 6499	43,512	—	—
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Direct Federal		3,298	—	—
	10.561	NYS DOH	EWPH: DOH01-C33039GG-3450000 SFM:DOH01-C33659GG-3450000, C36060GG-3450000, C36059GG-3450000	1,758	—	—
	10.561	NYS OTDA	N/A	240,789	—	—
	10.561	NYS OCFS	1000036076	2,438	—	—
<i>Total SNAP Cluster</i>				<u>248,283</u>	<u>—</u>	<u>—</u>
<i>Food Distribution Cluster - Commodity Supplemental Food Program</i>	10.565	NYS DOH	C34842GG	589	—	—
Child Nutrition Discretionary Grants Limited Availability	10.579	NYS ED	2R1458A	123	—	—
Fresh Fruit and Vegetable Program	10.582	NYS ED	3R1458B 01	1,327	—	—
Cooperative Forestry Assistance	10.664	Direct Federal		586	—	—
Emergency Watershed Protection Program	10.923	Direct Federal		2,174	—	—
Emergency Watershed Protection Program - Disaster Relief Appropriations Act	10.927	Direct Federal		3,633	—	—
Total U.S. Department of Agriculture				<u>882,177</u>	<u>—</u>	<u>120,502</u>
U.S. Department of Commerce						
<i>Economic Development Cluster - Economic Adjustment Assistance</i>	11.307	Direct Federal		1,514	—	—
Marine Debris Program	11.999	Direct Federal		80	—	—
Total U.S. Department of Commerce				<u>1,594</u>	<u>—</u>	<u>—</u>
U.S. Department of Defense						
Procurement Technical Assistance for Business Firms	12.002	Direct Federal		365	—	—
Troops to Teachers Grant Program	12.620	Direct Federal		5	—	—
Total U.S. Department of Defense				<u>370</u>	<u>—</u>	<u>—</u>
U.S. Department of Housing and Urban Development						
Rent Supplements Rental Housing for Lower Income Families	14.149	Direct Federal		1,436	—	—
<i>CDBG - Entitlement Grants Cluster:</i>						
Community Development Block Grants/Entitlement Grants	14.218	Direct Federal		323,349	82,358	—
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	SRA 10220, 3742, 4345, 6791	4,130	1,364	—
	14.228	Direct Federal		10,037	—	—
Emergency Solutions Grants Program	14.231	Direct Federal		14,706	119	—
Supportive Housing Program	14.235	Direct Federal		1,759	—	—
HOME Investment Partnerships Program	14.239	Direct Federal		92,512	—	—
COVID-19 Housing Opportunities for Persons with AIDS	14.241	Direct Federal		562	556	—
Housing Opportunities for Persons with AIDS	14.241	Direct Federal		42,323	18,186	—
<i>Section 8 Project-Based Cluster:</i>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Direct Federal		6,946	—	—
Lower Income Housing Assistance Program- Section 8 Moderate Rehabilitation	14.856	Direct Federal		6,294	—	—
<i>Total Section 8 Project-Based Cluster</i>				<u>13,240</u>	<u>—</u>	<u>—</u>

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Continuum of Care Program	14.267	Direct Federal		\$ 44,245	\$ —	\$ —
<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		30,024	15,944	—
	14.269	NYS DOT	HUD SANDR01	5,626	—	—
National Resilient Disaster Recovery Competition	14.272	Direct Federal		1,383	—	—
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>				<u>37,033</u>	<u>15,944</u>	<u>—</u>
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers	14.871	Direct Federal		589,904	—	—
Mainstream Vouchers	14.879	Direct Federal		1,690	—	—
<i>Total Housing Voucher Cluster</i>				<u>591,594</u>	<u>—</u>	<u>—</u>
Family Self-Sufficiency Program	14.896	Direct Federal		1,237	—	—
Lead Hazard Reduction Demonstration Grant Program	14.905	Direct Federal		1,556	—	—
Total U.S. Department of Housing and Urban Development				<u>1,179,719</u>	<u>118,527</u>	<u>—</u>
U.S. Department of the Interior						
Hurricane Sandy Disaster Relief - Coastal Resiliency Grants	15.153	NFWF	42959	31	—	—
Save America's Treasures	15.929	Direct Federal		25	—	—
Total U.S. Department of the Interior				<u>56</u>	<u>—</u>	<u>—</u>
U.S. Department of Justice						
Law Enforcement Assistance Narcotics and Dangerous Drugs Training	16.004	Direct Federal		4,897	—	—
Missing Alzheimer's Disease Patient Assistance Program	16.015	Direct Federal		31	—	—
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	Direct Federal		1,856	602	—
Prosecuting Cold Cases Using DNA	16.036	Direct Federal		27	—	—
Forensics Training and Technical Assistance Program	16.044	Direct Federal		53	—	—
Law Enforcement Assistance-National Crime Information Center	16.304	Direct Federal		7	—	—
Services for Trafficking Victims	16.320	Direct Federal		210	—	—
Missing Children's Assistance	16.543	Direct Federal		355	—	—
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Direct Federal		494	—	—
Crime Victim Assistance	16.575	NYS OVS	C1104GG, OVS01-C11014GG-1080200C11011GG, C11009GG, C11010GG, C11013GG, C11012GG	2,264	—	—
	16.575	NYS DCJS	C662366 / VC19662366	302	—	—
Crime Victim Assistance/Discretionary Grants	16.582	Direct Federal		222	—	—
	16.582	NAVAA	15POVC-21-GK-00412-NONF	3	—	—
Violence Against Women Formula Grants	16.588	NYS DCJS	C00287GG, DCJ01-C00304GG-1090000, DCJ01-C00349GG-1090000, DCJ01-C00315GG-1090000, DCJ01-C00359GG-1090000, C00358GG, C00313GG	293	—	—
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	Direct Federal		195	—	—
	16.590	NYS DCJS	DCJ01-C00348GG-1090000	51	5	—
Public Safety Partnership and Community Policing Grants	16.710	Direct Federal		5,653	—	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Federal		2,636	—	—
	16.738	NYS DCJS	2020-DJ-BX-0457, 15PBJA-21-GG-01719-JAGX, 15PBJA-21-GG, 2019-DJ-BX-0408, 2020-DJ-BX-0457	872	—	—
DNA Backlog Reduction Program	16.741	Direct Federal		1,109	—	—
	16.741	NYS DCJS	15PBJA-21-GG-04370-DNAX	203	—	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Direct Federal		2	—	—
Economic, High-Tech, and Cyber Crime Prevention	16.752	Direct Federal		53	—	—
Congressionally Recommended Awards	16.753	Direct Federal		1,622	—	—
Smart Prosecution Initiative	16.825	Direct Federal		87	60	—
Children of Incarcerated Parents	16.831	Direct Federal		22	—	—
National Sexual Assault Kit Initiative	16.833	Direct Federal		463	—	—
Comprehensive Opioid Abuse Site-Based Program	16.838	Direct Federal		332	123	—
Equitable Sharing Program	16.922	Direct Federal		23,180	—	—
Total U.S. Department of Justice				<u>47,494</u>	<u>790</u>	<u>—</u>

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Labor						
Senior Community Service Employment Program	17.235	Direct Federal		\$ 1,321	\$ —	\$ —
	17.235	NYS OFA	C18014GG	3,124	—	—
Trade Adjustment Assistance	17.245	Direct Federal		735	—	—
<i>WIOA Cluster:</i>						
WIOA Adult Program	17.258	NYS DOL	N/A	27,571	14,915	—
WIOA Youth Activities	17.259	NYS DOL	N/A	26,892	13,145	—
WIOA Dislocated Workers Formula Grants	17.278	NYS DOL	N/A	20,839	14,089	—
<i>Total WIOA Cluster</i>				<u>75,302</u>	<u>42,149</u>	<u>—</u>
Workforce Investment Act (WIA) National Emergency Grants	17.277	Direct Federal		1,274	311	—
Total U.S. Department of Labor				<u>81,756</u>	<u>42,460</u>	<u>—</u>
U.S. Department of Transportation						
<i>Highway Planning and Construction Cluster:</i>						
Highway Planning and Construction	20.205	Direct Federal		383	—	—
	20.205	NYS DOT	D035910, D040374, D036010, D035779, D035260, D034772, D035853, D035854, D035775, D035362, D034645, DA33665, D033930, D032186, D035074, D035023, D033946, D035318, D035021, D035025, D035024, D033722, D040283, DA33665, D034922, D032178, D033930, D035372, D034645, D033484, D036282, D035260, D034767, D035837, D036031, DA33665, D035846, D035847, D040141, D036036, D040109, D035862, D035863, D035836, D034983, D035836, D035837, D035862, D017542, D040141, D040010, D035072, D040375, D040000, D040706, D034788, D034925, D034177, D034194, D033845, D033930, D035974, D035086, D040016, D033860, D035367, D036204, D035961, D036090, D036391, D035897, D040649, X773.10, X761.25, X027.08, X501.34, X550.45	160,924	—	—
Recreational Trails Program	20.205	NYMTC	D000641 - UPWP SFY22-23	1,083	—	—
<i>Total Highway Planning and Construction Cluster</i>	20.219	NYS DOT	X770.91	<u>2,591</u>	<u>—</u>	<u>—</u>
				<u>164,981</u>	<u>—</u>	<u>—</u>
<i>Federal Transit Cluster:</i>						
Federal Transit - Capital Investment Grants	20.500	Direct Federal		224	—	—
COVID-19 Federal Transit - Formula Grants	20.507	Direct Federal		1,483	—	—
Federal Transit - Formula Grants	20.507	Direct Federal		43,929	—	—
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Direct Federal		12	—	—
<i>Total Federal Transit Cluster</i>				<u>45,648</u>	<u>—</u>	<u>—</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Direct Federal		693	—	—
	20.505	NYMTC	D000641 - UPWP SFY22-23, C040364	2,047	—	—
<i>Transit Services Programs Cluster:</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Direct Federal		380	—	—
New Freedom Program	20.521	Direct Federal		15	—	—
<i>Total Transit Services Programs Cluster</i>				<u>395</u>	<u>—</u>	<u>—</u>
Paul S. Sarbanes Transit in the Parks	20.520	Direct Federal		329	—	—
Public Transportation Emergency Relief Program	20.527	Direct Federal		1,120	—	—
<i>Highway Safety Cluster - State and Community Highway Safety</i>	20.600	NYS GTSC	N/A	657	—	—
National Infrastructure Investments	20.933	Direct Federal		56	—	—
Total U.S. Department of Transportation				<u>215,926</u>	<u>—</u>	<u>—</u>
U.S. Treasury						
Equitable Sharing	21.016	Direct Federal		9,629	—	—
Social Impact Partnerships to Pay for Results Act (SIPRA) (B)	21.017	Direct Federal		224	32	—
Emergency Rental Assistance Program	21.023	NYS OTDA	TDA01-T00074GG-3410000	9,587	—	—
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		537,674	—	—
Total U.S. Treasury				<u>557,114</u>	<u>32</u>	<u>—</u>

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
National Endowment For The Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		\$ 85	\$ 45	\$ —
Total National Endowment For The Arts				85	45	—
U.S. Department of Veterans Affairs						
VA Homeless Providers Grant and Per Diem Program	64.024	Direct Federal		5,729	—	—
Total U.S. Department of Veterans Affairs				5,729	—	—
U.S. Environmental Protection Agency						
Long Island Sound Program	66.437	Direct Federal		747	—	—
<i>Clean Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Clean Water State Revolving Fund	66.458	NYS EFC	CS - 36000021	314,783	—	—
Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants For Clean Water State Revolving Funds	66.482	NYS EFC	3W - 36000314	36,526	—	—
<i>Total Clean Water State Revolving Fund Cluster</i>				351,309	—	—
Regional Wetland Program Development Grants	66.461	Direct Federal		85	—	—
<i>Drinking Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Drinking Water State Revolving Fund	66.468	NYS EFC	FS - 99290521	182,390	—	—
Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants For Drinking Water State Revolving Funds	66.483	NYS EFC	3F - 96283014	519	—	—
<i>Total Drinking Water State Revolving Fund Cluster</i>				182,909	—	—
Beach Monitoring and Notification Program Implementation Grants	66.472	NYS DOH	DOH01-C37061GG-3450000	26	—	—
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct Federal		155	—	—
Environmental Education Grants Program	66.951	Direct Federal		4	—	—
Total U.S. Environmental Protection Agency				535,235	—	—
U.S. Department of Education						
Title I Grants to Local Educational Agencies	84.010A	NYS ED	2R4502B 01, 2R4513B 01, 2R4515A 01, 2R4524B 01, 2R4530B 01, 2R4551J 01, 2R4551M 01, 2R4551N 01, 3R4502B 01, 3R4503B 01, 3R4513B 01, 3R4515A 01, 3R4524B 01, 3R4530B 01, 3R4551J 01, 3R4551M 01, 3R4551N 01, 2R1235A 01, 2R1240A 01, 2R1251K 01, 2R1251L 01, 2R1251N 01, 2R1264A 01, 3R1235A 01, 3R1240A 01, 3R1251A 01, 3R1251B 01, 3R1251D 01, 3R1251H 01, 3R1251J 01, 3R1251K 01, 3R1251L 01, 3R1251N 01, 3R1264A 01	727,919	—	—
<i>Special Education Cluster:</i>						
Special Education - Grants to States	84.027	NYS ED	3R1551B 01	317,616	—	—
Special Education - Preschool Grants	84.173	NYS ED	3R1551A 01	9,228	—	—
<i>Total Special Education Cluster</i>				326,844	—	—
Impact Aid	84.041	Direct Federal		5,250	—	—
<i>TRIO Cluster - TRIO - Student Support Services</i>	84.042	CUNY	N/A	174	—	—
Career and Technical Education - Basic Grants to States	84.048A	NYS ED	3R0551A 01, 3R0579A 01	13,867	—	—
Magnet Schools Assistance	84.165A	Direct Federal		11,614	—	—
Special Education - Grants for Infants and Families	84.181	NYS DOH	C36417GG	5,095	—	—
Education for Homeless Children and Youth	84.196	NYS ED	3R3622A 01	10,793	—	—
Twenty-First Century Community Learning Centers	84.287	NYS ED	3R3901A 01, 3R3902A 01, 3R3903A 01, 3R3904A 01, 3R3905A 01, 3R3906A 01, 3R3907A 01, 3R3908A 01, 3R3909A 01, 3R3910A 01, 3R3911A 01, 3R3912A 01, 3R3913A 01, 3R3914A 01, 3R3915A 01, 3R3916A 01, 3R3917A 01, 3R3919A 01, 3R3923A 01, 3R3924A 01, 3R3925A 01, 3R3927A 01, 3R3929A 01, 3R3930A 01, 3R3931A 01, 3R3932A 01	25,849	—	—
Arts in Education	84.351	Direct Federal		3,933	—	—
English Language Acquisition Grants	84.365	NYS ED	2R4142A 01, 2R4151A 01, 2R4151C 01, 2R4164A 01, 2R4164B 01, 3R4142A 01, 3R4151A 01, 3R4151C 01, 3R4164A 01	32,120	—	—
Supporting Effective Instruction State Grants	84.367	NYS ED	2R2664A 01, 3R2651A 01, 3R2651B 01, 3R2651C 01, 3R2664A 01	52,588	—	—
Student Support and Academic Enrichment Program	84.424	NYS ED	2R1951A 01, 2R1951B 01, 2R1964A 01, 3R1951A 01, 3R1951B 01, 3R1964A 01	73,041	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
COVID-19 Education Stabilization Fund - GEER	84.425C	NYS ED	5895211729	\$ 1,273	\$ —	\$ —
COVID-19 Education Stabilization Fund - ESSER	84.425D	NYS ED	5890211729	15,397	—	—
COVID-19 Education Stabilization Fund - ESSER II	84.425D	NYS ED	5891210001, 5891210002, 5891210003	643,407	—	—
COVID-19 Education Stabilization Fund - ARP ESSER	84.425U	NYS ED	5880210001, 5880210002, 5880210003, 5880210004, 5880210006, 5880210007	1,282,604	—	—
Total U.S. Department of Education				3,231,768	—	—
National Archives and Records Administration						
National Historical Publications and Records Grants	89.003	Direct Federal		81	—	—
Total National Archives and Records Administration				81	—	—
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	1,898	1,796	—
<i>Aging Cluster:</i>						
COVID-19 Special Programs for the Aging - Title III, Part B -- Grants for Supportive Services and Senior Centers	93.044	NYS OFA	N/A	21	—	—
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	NYS OFA	N/A	9,570	4,197	—
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	4,323	4,323	—
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	20,974	20,635	—
Nutrition Services Incentive Program	93.053	NYS OFA	N/A	10,273	7,920	—
<i>Total Aging Cluster</i>				45,161	37,075	—
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	Direct Federal		304	—	—
COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	NYS OFA	N/A	204	10	—
COVID-19 National Family Caregiver Support - Title III, Part E	93.052	NYS OFA	N/A	3,202	3,202	—
National Family Caregiver Support - Title III Part E	93.052	NYS OFA	N/A	2,146	2,146	—
Training in General, Pediatric, and Public Health Dentistry	93.059	Direct Federal		664	—	—
Public Health Emergency Preparedness	93.069	PHS	NU90TP922035-04-00	10,478	—	—
Environmental Public Health and Emergency Response	93.070	FPHNY	84273, NUE1EH001359-05-01	355	—	—
Medicare Enrollment Assistance Program	93.071	NYS OFA	N/A	417	—	—
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	Direct Federal		824	—	—
Guardianship Assistance	93.090	NYS OCFS	2301NYGARD	20,073	—	—
Food and Drug Administration Research	93.103	Direct Federal		610	—	—
Comprehensive Community Mental Health Services for Children with Serious Disturbances	93.104	Direct Federal		111	—	—
Environmental Health - National Institute of Environmental Health Sciences	93.113	Direct Federal		20	—	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Direct Federal		5,087	—	—
Oral Diseases and Disorders Research	93.121	Columbia University	1UG3DE031258-01	6	—	—
Injury Prevention and Control Research, State and Community Based Programs	93.136	HRI	7304-01	1,205	—	—
Community Programs to Improve Minority Health Grant Program	93.137	Direct Federal		1,997	—	—
HIV-Related Training and Technical Assistance	93.145	Direct Federal		44	—	—
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	Direct Federal		819	—	—
	93.153	Montefiore Medical Center	1000203B, 1000203A	419	—	—
	93.153	NYU School of Medicine	1000312A, 1000300A	214	—	—
Grants to States for Loan Repayment	93.165	NYS DOH	00000430	60	—	—
Graduate Psychology Education	93.191	Direct Federal		286	—	—
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Direct Federal		458	—	—
Family Planning-Services	93.217	NYS DOH	C32124GG, C32125GG, C37868GG, C36273GG, C36275GG, C36275GG, C36277GG, C36278GG, C37869GG	738	—	—
<i>Health Center Program Cluster - Health Center Program</i>						
Research on Healthcare Costs, Quality and Outcomes**	93.224	Direct Federal		4,745	—	—
Mental Health Research Grants**	93.226	Direct Federal		18	—	—
	93.242	CUNY	CM00006299, CM00006502, CM00000911-04, CM00001625-05	651	—	—
	93.242	Brown University	2204	13	—	—
	93.242	Direct Federal		68	—	—

** 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, 2023
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	NYS ED	2R1416A 01	\$ 434	\$ —	\$ —
	93.243	Direct Federal		518	—	—
Poison Center Support and Enhancement Grant	93.253	Direct Federal		863	—	—
Occupational Safety and Health Program**	93.262	Direct Federal		6,325	—	—
COVID-19 Immunization Cooperative Agreements	93.268	Direct Federal		36,735	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		15,170	—	165,872
Viral Hepatitis Prevention and Control	93.270	Direct Federal		606	326	—
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	18-A1-00-007933	260	—	—
Minority Health and Health Disparities Research	93.307	Boston University	5105521-1	54	—	—
Trans-NIH Research Support**	93.310	Columbia University	2(GG012298)	1,075	—	—
Public Health Preparedness and Response Science, Research, and Practice	93.316	FPHNY	84287	1,291	—	—
Protecting and Improving Health Globally:						
Building and Strengthening Public Health Impact, Systems, Capacity and Security	93.318	Direct Federal		345	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	56401-250-451-23-02	141	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		84,870	—	—
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		4,450	—	—
Demonstration Grants for Domestic Victims of Human Trafficking	93.323	NYS DOH	NU50CK000517-02-08, NU50CK000517-01-07, NU50CK000517-03-03	30,221	—	—
National Center for Advancing Translational Sciences**	93.327	Direct Federal		161	—	—
21st Century Cures Act - Beau Biden Cancer Moonshot**	93.350	NYU School of Medicine	20-A2-00-004185	512	—	—
Nursing Research**	93.353	MSKCC	423AM1, C21931400	46	—	—
Sickle Cell Treatment Demonstration Program	93.361	NYU School of Medicine	1R01NR019535-01	31	—	—
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.361	FPHNY	85081	25	—	—
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund	93.365	John Hopkins University	UIEMC27864-05-00	55	—	—
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.421	PHS	N/A	30	—	—
COVID-19 Provider Relief Fund	93.461	Direct Federal		41	—	—
COVID-19 Grants for New and Expanded Services under the Health Center Program	93.478	HRI	6214-04	140	—	—
MaryLee Allen Promoting Safe and Stable Families	93.498	Direct Federal		14,906	—	—
Temporary Assistance for Needy Families	93.527	Direct Federal		1,137	—	—
Child Support Enforcement	93.556	NYS OCFS	2301NYCWSS	19,977	—	—
Low-Income Home Energy Assistance	93.558	Direct Federal		574	—	—
Community Services Block Grant	93.558	NYS OTDA	N/A	1,450,353	—	—
Community Services Block Grant Discretionary Awards	93.558	NYS OCFS	2301NYTANF	145,601	—	—
CCDF Cluster - Child Care and Development Block Grant	93.563	Direct Federal		622	—	—
Refugee and Entrant Assistance - Discretionary Grants	93.563	NYS OTDA	N/A	66,777	—	—
Head Start Cluster - Head Start	93.568	Direct Federal		38	—	—
Adoption Assistance	93.568	NYS OTDA	N/A	81,208	—	—
Social Services Block Grant	93.569	NYS DOS	C1001474	25,434	19,065	—
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.570	Direct Federal		1,905	—	—
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.575	Direct Federal		405	—	—
Mental and Behavioral Health Education and Training Grants	93.575	NYS OCFS	2101NYCCDD, 2101NYCCCS, 2101NYCDC6, 2201NYCCDF, 2201NYCCDM, 2201NYCCDD, 2301NYCCDF, 2301NYCCDM, 2301NYCCDD, T012754, C029082	555,932	—	—
Elder Abuse Prevention Intervention Program				556,337	—	—
Assistance for Torture Victims	93.600	Direct Federal		80,947	—	—
Foster Care - Title IV - E	93.604	Direct Federal		1,372	—	—
Adoption Assistance	93.658	Direct Federal		1,917	—	—
Social Services Block Grant	93.658	NYS OCFS	2301NYFOST	178,179	—	—
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.659	Direct Federal		3	—	—
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.659	NYS OCFS	2301NYADPT	121,681	—	—
Mental and Behavioral Health Education and Training Grants	93.667	NYS OCFS	2301NYSOSR	205,264	—	—
Elder Abuse Prevention Intervention Program	93.674	NYS DOH	2101NYCILP, 2302NYCILP	12,926	—	—
Adoption Assistance	93.686	Direct Federal		10,512	6,966	—
Social Services Block Grant	93.686	PHS	23-DTC-583P	396	—	—
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.732	Direct Federal		248	—	—
Mental and Behavioral Health Education and Training Grants	93.732	Direct Federal		248	—	—
Elder Abuse Prevention Intervention Program	93.747	NYS OCFS	N/A	2,162	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	Direct Federal		\$ 47	\$ —	\$ —
Children's Health Insurance Program	93.767	NYS DOH	C-022805	49,315	—	—
<i>Medicaid Cluster:</i>						
Medical Assistance Program (Medicaid)	93.778	Direct Federal		12,187	—	—
	93.778	NYS DOH	1000036076	6,312,793	—	—
	93.778	NYS OFA	N/A	3,713	2,828	—
	93.778	NYS OMH	N/A	7,961	—	—
	93.778	NYS OTDA	N/A	2,459	—	—
<i>Total Medicaid Cluster</i>				<u>6,339,113</u>	<u>2,828</u>	<u>—</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	NYS OFA	N/A	596	—	—
Opioid State Targeted Response	93.788	RF SUNY	H79TI083327, H79TI083327	1,275	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	Direct Federal		590	—	—
	93.817	PHS	15-BHC-02 / ACCT# P077920, P079120, P079421, P079622	672	—	—
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	Direct Federal		1,392	—	—
National Ebola Training and Education Center (NETEC)	93.825	Direct Federal		1,251	—	—
	93.825	Emory University	U3REP150549 / A652949	710	—	—
Cardiovascular Diseases Research**	93.837	University of Buffalo	7R01HL13755803	4	—	—
Lung Diseases Research**	93.838	Mount Sinai	0255-C022-4609	15	—	—
Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders**	93.840	NYU	7R61HL156567-02	203	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research**	93.847	AECOM	311597	27	—	—
	93.847	RF SUNY	85485, 100-1150840-95986	36	—	—
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Temple University	SIREN_200_CSPR # 002	30	—	—
	93.853	University of Cincinnati	012340-137218, 012043-137218	2	—	—
Allergy, Immunology and Transplantation Research**	93.855	UCLA	1560 B YC313	39	—	—
	93.855	Duke University	ACTIV-1/8120	40	—	—
COVID 19 - Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C36865GG	138	132	—
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C33494GG	1,793	1,793	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-BHC-01 / ACCT# P073722, 19-HHC-01 /ACCT # P07662, 19-JMC-01 / ACCT# P076623 / NU90TP922035-04-00	1,896	—	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		97,445	94,886	—
	93.914	PHS	23-OHS-583P, 22-OHS-226, 19-CCR-573 / 23-CCR-573P, 18-CCR-583 / 23-CCR-583P, 19-CCR-360 / 23-CCR-360P, 19-CCR-360 / 23-CCR-360P, 16-HRM-361 / 23-HRM-361P, 16-MHV-505 / 23-MHV-505P, 16-MHV-150 / 23-MHV-150P	4,843	—	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Direct Federal		1,986	—	—
	93.918	NYU School of Medicine	N/A	48	—	—
Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership	93.924	Direct Federal		1,334	—	—
Healthy Start Initiative	93.926	FPHNY	N/A	346	—	—
HIV Prevention Activities - Non-Governmental Organization Based	93.939	Direct Federal		426	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		35,948	5,371	—
	93.940	PHS	18-NCT-573 / 22-NCT-573, 18-NCT-360 / 22-NCT-360PL, 18-NCT-563 / 22-NCT-563PL / 22-NCT-563PC, 18-NCT-115 CM00007732	390	—	—
HIV Demonstration, Research, Public and Professional Education Projects**	93.941	CUNY		66	—	—
Human Immunodeficiency Virus / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	Direct Federal		1,573	—	—
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	P022138, P022140, P022142, P022115, P022145, P022132	14,771	11,933	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	CFA0359, CFA0360, CFA0355, CFA0338, CFA0377, C004357, 3R2251A 01	14,802	—	—
Primary Care Medicine and Dentistry Clinician Educator Career Development Awards	93.976	RF SUNY	K02HP45714, K02HP32100	322	—	—
COVID 19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	Direct Federal		7,242	—	—
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	Direct Federal		3,647	—	—
Preventive Health and Health Services Block Grant	93.991	NYS DOH	DOH01-C33570GG-3450000	287	—	—
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	DOH01-C32672GG-3450000, DOH01-C37000GG-3450000	4,142	—	—
Total U.S. Department of Health and Human Services				<u>9,858,880</u>	<u>187,529</u>	<u>165,872</u>

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Corporation for National and Community Services						
AmeriCorps State and National	94.006	Direct Federal		\$ 834	\$ —	\$ —
Foster Grandparent/Senior Companion Cluster - Foster Grandparent Program	94.011	Direct Federal		1,638	—	—
AmeriCorps Seniors Senior Demonstration Program	94.017	Direct Federal		224	—	—
Total Corporation for National and Community Services				<u>2,696</u>	<u>—</u>	<u>—</u>
Social Security Administration						
Disability Insurance/SSI Cluster - Supplemental Security Income	96.006	Direct Federal		154	—	—
Total Social Security Administration				<u>154</u>	<u>—</u>	<u>—</u>
U.S. Department of Homeland Security						
Emergency Food and Shelter National Board Program	97.024	NYS OTDA	N/A	67	—	—
National Urban Search and Rescue (US&R) Response System	97.025	Direct Federal		4,358	—	—
	97.025	NYS DHSES	TR19-1008-E00	8	—	—
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	3,780,910	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Direct Federal		212,234	—	—
Emergency Management Performance Grants	97.042	NYS DHSES	C833205, C185030	2,564	—	—
Assistance to Firefighters Grant	97.044	Direct Federal		799	—	—
Cooperating Technical Partners	97.045	Direct Federal		167	—	—
Port Security Grant Program	97.056	Direct Federal		13,271	—	—
Homeland Security Advanced Research Projects	97.065	Direct Federal		53	—	—
Homeland Security Grant Program	97.067	Direct Federal		125	—	—
	97.067	NYS DHSES	C159493, C971803, C159413, C190198, WM-19-159493, WM-20-971803, WM-21-159413, WM-22-190198, CP19-1035-E01, BS19-1008-D00, WM21159411, BS20-1009-000/C160084, CP20-1013-E00, WM18833283, WM19971892, WM20971803, WM21159413, WM22190198	171,136	—	—
Rail and Transit Security Grant Program	97.075	MTA	EMW-2018-RA-00017, EMW-2019-RA-0004, EMW-2020-RA-0005, EMW-2021-RA-0004, EMW-2022-RA-0006	8,880	—	—
Homeland Security Biowatch Program	97.091	Direct Federal		2,954	—	—
Securing the Cities	97.106	Direct Federal		478	—	—
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111	Direct Federal		125	—	—
Total U.S. Department of Homeland Security				<u>4,198,129</u>	<u>—</u>	<u>—</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 20,798,963</u>	<u>\$ 349,383</u>	<u>\$ 286,374</u>
TOTAL R&D CLUSTER EXPENDITURES				<u>\$ 9,454</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule

** Denotes programs with R&D Cluster expenditures

(Continued)

THE CITY OF NEW YORK
Notes to Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

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** - 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, 2023, the Water Authority expended \$351.3 million and \$182.9 million on project expenditures under the CWSRF and DWSRF programs, respectively, which are included in the Consolidated SEFA for the year ended June 30, 2023.

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

THE CITY OF NEW YORK
Notes to Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

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, 2023, 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 2023, The City had \$212.2 million of expenditures correlating to obligations through June 30, 2023. Any potential changes to this amount are predicated on adjustments to existing 2023 obligations and enhanced visibility of grant expenditure association.

Approximately \$3.2 million of the amount obligated in Fiscal Year 2023 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 2023 Consolidated SEFA.

A reconciliation of The City’s Basic Financial Statements to the Federal Expenditures reported in The City’s Fiscal Year 2023 Consolidated SEFA, follows:

	<u>(in thousands)</u>
Total Fiscal Year 2023 Disaster Grant expenditures as reported in The City’s Basic Financial Statements	\$ 209,044
Add: Disaster Grant expenditures incurred prior to Fiscal Year 2023 for which obligations were made during Fiscal Year 2023	3,190
Fiscal Year 2023 Disaster grant expenditures included in the Consolidated SEFA	<u>\$ 212,234</u>

THE CITY OF NEW YORK
Notes to Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

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, 2023, regardless of which of The City’s fiscal year(s) the expenditures were actually incurred.

For Fiscal Year 2023, The City incurred \$3,781 million of expenditures corresponding to obligations through June 30, 2023. Any potential changes to these amounts are predicated on adjustments to existing 2023 obligations and enhanced visibility of grant expenditures association.

Approximately \$3,505 million of the amount obligated in Fiscal Year 2023 corresponds to eligible expenditures incurred by The City in prior fiscal years, but are included in the Fiscal Year 2023 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 2023 Disaster Grant expenditures as reported in The City’s Basic Financial Statements	\$ 249,692
Add: Disaster Grant expenditures incurred prior to Fiscal Year 2023 for which obligations were made during Fiscal Year 2023	3,504,975
Add: Additional Disaster Grant expenditures incurred in Fiscal Year 2023	26,243
Fiscal Year 2023 Disaster grant expenditures included in the Consolidated SEFA	<u>\$ 3,780,910</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, 2023

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
Columbia University	Columbia University in the City of New York
CUNY	City University of New York
FPHNY	Fund for Public Health – New York Inc.
HRI	Health Research, Inc.
LMDC	Lower Manhattan Development Corporation
Mount Sinai	Mount Sinai Health System
MSKCC	Memorial Sloan Kettering Cancer Center
MTA	Metropolitan Transportation Authority
NAVAA	National Association of VOCA Assistance Administrators
NFWF	National Fish and Wildlife Foundation
NYMTC	New York Metropolitan Transportation Council
NYS	New York State
NYS DCJS	New York State Division of Criminal Justice Services
NYS DHSES	New York State Division of Homeland Security and Emergency Services
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 Environment Facilities Corporation
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

THE CITY OF NEW YORK

Notes to Consolidated Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

NYS OTDA	New York State Office of Temporary and Disability Services
NYS OVS	New York State Office of Victim Services
NYU	New York University
NYU School of Medicine	New York University Grossman School of Medicine
PHS	Public Health Solutions
RF SUNY	The Research Foundation for the State University of New York
UCLA	University of California, Los Angeles

THE CITY OF NEW YORK

Introduction to Exhibits – Consolidated Schedule of Expenditures of Federal Awards For the year ended June 30, 2023

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, the New York City Municipal Water Finance Authority, 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, 2023.

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	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	\$ 256	\$ —	\$ —
National School Lunch Program	10.555	NYS ED	N/A	391	—	—
Summer Food Service Program for Children	10.559	NYS DOH	C037677	111	—	—
<i>Total Child Nutrition Cluster</i>				758	—	—
Child and Adult Care Food Program	10.558	NYS DOH	CACFP 4316, 6499	3,680	—	—
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Direct Federal		3,298	—	—
	10.561	NYS DOH	EWPH: DOH01-C33039GG-3450000 SFM:DOH01-C33659GG-3450000, C36060GG-3450000, C36059GG-3450000	1,758	—	—
	10.561	NYS OTDA	N/A	240,789	—	—
	10.561	NYS OCFS	1000036076	2,438	—	—
<i>Total SNAP Cluster</i>				248,283	—	—
Cooperative Forestry Assistance	10.664	Direct Federal		586	—	—
Emergency Watershed Protection Program	10.923	Direct Federal		2,174	—	—
Emergency Watershed Protection Program - Disaster Relief Appropriations Act	10.927	Direct Federal		3,633	—	—
Total U.S. Department of Agriculture				259,114	—	—
U.S. Department of Commerce						
<i>Economic Development Cluster - Economic Adjustment Assistance</i>	11.307	Direct Federal		1,514	—	—
Marine Debris Program	11.999	Direct Federal		80	—	—
Total U.S. Department of Commerce				1,594	—	—
U.S. Department of Defense						
Procurement Technical Assistance for Business Firms	12.002	Direct Federal		365	—	—
Total U.S. Department of Defense				365	—	—
U.S. Department of Housing and Urban Development						
Rent Supplements Rental Housing for Lower Income Families	14.149	Direct Federal		1,436	—	—
CDBG - Entitlement Grants Cluster - Community Development Block Grants/Entitlement Grants	14.218	Direct Federal		323,349	82,358	—
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	SRA 10220, 3742, 4345, 6791	4,130	1,364	—
Emergency Shelter Grants Program	14.231	Direct Federal		14,706	119	—
Supportive Housing Program	14.235	Direct Federal		1,759	—	—
Home Investment Partnerships Program	14.239	Direct Federal		92,512	—	—
COVID-19 Housing Opportunities for Persons with AIDS	14.241	Direct Federal		562	556	—
Housing Opportunities for Persons with AIDS	14.241	Direct Federal		42,323	18,186	—
<i>Section 8 Project-Based Cluster:</i>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Direct Federal		6,946	—	—
Lower Income Housing Assistance Program- Section 8 Moderate Rehabilitation	14.856	Direct Federal		6,294	—	—
<i>Total Section 8 Project-Based Cluster</i>				13,240	—	—
Continuum of Care Program	14.267	Direct Federal		44,245	—	—

** 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, 2023
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
<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		\$ 25,630	\$ 15,944	\$ —
	14.269	NYS DOT	HUD SANDR01	5,626	—	—
				<u>31,256</u>	<u>15,944</u>	<u>—</u>
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>						
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers	14.871	Direct Federal		589,904	—	—
Mainstream Vouchers	14.879	Direct Federal		1,690	—	—
				<u>591,594</u>	<u>—</u>	<u>—</u>
<i>Total Housing Voucher Cluster</i>						
Family Self-Sufficiency Program	14.896	Direct Federal		1,237	—	—
Lead Hazard Reduction Demonstration Grant Program	14.905	Direct Federal		1,556	—	—
				<u>1,163,905</u>	<u>118,527</u>	<u>—</u>
Total U.S. Department of Housing and Urban Development						
U.S. Department of the Interior						
Hurricane Sandy Disaster Relief - Coastal Resiliency Grants	15.153	NFWF	42959	31	—	—
Save America's Treasures	15.929	Direct Federal		25	—	—
				<u>56</u>	<u>—</u>	<u>—</u>
Total U.S. Department of the Interior						
U.S. Department of Justice						
Law Enforcement Assistance-Narcotics and Dangerous-Drugs Training	16.004	Direct Federal		4,897	—	—
Missing Alzheimer's Disease Patient Assistance Program	16.015	Direct Federal		31	—	—
Coronavirus Emergency Supplemental Funding Program	16.034	Direct Federal		1,856	602	—
Prosecuting Cold Cases Using DNA	16.036	Direct Federal		27	—	—
Forensics Training and Technical Assistance Program	16.044	Direct Federal		53	—	—
Law Enforcement Assistance-National Crime Information Center	16.304	Direct Federal		7	—	—
Services for Trafficking Victims	16.320	Direct Federal		210	—	—
Missing Children's Assistance	16.543	Direct Federal		355	—	—
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Direct Federal		494	—	—
Crime Victim Assistance	16.575	NYS OVS	C11046GG, OVS01-C11014GG-1080200	1,158	—	—
Crime Victim Assistance/Discretionary Grants	16.582	Direct Federal		222	—	—
	16.582	NAVAA	15POVC-21-GK-00412-NONF	3	—	—
Violence Against Women Formula Grants	16.588	NYS DCJS	C00287GG, DCJ01-C00304GG-1090000, DCJ01-C00349GG-1090000, DCJ01-C00315GG-1090000, DCJ01-C00359GG-1090000	244	—	—
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	Direct Federal		195	—	—
	16.590	NYS DCJS	DCJ01-C00348GG-1090000	51	5	—
Public Safety Partnership and Community Policing Grants	16.710	Direct Federal		5,653	—	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Federal		2,636	—	—
	16.738	NYS DCJS	2020-DJ-BX-0457, 15PBJA-21-GG-01719-JAGX, 15PBJA-21-GG, 2019-DJ-BX-0408, 2020-DJ-BX-0457	872	—	—
DNA Backlog Reduction Program	16.741	Direct Federal		1,109	—	—
	16.741	NYS DCJS	15PBJA-21-GG-04370-DNAX	203	—	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Direct Federal		2	—	—
Economic, High-Tech, and Cyber Crime Prevention	16.752	Direct Federal		53	—	—
Congressionally Recommended Awards	16.753	Direct Federal		1,622	—	—
Smart Prosecution Initiative	16.825	Direct Federal		87	60	—
Children of Incarcerated Parents	16.831	Direct Federal		22	—	—
National Sexual Assault Kit Initiative	16.833	Direct Federal		463	—	—
Comprehensive Opioid Abuse Site-Based Program	16.838	Direct Federal		332	123	—
Equitable Sharing Program	16.922	Direct Federal		9,679	—	—
				<u>32,536</u>	<u>790</u>	<u>—</u>
Total U.S. Department of Justice						

** 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, 2023
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Labor						
Senior Community Service Employment Program	17.235	Direct Federal		\$ 1,321	\$ —	\$ —
	17.235	NYS OFA	C18014GG	3,124	—	—
Trade Adjustment Assistance	17.245	Direct Federal		735	—	—
<i>WIOA Cluster:</i>						
WIOA Adult Program	17.258	NYS DOL		27,571	14,915	—
WIOA Youth Activities	17.259	NYS DOL	N/A	26,892	13,145	—
WIOA Dislocated Workers Formula Grants	17.278	NYS DOL		20,839	14,089	—
<i>Total WIOA Cluster</i>				<u>75,302</u>	<u>42,149</u>	<u>—</u>
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Direct Federal		1,274	311	—
Total U.S. Department of Labor				<u>81,756</u>	<u>42,460</u>	<u>—</u>
U.S. Department of Transportation						
<i>Highway Planning and Construction Cluster:</i>						
Highway Planning and Construction	20.205	Direct Federal		383	—	—
	20.205	NYS DOT	D035910, D040374, D036010, D035779, D035260, D034772, D035853, D035854, D035775, D035362, D034645, DA33665, D033930, D032186, D035074, D035023, D033946, D035318, D035021, D035025, D035024, D033722, D040283, DA33665, D034922, D032178, D033930, D035372, D034645, D033484, D036282, D035260, D034767, D035837, D036031, DA33665, D035846, D035847, D040141, D036036, D040109, D035862, D035863, D035836, D034983, D035836, D035837, D035862, D017542, D040141, D040010, D035072, D040375, D040000, D040706, D034788, D034925, D034177, D034194, D033845, D033930, D035974, D035086, D040016, D033860, D035367, D036204, D035961, D036090, D036391, D035897, D040649, X773.10, X761.25, X027.08, X501.34, X550.45	160,924	—	—
Recreational Trails Program	20.205	NYMTC	D000641 - UPWP SFY22-23	1,083	—	—
<i>Total Highway Planning and Construction Cluster</i>	20.219	NYS DOT	X770.91	<u>2,591</u>	<u>—</u>	<u>—</u>
				<u>164,981</u>	<u>—</u>	<u>—</u>
<i>Federal Transit Cluster:</i>						
Federal Transit - Capital Investment Grants	20.500	Direct Federal		224	—	—
COVID-19 Federal Transit - Formula Grants	20.507	Direct Federal		1,483	—	—
Federal Transit - Formula Grants	20.507	Direct Federal		43,929	—	—
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Direct Federal		12	—	—
<i>Total Federal Transit Cluster</i>				<u>45,648</u>	<u>—</u>	<u>—</u>
Non-Metropolitan Planning and Research	20.505	NYMTC	D000641 - UPWP SFY22-23, C040364	2,047	—	—
<i>Transit Services Programs Cluster:</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Direct Federal		380	—	—
New Freedom Program	20.521	Direct Federal		15	—	—
<i>Total Transit Services Programs Cluster</i>				<u>395</u>	<u>—</u>	<u>—</u>
Paul S. Sarbanes Transit in the Parks	20.520	Direct Federal		329	—	—
Public Transportation Emergency Relief Program	20.527	Direct Federal		1,120	—	—
<i>Highway Safety Cluster:</i>						
State and Community Highway Safety	20.600	NYS GTSC	N/A	657	—	—
National Infrastructure Investments	20.933	Direct Federal		56	—	—
<i>Total Highway Safety Cluster</i>				<u>713</u>	<u>—</u>	<u>—</u>
Total U.S. Department of Transportation				<u>215,233</u>	<u>—</u>	<u>—</u>

** 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, 2023
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	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		\$ 52	\$ —	\$ —
Social Impact Partnerships to Pay for Results Act	21.017	Direct Federal		224	32	—
Emergency Rental Assistance Program	21.023	NYS OTDA	TDA01-T00074GG-3410000	9,587	—	—
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		445,142	—	—
Total U.S. Treasury				455,005	32	—
National Endowment For The Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		45	45	—
Total National Endowment For The Arts				45	45	—
U.S. Department of Veterans Affairs						
VA Homeless Providers Grant and Per Diem Program	64.024	Direct Federal		5,729	—	—
Total U.S. Department of Veterans Affairs				5,729	—	—
U.S. Environmental Protection Agency						
Long Island Sound Program	66.437	Direct Federal		747	—	—
Regional Wetland Program Development Grants	66.461	Direct Federal		85	—	—
Beach Monitoring and Notification Program Implementation Grants	66.472	NYS DOH	DOH01-C37061GG-3450000	26	—	—
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct Federal		125	—	—
Total U.S. Environmental Protection Agency				983	—	—
U.S. Department of Education						
<i>TRIO Cluster</i> - TRIO - Student Support Services	84.042	CUNY	N/A	174	—	—
Special Education - Grants for Infants and Families	84.181	NYS DOH	C36417GG	5,095	—	—
Total U.S. Department of Education				5,269	—	—
National Archives and Records Administration						
National Historical Publications and Records Grants	89.003	Direct Federal		81	—	—
Total National Archives and Records Administration				81	—	—
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	1,898	1,796	—
<i>Aging Cluster:</i>						
COVID-19 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	NYS OFA	N/A	21	—	—
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	NYS OFA	N/A	9,570	4,197	—
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	4,323	4,323	—
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	20,974	20,635	—
Nutrition Services Incentive Program	93.053	NYS OFA	N/A	10,273	7,920	—
<i>Total Aging Cluster</i>				45,161	37,075	—
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	Direct Federal		304	—	—
COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	NYS OFA	N/A	204	10	—
COVID-19 National Family Caregiver Support - Title III, Part E	93.052	NYS OFA	N/A	3,202	3,202	—
National Family Caregiver Support - Title III, Part E	93.052	NYS OFA	N/A	2,146	2,146	—
Public Health Emergency Preparedness	93.069	PHS	NU90TP922035-04-00	10,478	—	—

** 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, 2023
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Environmental Public Health and Emergency Response	93.070	FPHNY	84273, NUE1EH001359-05-01	\$ 355	\$ —	\$ —
Medicare Enrollment Assistance Program	93.071	NYS OFA	N/A	417	—	—
Guardianship Assistance	93.090	NYS OCFS	2301NYGARD	20,073	—	—
Food and Drug Administration Research	93.103	Direct Federal		610	—	—
Comprehensive Community Mental Health Services for Children with Serious Disturbances	93.104	Direct Federal		111	—	—
Environmental Health - National Institute of Environmental Health Sciences	93.113	Direct Federal		20	—	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Direct Federal		5,087	—	—
Injury Prevention and Control Research, State and Community Based Programs	93.136	HRI	7304-01	205	—	—
Community Programs to Improve Minority Health Program	93.137	Direct Federal		623	—	—
HIV-Related Training and Technical Assistance	93.145	Direct Federal		44	—	—
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Direct Federal		458	—	—
Research on Healthcare Costs, Quality and Outcomes**	93.226	Direct Federal		18	—	—
Mental Health Research Grants**	93.242	CUNY	CM00006299, CM00006502, CM00000911-04, CM00001625-05	651	—	—
	93.242	Brown University	2204	13	—	—
	93.242	Direct Federal		68	—	—
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		331	—	—
Occupational Safety and Health Program**	93.262	Direct Federal		6,325	—	—
COVID-19 Immunization Cooperative Agreements	93.268	Direct Federal		36,735	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		15,035	—	141,373
Viral Hepatitis Prevention and Control	93.270	Direct Federal		606	326	—
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	18-A1-00-007933	251	—	—
Public Health Preparedness and Response Science, Research, and Practice	93.316	FPHNY	84287	1,291	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	56401-250-451-23-02	130	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		81,574	—	—
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		4,450	—	—
Nursing Research**	93.361	FPHNY	85081	25	—	—
Improve and Protect the Nation's Health	93.421	PHS	N/A	30	—	—
COVID-19 HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund	93.461	Direct Federal		41	—	—
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	HRI	6214-04	140	—	—
MaryLee Allen Promoting Safe and Stable Families	93.556	NYS OCFS	2301NYCWSS	19,977	—	—
Temporary Assistance for Needy Families	93.558	Direct Federal		574	—	—
	93.558	NYS OTDA	N/A	1,450,353	—	—
	93.558	NYS OCFS	2301NYTANF	145,601	—	—
Child Support Enforcement	93.563	Direct Federal		622	—	—
	93.563	NYS OTDA	N/A	66,777	—	—
Low-Income Home Energy Assistance	93.568	Direct Federal		38	—	—
	93.568	NYS OTDA	N/A	81,208	—	—
Community Services Block Grant	93.569	NYS DOS	C1001474	25,434	19,065	—
Community Services Block Grant Discretionary Awards	93.570	Direct Federal		1,905	—	—
CCDF Cluster - Child Care and Development Block Grant	93.575	Direct Federal		405	—	—
	93.575	NYS OCFS	2101NYCCDD, 2101NYCCCS, 2101NYCDC6, 2201NYCCDF; 2201NYCCDM, 2201NYCCDD, 2301NYCCDF, 2301NYCCDM; 2301NYCCDD, T012754, C029082	555,864	—	—
<i>Total CCDF Cluster</i>				<u>556,269</u>	<u>—</u>	<u>—</u>
Refugee and Entrant Assistance -- Discretionary Grants	93.576	NYS OTDA	N/A	1,765	—	—
Foster Care - Title IV - E	93.658	Direct Federal		1,917	—	—
	93.658	NYS OCFS	2301NYFOST	178,179	—	—
Adoption Assistance	93.659	Direct Federal		3	—	—
	93.659	NYS OCFS	2301NYADPT	121,681	—	—
Social Services Block Grant	93.667	NYS OCFS	2301NYSOSR	205,264	—	—

** 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, 2023
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
John H. Chafee Foster Care Program for Successful Transition to Adulthood Parts A and B	93.674	NYS DOH	2101NYCILP, 2302NYCILP	\$ 12,926	\$ —	\$ —
Elder Abuse Prevention Intervention Program	93.686	Direct Federal		10,512	6,966	—
Prevention and Public Health Funds (PPHF)	93.747	NYS OCFS	N/A	2,162	—	—
	93.761	Direct Federal		47	—	—
<i>Medicaid Cluster:</i>						
Medical Assistance Program (Medicaid)	93.778	Direct Federal		12,187	—	—
	93.778	NYS DOH	1000036076	6,252,793	—	—
	93.778	NYS OFA	N/A	3,713	2,828	—
	93.778	NYS OMH	N/A	7,961	—	—
	93.778	NYS OTDA	N/A	2,459	—	—
<i>Total Medicaid Cluster</i>				<u>6,279,113</u>	<u>2,828</u>	<u>—</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	NYS OFA	N/A	596	—	—
Domestic Ebola Supplement to the Epidemiology and Capacity Building Assistance (CBA) for High-Impact HIV Prevention Translation and Implementation Science Research for Heart, Lung, Blood Diseases, and Sleep Disorders**	93.834	Direct Federal		1,392	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research**	93.840	NYU	7R61HL156567-02	203	—	—
COVID 19 - Maternal, Infant and Early Childhood Home Visiting Grant	93.847	AECOM	311597	27	—	—
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C36865GG	138	132	—
National Bioterrorism Hospital Preparedness Program	93.870	NYS DOH	C33494GG	1,793	1,793	—
HIV Emergency Relief Project Grants	93.889	PHS	NU90TP922035-04-00	1,167	—	—
Healthy Start Initiative	93.914	Direct Federal		96,650	94,886	—
HIV Prevention Activities - Health Department Based	93.926	FPHNY	N/A	346	—	—
HIV Demonstration, Research, Public and Professional Education Projects**	93.940	Direct Federal		35,823	5,371	—
Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.941	CUNY	CM00007732	66	—	—
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.944	Direct Federal		1,573	—	—
Block Grants for Community Mental Health Services	93.946	Direct Federal		143	—	—
COVID 19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.958	NYS OMH	N/A	13,845	11,933	—
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	Direct Federal		7,242	—	—
Preventative Health and Health Services Block Grant	93.977	Direct Federal		3,647	—	—
Maternal and Child Health Services Block Grant to the States	93.991	NYS DOH	DOH01-C33570GG-3450000	287	—	—
	93.994	NYS DOH	DOH01-C32672GG-3450000, DOH01-C37000GG-3450000	2,978	—	—
Total U.S. Department of Health and Human Services				<u>9,569,353</u>	<u>187,529</u>	<u>141,373</u>
Corporation for National and Community Services						
AmeriCorps State and National	94.006	Direct Federal		834	—	—
<i>Foster Grandparent/Senior Companion Cluster</i> - Foster Grandparent Program	94.011	Direct Federal		1,638	—	—
AmeriCorps Seniors Senior Demonstration Program	94.017	Direct Federal		224	—	—
Total Corporation for National and Community Service				<u>2,696</u>	<u>—</u>	<u>—</u>
Social Security Administration						
<i>Disability Insurance/SSI Cluster</i> - Supplemental Security Income	96.006	Direct Federal		154	—	—
Total Social Security Administration				<u>154</u>	<u>—</u>	<u>—</u>

** 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, 2023
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Homeland Security						
Emergency Food and Shelter National Board Program	97.024	NYS OTDA	N/A	67	—	—
National Urban Search and Rescue (US&R) Response System	97.025	Direct Federal		4,358	—	—
	97.025	NYS DHSES	TR19-1008-E00	8	—	—
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	3,358,491	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Direct Federal		42,263	—	—
Emergency Management Performance Grants	97.042	NYS DHSES	C833205, C185030	2,564	—	—
Assistance to Firefighters Grant	97.044	Direct Federal		799	—	—
Cooperating Technical Partners	97.045	Direct Federal		167	—	—
Port Security Grant Program	97.056	Direct Federal		13,271	—	—
Homeland Security Advanced Research Projects	97.065	Direct Federal		53	—	—
Homeland Security Grant Program	97.067	Direct Federal		125	—	—
	97.067	NYS DHSES	C159493, C971803, C159413, C190198, WM-19-159493, WM-20-971803, WM-21-159413, WM-22-190198, CP19-1035-E01, BS19-1008-D00, WM21159411, BS20-1009-000/C160084, CP20-1013-E00, WM18833283, WM19971892, WM20971803, WM21159413, WM22190198	171,136	—	—
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111	Direct Federal		125	—	—
Rail and Transit Security Grant Program	97.075	MTA	EMW-2018-RA-00017, EMW-2019-RA-0004, EMW-2020-RA-0005, EMW-2021-RA-0004, EMW-2022-RA-0006	8,880	—	—
Homeland Security Biowatch Program	97.091	Direct Federal		2,954	—	—
Securing the Cities	97.106	Direct Federal		478	—	—
Total U.S. Department of Homeland Security				<u>3,605,739</u>	<u>—</u>	<u>—</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 15,399,613</u>	<u>\$ 349,383</u>	<u>\$ 141,373</u>
TOTAL R&D CLUSTER EXPENDITURES				<u>\$ 7,647</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

** Denotes programs with R&D Cluster expenditures

(Continued)

**THE CITY OF NEW YORK
NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)**

Exhibit 2

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	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	20-A0-00-1004926	\$ 45	\$ —	\$ —
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	16,962	—	63,418
<i>Food Distribution Cluster - Commodity Supplemental Food Program</i>	10.565	NYS DOH	C34842GG	589	—	—
Total U.S. Department of Agriculture				17,596	—	63,418
U.S. Department of Justice						
Crime Victim Assistance	16.575	NYS OVS	C11011GG, C11009GG, C11010GG, C11013GG, C11012GG	1,106	—	—
	16.575	NYS DCJS	C662366 / VC19662366	302	—	—
Violence Against Women Formula Grants	16.588	NYS DCJS	C00358GG, C00313GG	49	—	—
Total U.S. Department of Justice				1,457	—	—
U.S. Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		88,462	—	—
Total U.S. Treasury				88,462	—	—
U.S. Department of Health and Human Services						
Training in General, Pediatric, and Public Health Dentistry	93.059	Direct Federal		664	—	—
Oral Diseases and Disorders Research	93.121	Columbia University	1UG3DE031258-01	6	—	—
Injury Prevention and Control Research, State and Community Based Programs	93.136	HRI	N/A	1,000	—	—
Community Programs to Improve Minority Health Grant Program	93.137	Direct Federal		1,374	—	—
Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	Direct Federal		819	—	—
	93.153	Montefiore Medical Center	1000203B, 1000203A	419	—	—
	93.153	NYU School of Medicine	1000312A, 1000300A	214	—	—
Grants to States for Loan Repayment	93.165	NYS DOH	00000430	60	—	—
Graduate Psychology Education	93.191	Direct Federal		286	—	—
Family Planning-Services	93.217	NYS DOH	C32124GG, C32125GG, C37868GG, C36273GG, C36275GG, C36275GG, C36277GG, C36278GG, C37869GG	738	—	—
<i>Health Center Program Cluster - Health Center Program</i>	93.224	Direct Federal		4,745	—	—
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		187	—	—
Poison Center Support and Enhancement Grant	93.253	Direct Federal		863	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		135	—	24,499
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	17-A0-00-1000021-01	9	—	—
Minority Health and Health Disparities Research	93.307	Boston University	5105521-1	54	—	—
Trans-NIH Research Support**	93.310	Columbia University	2(GG012298)	1,075	—	—
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact, Systems, Capacity and Security	93.318	Direct Federal		345	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	N/A	11	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		3,296	—	—
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	NYS DOH	NU50CK000517-02-08, NU50CK000517-01-07, NU50CK000517-03-03	30,221	—	—
National Center for Advancing Translational Sciences**	93.350	NYU School of Medicine	20-A2-00-004185	512	—	—
21st Century Cures Act - Beau Biden Cancer Moonshot**	93.353	MSKCC	423AM1, C21931400	46	—	—
Nursing Research**	93.361	NYU School of Medicine	1R01NR019535-01	31	—	—
Sickle Cell Treatment Demonstration Program	93.365	John Hopkins University	UIEMC27864-05-00	55	—	—
COVID-19 Provider Relief Fund	93.498	Direct Federal		14,906	—	—
COVID-19 Grants for New and Expanded Services under the Health Center Program	93.527	Direct Federal		1,137	—	—

** Denotes programs with R&D Cluster expenditures

(Continued)

**THE CITY OF NEW YORK
NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)**

Exhibit 2

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
CCDF Cluster - Child Care and Development Block Grant	93.575	NYS OCFS	N/A	68	—	—
Assistance for Torture Victims	93.604	Direct Federal		\$ 1,372	\$ —	\$ —
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	PHS	23-DTC-583P	396	—	—
Mental and Behavioral Health Education and Training Grants	93.732	Direct Federal		248	—	—
Children's Health Insurance Program	93.767	NYS DOH	C-022805	49,315	—	—
Opioid State Targeted Response	93.788	RF SUNY	H79TI083327, H79TI083327	1,275	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	PHS	15-BHC-02 / ACCT# P077920, P079120, P079421, P079622	672	—	—
	93.817	Direct Federal		590	—	—
National Ebola Training and Education Center (NETEC)	93.825	Direct Federal		1,251	—	—
	93.825	Emory University	U3REP150549 / A652949	710	—	—
Cardiovascular Diseases Research**	93.837	University of Buffalo	7R01HL13755803	4	—	—
Lung Diseases Research**	93.838	Mount Sinai	0255-C022-4609	15	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	RF SUNY	85485, 100-1150840-95986	36	—	—
	93.853	Temple University	SIREN_200_CSPPR # 002	30	—	—
	94.853	University of Cincinnati	012340-137218, 012043-137218	2	—	—
Allergy, Immunology and Transplantation Research**	93.855	UCLA	1560 B YC313	39	—	—
	93.855	Duke University	ACTIV-1/8120	40	—	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-BHC-01 / ACCT# P073722, 19-HHC-01 / ACCT # P07662, 19-JMC-01 / ACCT# P076623	729	—	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		795	—	—
	93.914	PHS	23-OHS-583P, 22-OHS-226, 19-CCR-573 / 23-CCR-573P, 18-CCR-583 / 23-CCR-583P, 19-CCR-360 / 23-CCR-360P, 19-CCR-360 / 23-CCR-360P, 16-HRM-361 / 23-HRM-361P, 16-MHV-505 / 23-MHV-505P, 16-MHV-150 / 23-MHV-150P	4,843	—	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Direct Federal		1,986	—	—
	93.918	NYU School of Medicine	N/A	48	—	—
Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership	93.924	Direct Federal		1,334	—	—
HIV Prevention Activities - Non-Governmental Organization Based	93.939	Direct Federal		426	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		125	—	—
	93.940	PHS	18-NCT-573 / 22-NCT-573, 18-NCT-360 / 22-NCT-360PL, 18-NCT-563 / 22-NCT-563PL / 22-NCT-563PC, 18-NCT-115	390	—	—
			P022138, P022140, P022142, P022115, P022145, P022132	926	—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	CFA0359, CFA0360, CFA0355, CFA0338, CFA0377	39	—	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	K02HP45714, K02HP32100	322	—	—
Primary Care Medicine and Dentistry Clinician Educator Career Development Awards	93.976	RF SUNY				
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	C32124GG, C32125GG, C37868GG, C36273GG, C36275GG, C36275GG, C36277GG, C36278GG, C37185GG, C37193GG	1,164	—	—
Total U.S. Department of Health and Human Services				132,398	—	24,499
U.S. Department of Homeland Security						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	46,626	—	—
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Direct Federal		422,419	—	—
Total U.S. Department of Homeland Security				469,045	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 708,958	\$ —	\$ 87,917
TOTAL R&D CLUSTER EXPENDITURES				\$ 1,807	\$ —	\$ —

The accompanying Introduction to Exhibits - Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule.

** Denotes programs with R&D Cluster expenditures

(Continued)

**THE CITY OF NEW YORK
NEW YORK CITY DEPARTMENT OF EDUCATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)**

Exhibit 3

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	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	\$ 105,124	\$ —	\$ —
National School Lunch Program	10.555	NYS ED	N/A	437,923	—	57,084
Summer Food Service Program for Children	10.559	NYS ED	3R13919 01	21,138	—	—
<i>Total Child Nutrition Cluster</i>				<u>564,185</u>	<u>—</u>	<u>57,084</u>
Child and Adult Care Food Program	10.558	NYS ED	N/A	39,832	—	—
Child Nutrition Discretionary Grants Limited Availability	10.579	NYS ED	2R1458A	123	—	—
Fresh Fruit and Vegetable Program	10.582	NYS ED	3R1458B 01	1,327	—	—
Total U.S. Department of Agriculture				<u>605,467</u>	<u>—</u>	<u>57,084</u>
U.S. Department of Defense						
Troops to Teachers Grant Program	12.620	Direct Federal		5	—	—
Total U.S. Department of Defense				<u>5</u>	<u>—</u>	<u>—</u>
U.S. Department of Housing and Urban Development						
<i>CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster:</i>						
National Disaster Resilience Competition	14.272	Direct Federal		1,383	—	—
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>				<u>1,383</u>	<u>—</u>	<u>—</u>
Total U.S. Department of Housing and Urban Development				<u>1,383</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>
U.S. Environmental Protection Agency						
Environmental Education Grants Program	66.951	Direct Federal		4	—	—
Total U.S. Environmental Protection Agency				<u>4</u>	<u>—</u>	<u>—</u>
U.S. Department of Education						
Title I Grants to Local Educational Agencies	84.010A	NYS ED	2R4502B 01, 2R4513B 01, 2R4515A 01, 2R4524B 01, 2R4530B 01, 2R4551J 01, 2R4551M 01, 2R4551N 01, 3R4502B 01, 3R4503B 01, 3R4513B 01, 3R4515A 01, 3R4524B 01, 3R4530B 01, 3R4551J 01, 3R4551M 01, 3R4551N 01, 2R1235A 01, 2R1240A 01, 2R1251K 01, 2R1251L 01, 2R1251N 01, 2R1264A 01, 3R1235A 01, 3R1240A 01, 3R1251A 01, 3R1251B 01, 3R1251D 01, 3R1251H 01, 3R1251J 01, 3R1251K 01, 3R1251L 01, 3R1251N 01, 3R1264A 01	727,919	—	—
<i>Special Education Cluster:</i>						
Special Education - Grants to States	84.027	NYS ED	3R1551B 01	317,616	—	—
Special Education - Preschool Grants	84.173	NYS ED	3R1551A 01	9,228	—	—
<i>Total Special Education Cluster</i>				<u>326,844</u>	<u>—</u>	<u>—</u>
Impact Aid	84.041	Direct Federal		5,250	—	—
Career and Technical Education - Basic Grants to States	84.048A	NYS ED	3R0551A 01, 3R0579A 01	13,867	—	—

(Continued)

**THE CITY OF NEW YORK
NEW YORK CITY DEPARTMENT OF EDUCATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)**

Exhibit 3

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Magnet Schools Assistance	84.165A	Direct Federal		\$ 11,614	\$ —	\$ —
Education for Homeless Children and Youth	84.196	NYS ED	3R3622A 01	10,793	—	—
Twenty-First Century Community Learning Centers	84.287	NYS ED	3R3901A 01, 3R3902A 01, 3R3903A 01, 3R3904A 01, 3R3905A 01, 3R3906A 01, 3R3907A 01, 3R3908A 01, 3R3909A 01, 3R3910A 01, 3R3911A 01, 3R3912A 01, 3R3913A 01, 3R3914A 01, 3R3915A 01, 3R3916A 01, 3R3917A 01, 3R3919A 01, 3R3923A 01, 3R3924A 01, 3R3925A 01, 3R3927A 01, 3R3929A 01, 3R3930A 01, 3R3931A 01, 3R3932A 01	25,849	—	—
Arts in Education	84.351	Direct Federal		3,933	—	—
English Language Acquisition Grants	84.365	NYS ED	2R4142A 01, 2R4151A 01, 2R4151C 01, 2R4164A 01, 2R4164B 01, 3R4142A 01, 3R4151A 01, 3R4151C 01, 3R4164A 01	32,120	—	—
Supporting Effective Instruction State Grants	84.367	NYS ED	2R2664A 01, 3R2651A 01, 3R2651B 01, 3R2651C 01, 3R2664A 01	52,588	—	—
Student Support and Academic Enrichment Program	84.424	NYS ED	2R1951A 01, 2R1951B 01, 2R1964A 01, 3R1951A 01, 3R1951B 01, 3R1964A 01	73,041	—	—
COVID-19 Education Stabilization Fund - GEER	84.425C	NYS ED	5895211729	1,273	—	—
COVID-19 Education Stabilization Fund - ESSER	84.425D	NYS ED	5890211729	15,397	—	—
COVID-19 Education Stabilization Fund - ESSER II	84.425D	NYS ED	5891210001, 5891210002, 5891210003	643,407	—	—
COVID-19 Education Stabilization Fund - ARP ESSER	84.425U	NYS ED	5880210001, 5880210002, 5880210003, 5880210004, 5880210006, 5880210007	1,282,604	—	—
Total U.S. Department of Education				3,226,499	—	—
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		824	—	—
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	NYS ED	2R1416A 01	434	—	—
Demonstration Grants for Domestic Victims of Human Trafficking	93.327	Direct Federal		161	—	—
Head Start Cluster - Head Start	93.600	Direct Federal		80,947	—	—
Medicaid Cluster - Medical Assistance Program (New Medicaid)	93.778	NYS DOH	N/A	60,000	—	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	C004357, 3R2251A 01	14,763	—	—
Total U.S. Department of Health & Human Services				157,129	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 3,990,527	\$ —	\$ 57,084

The accompanying Introduction to Exhibits - Consolidated Schedule of Expenditures of Federal Awards should be read in conjunction with this Schedule.

(Continued)

THE CITY OF NEW YORK
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Exhibit 4

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	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		\$ 10,037	\$ —	\$ —
<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		4,394	—	—
Total U.S. Department of Housing and Urban Development				<u>14,431</u>	<u>—</u>	<u>—</u>
U.S. Department of Transportation						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Direct Federal		693	—	—
Total U.S. Department of Transportation				<u>693</u>	<u>—</u>	<u>—</u>
U.S. Department of Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		4,070	—	—
Total U.S. Department of Treasury				<u>4,070</u>	<u>—</u>	<u>—</u>
U.S. Environmental Protection Agency						
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct Federal		30	—	—
Total U.S. Environmental Protection Agency				<u>30</u>	<u>—</u>	<u>—</u>
U.S. Department of Homeland Security						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Direct Federal		123,345	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 142,569</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
NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Exhibit 5

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	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	\$ 314,783	\$ —	\$ —
Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants For Clean Water State Revolving Funds	66.482	NYS EFC	3W - 36000314	36,526	—	—
<i>Total Clean Water State Revolving Fund Cluster</i>				<u>351,309</u>	<u>—</u>	<u>—</u>
<i>Drinking Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Drinking Water State Revolving Fund	66.468	NYS EFC	FS - 99290521	182,390	—	—
Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants For Drinking Water State Revolving Funds	66.483	NYS EFC	3F - 96283014	519	—	—
<i>Total Drinking Water State Revolving Fund Cluster</i>				<u>182,909</u>	<u>—</u>	<u>—</u>
Total U.S Environmental Protection Agency				<u>534,218</u>	<u>—</u>	<u>—</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 534,218</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
District Attorney's Office of New York - Equitable Sharing Agreement
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023
(In Thousands)

Exhibit 6

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 6)	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		\$ 13,501	\$ —	\$ —
U.S. Treasury Equitable Sharing Program	21.016	Direct Federal		9,577	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 23,078	\$ —	\$ —

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 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 year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2023.

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, Queens Borough Public Library, Brooklyn Bridge Park Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Bus Umbrella Services, Inc., New York City Transitional Finance Authority, TSASC, Inc. New York City Board of Education Retirement System, New York City Fire Pension Funds, New York Police Pension Funds, New York Employee's Retirement System, Teachers' Retirement System of The City of New York, and The New York City Other Postemployment Benefit Plan 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 opinions on the basic 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.



New York, New York
October 26, 2023, 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 are as of March 29, 2024.

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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, 2023. 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, CCDF Cluster, Section 8 Project-Based Cluster, and Housing Voucher Cluster

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, CCDF Cluster, Section 8 Project-Based Cluster, and Housing Voucher Cluster for the year ended June 30, 2023.

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, 2023.

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, CCDF Cluster, Section 8 Project-Based Cluster, and Housing Voucher Cluster
As described in the accompanying schedule of findings and questioned costs, The City did not comply with requirements regarding HOME Investment Partnerships Program as described in finding number 2023-002 for Allowable Costs and Eligibility, CCDF Cluster as described in finding number 2023-013 for Eligibility, Section 8 Project-Based Cluster as described in finding numbers 2023-014 for Eligibility and Special Tests and Provisions and 2023-015 Special Tests and Provisions, and Housing Voucher Cluster as described in finding number 2023-016 for Eligibility and Special Tests and Provisions.

Compliance with such requirements is necessary, in our opinion, for The City to comply with the requirements applicable to each 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 New York City Health and Hospitals Corporation, the New York City Department of Education, the New York City Economic Development Corporation, the New York City Municipal Water Finance Authority, and the District Attorney's Office of New York – Equitable Sharing Agreement, 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 basic financial statements, other than as listed above. Those entities that may have expended federal awards for the year ended June 30, 2023 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 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 2023-001, 2023-003, 2023-005, 2023-006, 2023-007, 2023-009, 2023-010, 2023-011 and 2023-012. 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 2023-002, 2023-013, 2023-014, 2023-015, and 2023-016, 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 2023-004, 2023-005, 2023-007, 2023-008, 2023-009, 2023-010 and 2023-012, 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 29, 2024

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

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	
<i>CCDF Cluster</i>	
<i>Section 8 Project-Based Cluster</i>	
<i>Housing Voucher Cluster</i>	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, 2023

IDENTIFICATION OF MAJOR FEDERAL PROGRAMS:

Federal Grantor/Program Title	Federal Assistance Listing Number
Department of Housing and Urban Development:	
<i>CDBG – Entitlement Grants Cluster:</i>	
Community Development Block Grants/Entitlement Grants	14.218
HOME Investment Partnership Program	14.239
Housing Opportunities for Persons with AIDS	14.241
<i>Section 8 Project-Based Cluster:</i>	
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856
Continuum of Care Program	14.267
<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
National Resilient Disaster Recovery Competition	14.272
<i>Housing Voucher Cluster:</i>	
Section 8 Housing Choice Vouchers	14.871
Mainstream Vouchers	14.879
U.S. Department of Transportation:	
<i>Federal Transit Cluster:</i>	
Federal Transit – Capital Investment Grants	20.500
Federal Transit – Formula Grants	20.507
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526
U.S Treasury:	
Coronavirus State and Local Fiscal Recovery Funds	21.027
U.S. Environmental Protection Agency:	
<i>Clean Water State Revolving Fund Cluster:</i>	
Capitalization Grants For Clean Water State Revolving Fund	66.458
Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants For Clean Water State Revolving Funds	66.482
<i>Drinking Water State Revolving Fund Cluster:</i>	
Capitalization Grants for Drinking Water State Revolving Fund	66.468
Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants For Drinking Water State Revolving Funds	66.483

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Federal Grantor/Program Title	Federal Assistance Listing Number
U.S. Department of Education:	
Title I Grants to Local Educational Agencies	84.010
Career and Technical Education – Basic Grants to States	84.048
Magnet Schools Assistance	84.165
Education Stabilization Fund	84.425
U.S. Department of Health and Human Services:	
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323
Provider Relief Fund	93.498
Child Support Enforcement	93.563
<i>CCDF Cluster:</i> Child Care and Development Block Grant	93.575
Foster Care – Title IV – E	93.658
Adoption Assistance	93.659
Children’s Health Insurance Program	93.767
<i>Medicaid Cluster:</i> Medical Assistance Program	93.778
HIV Emergency Relief Project Grants	93.914
Block Grants for Community Mental Health Services	93.958
U.S. Department of Homeland Security:	
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
Port Security Grant Program	97.056

Dollar threshold used to distinguish between type A and type B programs: \$31,628,006

Auditee qualified as low-risk auditee? ___ yes X no

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

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, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

New York City Department of Education (“DOE”)

Finding #: 2023-001

Funding Year(s): 7/1/2021 – 8/31/2022

Title I Grants to Local Educational Agencies (FAL #84.010)

Contract Numbers: 2R1251N01, 2R1251A01, 2R1264A01, 2R1240A01

Twenty-First Century Community Learning Centers (FAL #84.287)

Contract Numbers: 2R3901A01, 2R3911A01, 2R3913A01, 2R3916A01, 2R3922A01, 2R3931A01, 2R3903A01, 2R3904A01

English Language Acquisition Grants (FAL #84.365)

Contract Number: 2R4164A01

Supporting Effective Instruction State Grant (FAL #84.367)

Contract Numbers: 2R2664A01

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 thirty-five (35) FS-10F reports submitted by the DOE during fiscal year 2023, we selected a sample of fourteen (14) FS-10F reports and found that fourteen (14) 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 four (4) FS-10F reports tested, such reports were submitted between 23 and 160 days late.
- Twenty-First Century Community Learning Centers (FAL #84.287): of the eight (8) FS-10F reports tested, such reports were submitted between 85 and 103 days late.
- English Language Acquisition Grants (FAL #84.365): of the one (1) FS-10F report tested, such report was submitted 167 days late.
- Supporting Effective Instruction State Grants (FAL #84.367): of the one (1) FS-10F report tested, such report was submitted 169 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.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This finding is similar to finding #2022-001, included on pages 232 and 233 of the Fiscal 2022 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 been 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 as the program staff become familiar with this report then it would serve as a tool for addressing open items. Unfortunately, the large staff turnover hampered this effort. However, we are continuing these efforts to ensure new staff members are properly trained on utilizing these reports.

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 2024 close calendar in an effort to continue to reinforce the need for the timely payment and 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, 2023

New York City Human Resources Administration (“HRA”)

Finding #: 2023-002

Funding Year(s): 10/19/2017 - 9/1/2027

HOME Investment Partnerships Program (FAL #14.239)

Contract Numbers: M-17-MC-36-0204; M-18-MC-36-0204; M-19-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 the Current System.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

We selected a non-statistical sample of forty (40) rental assistance payments made on behalf of tenants during fiscal 2023 and found that eight (8) of the selections had errors as follows:

- For five (5) of the eight (8) selections, it was noted that HRA's share of monthly rent was determined to be lower than the amounts actually paid on behalf of the tenants. For these selections, HRA's share of monthly rent was calculated as \$1,709, \$1,293, \$1,410, \$1,078, and \$1,363. However, due to manual input errors, the amounts actually paid on behalf of these tenants were \$1,742, \$1,320, \$1,469, \$1,096, and \$1,521, respectively.
- For three (3) of the eight (8) selections, it was noted that HRA's share of monthly rent was determined to be higher than the amounts actually paid on behalf of the tenants. For these selections, HRA's share of monthly rent was calculated as \$2,326, \$1,240, and \$1,740. However, due to manual input errors, the amounts actually paid on behalf of these tenants were \$2,233, \$1,210, and \$1,640 respectively.

Total TBRA payments charged to the grant were \$5,521,322 and total TBRA benefits subjected to testing were \$60,087.

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 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 \$296.

Identification as a Repeat Finding:

This finding is similar to finding #2022-012, included on pages 253 through 255 of the Fiscal 2022 Single Audit report.

Recommendation:

We recommend that HRA strengthen their internal controls governing the eligibility determination and monthly TBRA payment calculation 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.

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Views of Responsible Official:

This FY23 audit was conducted on the heels of the FY22 audit where the questioned cost finding is a similar error type but significantly decreased to \$296 from over \$18,000. Included in the FY22 recommended Corrective Action was the onboarding of the Executive Director to shepherd the charge with strengthening the teams' internal governance, appropriate monitoring and future compliance. Adversely, the onboarding of the executive director was lengthy and only recently finalized in the 2nd quarter of FY24.

HRA agrees to strengthen internal controls and the new Executive Director is working with the team to ensure they are intentional in appropriately applying the correct formula for calculating allowable cost, particularly the inclusion of "gross" and not "net" income.

The Quality Assurance Tool has been updated including specific sub-items to ensure allowable cost is correctly calculated as well as the other deliverables.

Corrective Action(s):

- Strengthen internal governance and future compliance.
- Executive Director for the Home-TBRA now on board.
- Update the Quality Assurance tool that includes sub-items information that supports improved review and approval.
- Provide refresher training for staff involved with TBRA to improve performance and outcomes.

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New York City Department of Human Resources Administration (“HRA”)

Finding #: 2023-003

Funding Year(s): 9/13/2021 – 9/12/2023

Emergency Solutions Grants Program (FAL #14.231)

Contract Number: E21MC360104

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 #E21MC360104 on September 13, 2021, and as such the total grant amount was required to be obligated by March 12, 2022. Per the PR-91 ESG Financial Summary Report submitted by HRA through IDIS on February 2, 2023, none of the total \$14,799,420 award had 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 finding is similar to finding #2022-003, included on page 236 of the Fiscal 2022 Single Audit report.

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:

The oversight in 2022 (regarding obligation of the 2021 grant) occurred prior to the initiation of the Corrective Action Plan implemented to strengthen the internal controls based on the FY 2022 Single Audit finding (regarding obligation of the 2020 grant). As indicated in our response to the FY 2022 finding, 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.

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Additionally, as communicated in the ICQ, Federal Homeless Policy and Reporting (“FHPR”) and Finance have detailed the following process:

- FHPR will notify Finance when the new ESG funding is awarded and the total amount.
- Finance will contact OMB to share that a new award was announced and to expect an updated FY budget construct.
- FHPR will work with Programs to confirm funding allocations and will send an updated construct to Finance.
- Finance will share updated construct with OMB.
- FHPR will use updated construct to complete all funding obligations in IDIS.
- FHPR will set progressive reminders following ESG award announcements to ensure the 180-day deadline is met.

Going forward, these activities and action steps will be completed by a dedicated ESG staff person working within the FHPR team. This new position was created and posted, and a candidate was selected in late 2023; we expect to onboard the selected candidate shortly.

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New York City Human Resources Administration (“HRA”)

Finding #: 2023-004

Funding Year(s): 9/13/2021 - 11/8/2026

Housing Opportunities for Persons with AIDS (HOPWA) (FAL #14.241)

Contract Numbers: NYH21F002; NYH22F002; NYH23F002

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Special Tests and Provisions - 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.

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. Landlords are required to address any deficiencies and violations found through a Corrective Action Plan (CAP) within 30 days of the receipt of the failed inspection letter. HRA would then ensure a physical inspection was conducted prior to June 30, 2023. 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.

We selected a non-statistical sample of twenty-four (24) units that were subject to an initial inspection by HRA during fiscal 2023 and noted that for eight (8) 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.

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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 finding is similar to finding #2022-014, included on pages 258 and 259 of the Fiscal 2022 Single Audit report.

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:

HIV/AIDS Services Administration (HASA) will revamp its contract monitoring policies and procedures to ensure sampling of housing inspection reports and related maintenance and repairs documentation are included to assess compliance with housing quality standards. Documentation reviewed will also include confirmation of apartments' readiness prior to occupancy and corrective action measures taken to address outstanding deficiencies, including failed inspections.

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New York City Human Resources Administration (“HRA”)

Finding #: 2023-005

Funding Year(s): 9/13/2021 - 11/8/2026

Housing Opportunities for Persons with AIDS (HOPWA) (FAL #14.241)

Contract Numbers: NYH21F002; NYH22F002; NYH23F002

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Eligibility - Compliance and Internal Control (Significant Deficiency)

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. The amount of grant funds used to pay monthly assistance for an eligible person may not exceed the difference between the lower of the rent standard or reasonable rent. Per 24 CFR 574.320(a)(2) the rent standard shall be established by the grantee and shall be no more than the published section 8 fair market rent (FMR) or the HUD-approved community-wide exception rent for the unit size.

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:

From a non-statistical sample of sixty-five (65) rental assistance payments made on behalf of tenants during fiscal year 2023 that were selected for testing, we identified the following:

- For two (2) of the selections, HRA utilized household income that was lower than the participants’ actual income, which caused HRA’s monthly rental assistance payment for the selected period to be higher than it should have been. The excess monthly payments for these selections totaled \$6.
- For one (1) of the selections, the participant’s share of the monthly rent was incorrectly recorded as \$660 instead of \$664, which caused HRA’s monthly rental assistance payment for the selected period to be higher than it should have been. The excess payments for this selection totaled \$4.

Total rental assistance payments charged to the grant were \$21,825,396 and total HOPWA rent subsidies subjected to testing were \$83,509.

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Cause/Effect:

While HRA has processes in place to assess the eligibility of tenants to receive HOPWA benefits and to calculate the monthly rental assistance payments to be made on their behalf, they did not consistently ensure that the inputs utilized to calculate the monthly rental assistance payment were accurate. As a result, an incorrect monthly rental assistance amount was paid on behalf of certain tenants.

Questioned Costs:

None noted.

Identification as a Repeat Finding:

This finding is similar to finding #2022-013, included on pages 256 and 257 of the Fiscal 2022 Single Audit report.

Recommendation:

We recommend that HRA strengthen their internal controls governing the eligibility process, including ensuring all inputs utilized to calculate the monthly rental assistance amount is accurate and that the review performed to verify that each participant's rent is not above the FMR limit is appropriately documented, prior to processing payments and charging costs to the grant.

Views of Responsible Official:

HASA will enhance its data management system to flag housing units where rent amounts are reportedly above the prevailing Fair Market Rent (FMR) limits per bedroom size, and document follow up activities accordingly. Staff will continue to review support documentation during monitoring visits to ensure client rent calculations are current and accurately completed. HASA will continue facilitating monthly technical assistance meetings and convene training sessions with housing providers to address emerging issues and contract compliance findings from monitoring visits.

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New York City Department of Housing Preservation and Development (“HPD”)

Finding #: 2023-006

Funding Year(s): 10/19/2017 - 09/01/2029

HOME Investment Partnership Program (FAL #14.239)

Contract Number: M-17-MC-36-0204; M-18-MC-36-0204; M-19-MC-36-0204; M-20-MC-36-0204, M-21-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 finding is similar to finding #2022-008, included on pages 243 and 244 of the Fiscal 2022 Single Audit report.

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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 HQS 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 is currently sending out non-compliance letters and 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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Administration for Children’s Services (“ACS”)

Finding #: 2023-007

Funding Year(s): 10/1/2018 - 9/30/2028

Foster Care – Title IV - E (FAL #93.658)

Contract Numbers: 1901NYFOST, 2001NYFOST, 2301NYFOST

Federal Agency: U.S. Department of Health and Human Services

Type of Finding: Eligibility - Compliance and Internal Control (Significant Deficiency)

Criteria:

A child’s removal from the home (unless removal is pursuant to a voluntary placement agreement) must be in accordance with a judicial determination to the effect that continuation in the home would be contrary to the child’s welfare, or that placement in foster care would be in the best interest of the child. The judicial determination must be explicitly stated in the court order and made on a case-by-case basis. The precise language “contrary to the welfare” does not have to be included in the removal court order, but the order must include language to the effect that remaining in the home will be contrary to the child’s welfare, safety, or best interest (45 CFR section 1356.21(c)). The judicial determination of contrary to the welfare must be in the first court ruling that sanctions the child’s removal from home (45 CFR section 1356.21(c)). Acceptable documentation is a court order containing a judicial determination regarding contrary to the welfare or a transcript of the court proceedings reflecting this determination (45 CFR section 1356.21(d)).

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 Administration for Children’s Services (“ACS”) utilizes an eligibility checklist mandated by the State of New York (“NY State”) to assess beneficiaries’ eligibility to receive benefits through the Foster Care program. Upon the completion of the eligibility checklist by an ACS staff member, ACS’ policies and procedures require that a designated supervisor review and approve the checklist prior to ACS determining a child to be IV-E eligible. From a non-statistical sample of forty (40) eligibility files subject to testing, we identified one (1) eligibility redetermination checklist that did not include evidence of the required approval by a supervisor and two (2) redetermination checklists with untimely approval by a supervisor. In addition, those same two (2) files did not contain a copy of the court order until a year after the judicial finding was made.

Cause/Effect:

While ACS has established policies and procedures to help ensure eligibility requirements are met, we noted the appropriate reviews were not consistently performed, which could result in an ineligible individual receiving benefits. However, with respect to the forty (40) sampled files referred to above, ACS personnel were able to demonstrate that all such individuals were in fact eligible for Foster Care benefits, and accordingly, program eligibility requirements were satisfied for these sampled files.

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Questioned Costs:

None noted.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that ACS strengthen controls over the foster care eligibility process to ensure the appropriate supervisory review and approval is consistently performed.

Views of Responsible Official:

- ACS will review all outstanding non-finalized Redetermination packages and re-request outstanding Court Orders.
- Moving forward, if the hard copy Court Order has not been received by ACS within 90 days of the Permanency Hearing, ACS will request a court transcript of the Permanency Hearing.
- ACS will finalize IV-E Redetermination packages if a Reasonable Effort determination finding has not been conferred within four months of the request for court action.
- ACS will work with the Office of Court Administration to address challenges in timely completion of hearings and receipt of Court Orders.

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New York City Department of Health and Mental Hygiene (“DOHMH”)

Finding #: 2023-008

Funding Year(s): 8/1/2019 - 7/31/2024

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (FAL #93.323)

Contract Number: 5 NU50CK000517, 6 NU50CK000517

Federal Agency: U.S. Department of Health and Human Services

Type of Finding: Reporting – Internal Control (Significant Deficiency)

Criteria:

In accordance with the U.S Department of Health and Human Services (“HHS”) Grants Policy Statement, reports of expenditures are required as documentation of the financial status of grants according to the official accounting records of the recipient. Financial or expenditure reporting is accomplished using the Financial Status Report (“FSR”) (SF 269 or SF 269A). The FSR is required annually, and the report must be submitted for each budget period no later than 90 days after the close of the budget period or applicable 12-month period. Additionally, special reports are required by the terms and conditions of the federal awards.

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) annual FSRs subject to testing, we identified one (1) FSR that was submitted after the required reporting deadline of within 90 days following the end of the budget period.

In addition, we selected a non-statistical sample of twenty-four (24) special performance reports required to be filed. While the reports were prepared and submitted promptly in accordance with the reporting deadlines, for all twenty-four (24) selections, DOHMH was unable to provide supporting documentation that a review was performed to verify that the performance report was accurately prepared and submitted.

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 the appropriate reviews were not consistently performed and documented for both financial and performance reporting thus resulting in one (1) FSR that was submitted after the required reporting deadline of within 90 days following the end of the budget period.

Questioned Costs:

None noted.

Identification as a Repeat Finding:

This is not a repeat finding.

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Recommendation:

We recommend that DOHMH strengthen their internal controls over the reporting process to include documented review and approval all financial and special performance reports prior to submission within the required timeframe.

Views of Responsible Official:

DOHMH agrees with the recommendation that “DOHMH strengthen its internal controls over the reporting process to include documented review and approval of all financial and special performance reports prior to submission within the required timeframe.”

DOHMH Finance will ensure sufficient time to meet and discuss the status of spending and plans for remaining balance before the end of the award period. For example, such meeting will occur at least a month before the end of the award period.

DOHMH Finance will ensure sufficient time for review and approval process of the FFR and submit within the required timeframe. For example, send annual FFR for program review at least 2 weeks before the report deadline. Approval deadline date will be added to the approval email and followed up on a consistent basis.

The Division of Disease Control will document review of ELC-related reports prior to submission.

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New York City Department of Investigation (“DOI”)

Finding #: 2023-009

Funding Year(s): 7/1/2022 – 6/30/2023

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 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, DOI was unable to provide supporting documentation for two (2) of the selections, that a review and approval of the inventory had taken place at the time the inventory was conducted.

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 finding is similar to finding #2022-009, included on pages 245 through 247 of the Fiscal 2022 Single Audit report.

Recommendation:

We recommend that DOI strengthen controls over the inventory process to ensure 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.

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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 compliance with equipment and real property management requirements.

Corrective Action(s):

- **Strengthen Controls over the Inventory Process:** We developed and implemented 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 overall equipment within the required timeframe.
- **Training for Personnel:** We 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 developed a continuous monitoring program to ensure that the new controls and procedures are being followed, and to identify any areas for improvement.
- **We developed Equitable Sharing Program Standard Operating Procedures (“SOPs”)** for the New York City Department of Investigation (“DOI” or “Department”) apply to the Department’s use of U.S. Department of Justice (“DOJ”) Equitable Sharing Program (“Program”) funds. These SOPs are intended to complement, not replace, the required guidance found in the “Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies” (July 2018) (“Guide”) and Equitable Sharing Wires (“Wires”), as well as any relevant Department and City policies and procedures.

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 of 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.

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New York City Department for the Aging (“DFTA”)

Finding #: 2023-010

Funding Year(s): 07/01/2022 - 06/30/2023

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:

As stipulated in 2 CFR 200.332(f) pass-through entities should verify that every subrecipient that expends \$750,000 or more in federal awards during their fiscal year has a single or program-specific audit conducted for that fiscal year in accordance with 2 CFR 200.501. Additionally, per 2 CFR 200.512(a)(1) the audit must be completed and the data collection form along with the reporting package must be submitted to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor’s report(s), or nine months after the end of the audit period.

Condition/Context:

Of the forty (40) subrecipients under the Aging Cluster that were selected for testing, four (4) of the single audit report dates were beyond the nine-month required submission date required by 2 CFR 200.512(a)(1). For these four (4) selections, DFTA was unable to provide supporting documentation of notification by the subrecipient of the late submission and acknowledgment of the notification by DFTA.

Cause/Effect:

While DFTA has established subrecipient monitoring procedures, we noted that monitoring of subrecipient compliance with federal statutes, regulations and terms and conditions of the federal award were not consistently performed and documented. Missing or incomplete monitoring procedures could result in subrecipients not complying with Uniform Guidance reporting and/or other program specific compliance requirements.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that DFTA create a comprehensive internal control structure which ensures that all subrecipient compliance requirements stipulated by 2 CFR 200.332 are being met, including following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient detected through audits, on-site reviews, and written confirmation from the subrecipient.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Views of Responsible Official:

To ensure New York City Aging follows 2 CFR 200.332, we are updating our current process and procedures on how to track and inform providers of when the Single Audit is due, when extension for the Single Audit is granted and when the submission is due. We will be sending out this communication to our providers. We will also follow-up with providers three months prior to the audit being due and three months prior to the audit being due for those who were granted extensions.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

New York City Police Department (“NYPD”)

Finding #: 2023-011

Funding Year(s): 9/1/2018 - 8/31/2025

Port Security Grant Program (FAL #97.056)

Contract Number(s): EMW-2018-PU-00123-S01, EMW-2019-PU-00316-S01, EMW-2020-PU-00278-S01, EMW-2021-PU-00321-S01, EMW-2022-PU-00311-S01

Federal Agency: U.S. Department of Homeland Security

Type of Finding: Equipment and Real Property Management - Compliance and Internal Control (Control 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.

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 non-statistical sample of twenty (20) pieces of equipment subjected to testing, we identified one (1) piece of equipment that was disposed of prior to the most recent inventory count, but the equipment was not removed from the active inventory listing.

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 performed and documented within the required timeframe, 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.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Recommendation:

We recommend that NYPD strengthen controls over the inventory process to ensure dispositions of equipment are updated in the equipment records.

Views of Responsible Official:

While the one (1) piece of equipment that was identified as “active equipment” was in fact disposed of prior to the most recent inventory count, the equipment was not listed as disposed of due to the user (project manager) not completing the final step of the entry.

Corrective Action(s):

NYPD Grants Unit will schedule one-on-one virtual training with all end users of GTS providing a step-by-step approach on inputting and updating assets in GTS. Upon completion of this training all project managers should be able to successfully complete transactions in GTS maintaining accurate and up to date inventory records from the first (new) entry to the final entry (disposal). These one-on-one sessions will be scheduled and coordinated based on the availability of both individuals (users and trainers) over the course of the next six months. In addition, the NYPD has requested a programming update (to the developer of GTS) which would allow the system to prevent the user from exiting the screen/entry without completing all required fields by providing a prompt feature.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

New York City Fire Department (“FDNY”)

Finding #: 2023-012

Funding Year(s): 9/1/2018 - 8/31/2024

Port Security Grant Program (FAL #97.056)

Contract Number(s): EMW-2018-PU-00004-S01, EMW-2020-PU-00020-S01, EMW-2021-PU-00015-S01, EMW-2019-PU-00013-S01

Federal Agency: U.S. Department of Homeland Security

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.

Condition/Context:

The New York City Fire Department (“FDNY”) utilizes the City’s Grants Tracking System (“GTS”), a citywide web-based inventory program, designed to standardize the tracking of federally funded equipment. Further, FDNY Command-designated grants coordinators are responsible for monitoring the equipment and updating the inventory on a periodic basis in accordance with federal guidelines. The FDNY 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 FDNY 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 FDNY Command-designated grants coordinators update the inventory count information to GTS.

From a non-statistical sample of twenty (20) pieces of equipment subjected to testing, we identified three (3) pieces of equipment that were disposed of prior to the most recent inventory count but the equipment was not removed from the active inventory listing.

Cause/Effect:

While FDNY 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 consistently performed and documented, 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.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Recommendation:

We recommend that FDNY 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, and biennial inventory counts are consistently performed for all equipment within the required timeframe.

Views of Responsible Official:

The department has established a very comprehensive compliance and operating standards program to monitor the administration of grants and federal awards, and to ensure compliance with applicable state and federal statutes, regulations, requirements and guidelines. Based on the results of over two dozen audits conducted over several years by various external oversight agencies, the department believes that the appropriate controls are already in place and will reiterate as part of our grants and federal awards compliance training curriculum.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Administration for Children’s Services (“ACS”) and New York City Human Resources Administration (“HRA”)

Finding #: 2023-013

Funding Year(s): 10/1/2021 - 9/30/2023

CCDF Cluster: Child Care and Development Block Grant (FAL #93.575)

Contract Numbers: 22-OCFS-LCM-08, 23-OCFS-LCM-12-R1

Pass-Through Agency: NYS Office of Children and Family Services

Federal Agency: U.S. Department of Health and Human Services

Type of Finding: Eligibility - Material Noncompliance and Internal Control (Material Weakness)

Criteria:

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 forty (40) individuals who received services under CCDBG during fiscal year 2023 and found that five (5) of the individuals tested had errors as follows:

- One (1) of the individuals tested from HRA did not meet some or all of the eligibility criteria as stipulated in 45 CFR Part 98 Subpart C;
- For four (4) of the individuals, HRA 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; and,

Total CCDBG Benefits charged to the grant were \$532,211,608 and total CCDBG benefits subjected to testing were \$37,776.

Cause/Effect:

While ACS and HRA 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 to support those determinations. As a result, costs were incurred on behalf of certain children that did not meet all of the eligibility requirements or were not supported by appropriate documentation.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Questioned Costs:

Known questioned costs of \$520.

Identification as a Repeat Finding:

This finding is similar to finding #2022-015, included on pages 260 and 261 of the Fiscal 2022 Single Audit report.

Recommendation:

We recommend that ACS and HRA 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:

ACS: ACS will work with other agencies to promote compliance and internal controls going forward.

HRA: In response to the findings, HRA made the following training requests to address the specific findings identified in this audit:

1. Training ID 2344 - Childcare liaisons and Childcare Review Team (CCRT) require training for the appropriate documentation necessary for the approval and provision of childcare. Audit findings confirmed that the staff charged with approval and authorizing childcare will take refresher training about the appropriate documentation requirements (i.e., CS-274w, LDSS 4699, LDSS 4700, etc.). The training will emphasize the requirement that any approved childcare must have support underlying employment/education documentation to justify the provision of the childcare. Childcare is a supportive service, so any childcare must have employment/engagement/education as a condition precedent.
2. Training ID 2343 - The training will include information about the client's employment, rate of pay, frequency of pay, and getting the appropriate documentation into the case records. Audits confirmed that 1) when the agency budgeted income and approved supportive services (i.e., childcare), the record did not have supporting income and employment related documents; 2) training will include the process for budgeting the earned income and applied any earned income disregards.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

New York City Housing Preservation & Development (“HPD”)

Finding #: 2023-014

Funding Year(s): 7/1/2022 – 6/30/2023

Section 8 Project-Based Cluster:

Section 8 Moderate Rehabilitation Single Room Occupancy (FAL #14.249)

Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation (FAL #14.856)

Contract Numbers: N/A

Federal Agency: U.S. Department of Housing and Urban Development (“HUD”)

Type of Finding: Eligibility and Special Tests and Provisions - Material Noncompliance and Internal Control (Material Weakness)

Criteria:

As stipulated by 24 CFR Section 880.603, prior to providing housing assistance payments (HAP) to participants, HPD must verify the eligibility of applicants by (a) obtaining signed applications; (b) conducting verifications of family income and other pertinent information; (c) documenting inspections and tenant certifications, as appropriate; and, (d) determining that tenant income did not exceed the maximum limit set by HUD. HPD must also reexamine family income and composition for each tenant at least once every 12 months to verify continued eligibility and adjust the HAP amount, as necessary. Further, HPD must maintain an up-to-date utility allowance schedule and establish procedures to properly apply the updated utility allowances to each tenant’s HAP calculations as part of the annual reexamination process.

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:

To assess eligibility, HPD’s policy is to conduct annual recertifications of family income and composition. As part of that process, HPD sends a recertification package to the head of household, which contains documentation that the tenant must complete for verification purposes. HPD then analyzes and verifies all information included in the recertification package to determine if the tenant is eligible to continue to receive HAPs and adjust the tenant rent and HAP amounts as necessary for the following 12-month period.

We selected a non-statistical sample of forty (40) tenants who received HAPs under the Section 8 Project-Based Cluster during fiscal year 2023. For twenty-five (25) of the tenants tested, HPD was not able to provide documentation to support that an eligibility recertification for the tenant, including a review of the utility allowance and HAP calculation, was performed within the previous 12 months, as required.

Cause/Effect:

While HPD has a process in place to assess the eligibility of tenants receiving HAPs under the Section 8 Project-Based Cluster, the reexamination of family income and composition and utility allowance was not consistently performed for each tenant at least once every 12 months to support the tenant’s continued eligibility to receive benefits through this program at the appropriate amounts.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that HPD strengthen their internal controls governing the eligibility requirements, including implementing a control to ensure recertifications of family income and composition are performed at least once every 12 months and the tenants HAP amount and tenant utility allowance is adjusted as necessary to meet the eligibility requirements per 24 CFR sections 880.603, 881.601, 882.514, 882.808, 833.701, 884.214, 886.119, and 886.318.

Views of Responsible Official:

During the pandemic, HPD adopted HUD CARES Act waivers, intended to minimize health and safety risks to applicants, participants, owners and staff, and which included the temporary suspension of adverse actions. Although HPD continued to request recertification packages during the period of the waivers until today, from February 2020 through December 2021, HPD did not penalize families who did not submit complete recertification packages at that time until more recently.

Additionally, HPD is among the City agencies that experienced a staff retention crisis, with attrition rates among its Rental Subsidy Program administrative teams swelling from 12 percent in 2020 to 27 percent in 2022. During the audit period, HPD was experiencing its highest vacancy rate. This meant standard recertifications were delayed because participants did not respond to recertification packages they were asked to complete, HPD did not have the capacity to revoke subsidies for those who did not comply, and the agency had significant backlog as a result of staff vacancies. Though HPD's vacancy rate improved, it takes significant time to train and prepare staff to do the work.

Finally, even though HPD's COVID-era policies involving adverse action have ceased and normal processes are now in effect, due process requires intensive tracking and follow-up to ideally have participants comply with requirements (but if necessary to terminate assistance for those who do not comply). Therefore, there will be a significant lag between the re-implementation of HPD's policy to take enforcement actions when recertification packages are not completed or missing and HPD's actually terminating assistance.

Corrective Action(s):

1. Build on existing systems to more closely track recertifications that are mailed and not returned.
2. Develop more robust digital operations that were started during the pandemic leading to reporting capabilities that will help with tracking overdue recertifications.
3. Work more closely with Community Based Organizations that can assist participants complete and return recertification package
4. Continue close coordination to implement the Housing Access and Stability staffing plan and identify priority hires to onboard critically needed staff timely
5. Invest in a training team to meet the training needs of new staff

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

New York City Housing Preservation & Development (“HPD”)

Finding #: 2023-015

Funding Year(s): 7/1/2022 – 6/30/2023

Section 8 Project-Based Cluster:

Section 8 Moderate Rehabilitation Single Room Occupancy (FAL #14.249)

Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation (FAL #14.856)

Contract Numbers: N/A

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Special Tests and Provisions - Material Noncompliance and Internal Control (Material Weakness)

Criteria:

Per 24 CFR Section 5.705, a property must be inspected and meet specific Housing Quality Standards (“HQS”) before the property is approved for participation in any of the HUD housing programs. As stipulated in 24 CFR 882.516, in addition to the inspections required prior to the execution of the contract, HPD must inspect contract units at least annually, and at such other times as may be necessary to assure that the owner is meeting the obligations to maintain the units and provide the agreed upon utilities and other services. Further, as per HUD regulation 24 CFR 982.404(a)(3), for any failed inspections, HPD is required to verify that the HQS failure items have been repaired to bring the unit into compliance within 30 days.

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:

HPD has policies and procedures in place to identify units which require HQS 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 those repairs be completed within thirty (30) days after the initial inspection.

From a non-statistical sample of forty (40) units that were selected for testing, we identified the following:

- For thirty-three (33) of the units tested, HPD was not able to provide documentation to support that an HQS inspection was performed for the unit under contract within the previous 12 months, as required.
- For eight (8) of the tenants tested where the unit under contract failed to meet HQS standards, HPD was not able to provide documentation to support that HPD verified the correction of the failed items through reinspection or alternative means.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Cause/Effect:

While HPD has a process in place to perform periodic HQS inspections for the units under contract that are part of the Section 8 Project-Based Cluster, a HQS inspection was not consistently performed at least once every 12 months to support that the owner is meeting the obligations to maintain the units and provide the agreed upon utilities and other services, as required.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that HPD strengthen their internal controls governing the HQS inspection requirements, including implementing controls to ensure inspections are performed annually for each unit under contract, and for any failed inspections, to verify that the HQS failure items have been repaired to bring the unit into compliance within thirty (30) days, as required.

Views of Responsible Official:

These deficiencies result from HPD adopting HUD CARES Act waivers, intended to minimize health and safety risks to applicants, participants, owners and staff, and which included the temporary suspension of inspections and adverse actions. HPD conducted limited inspections and did not take enforcement action during the waiver period of 2/1/2020 through 12/31/2021. These waivers ended in 2022 in the midst of a significant HPD staffing shortage.

HPD is among the City agencies that experienced a staff retention crisis, with attrition rates among its Housing Maintenance Code inspection team that mirrored the 27 percent experienced in HPD's rental subsidy program administration team.

Although HPD's COVID-era policies have ceased, and normal processes are now in effect, it will take a significant period of time for full standard operations to resume.

Corrective Action(s):

1. Develop a detailed tracking process for routine inspection scheduling
2. Prioritize inspections for units that are upcoming or those that have gone the longest without an inspection.
3. Develop a detailed tracking and follow up process for enforcing failed inspections
4. Make every effort to ensure staff vacancy rates are addressed through in house recruitment or other means as needed.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

New York City Housing Preservation & Development (“HPD”)

Finding #: 2023-016

Funding Year(s): 7/1/2022 – 6/30/2023

Housing Voucher Cluster:

Section 8 Housing Choice Vouchers (FAL #14.871)

Contract Numbers: N/A

Federal Agency: U.S. Department of Housing and Urban Development

Type of Finding: Eligibility and Special Tests and Provisions - Material Noncompliance and Internal Control (Material Weakness)

Criteria:

As stipulated by 24 CFR Section 982.201, prior to providing housing assistance payments (HAP) to participants, HPD must verify the eligibility of applicants based on their family income and composition. Per 24 CFR section 982.516, HPD must also reexamine family income and composition for each tenant at least once every 12 months to verify continued eligibility and adjust the HAP amount, as necessary. Further, as stipulated by 24 CFR Section 982.517, HPD must maintain an up-to-date utility allowance schedule and establish procedures to properly apply the updated utility allowances to each tenant’s HAP calculations as part of the annual reexamination process.

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:

To assess eligibility, HPD’s policy is to conduct annual recertifications of family income and composition. As part of that process, HPD sends a recertification package to the head of household, which contains documentation that the tenant must complete for verification purposes. HPD then analyzes and verifies all information included in the recertification package to determine if the tenant is eligible to continue to receive HAPs and adjust the tenant rent and HAP amounts as necessary for the following 12-month period.

We selected a non-statistical sample of forty (40) tenants who received HAPs under the Housing Voucher Cluster during fiscal year 2023. For eighteen (18) of the tenants tested, HPD was not able to provide documentation to support that an eligibility recertification for the tenant, including a review of the utility allowance and HAP calculation, was performed within the previous 12 months, as required.

Cause/Effect:

While HPD has a process in place to assess the eligibility of tenants receiving HAPs under the Housing Voucher Cluster, the reexamination of family income and composition and utility allowance was not consistently performed at least once every 12 months to support the tenant’s continued eligibility to receive benefits through this program at the appropriate amounts.

Questioned Costs:

None identified.

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs - Continued
For the year ended June 30, 2023

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that HPD strengthen their internal controls governing the eligibility requirements, including implementing a control to ensure recertifications of family income and composition are performed at least once every 12 months and the tenants HAP amount and tenant utility allowance is adjusted as necessary to meet the eligibility requirements per 24 CFR sections 5.230, 5.609, 982.201 and 982.516.

Views of Responsible Official:

During the pandemic, HPD adopted HUD CARES Act waivers, intended to minimize health and safety risks to applicants, participants, owners and staff, and which included the temporary suspension of adverse actions. Although HPD continued to request recertification packages during the period of the waivers until today, from February 2020 through December 2021, HPD did not penalize families who did not submit complete recertification packages.

Additionally, HPD is among the City agencies that experienced a staff retention crisis, with attrition rates among its Rental Subsidy Program administrative teams swelling from 12 percent in 2020 to 27 percent in 2022. During the audit period, HPD was experiencing its highest vacancy rate. This meant standard recertifications were delayed because participants did not respond to recertification packages they were asked to complete, HPD did not have the capacity to revoke subsidies for those who did not comply and the agency had significant backlog as a result of staff vacancies. Though HPD's vacancy rate improved, it takes significant time to train and prepare staff to do the work.

Finally, even though HPD's COVID-era policies involving adverse action have ceased and normal processes are now in effect, due process requires intensive tracking and follow up to ideally have participants comply with requirements but if necessary to terminate assistance for those who do not comply. Therefore, there will be a significant lag between the re-implementation of HPD's policy to take enforcement actions when recertification packages are not completed or missing and HPD's actually terminating assistance.

Corrective Action(s):

1. Build on existing systems to more closely track recertifications that are mailed and not returned.
2. Develop more robust digital operations that were started during the pandemic leading to reporting capabilities that will help with tracking overdue recertifications.
3. Work more closely with Community Based Organizations that can assist participants complete and return recertification package
4. Continue close coordination to implement the Housing Access and Stability staffing plan and identify priority hires to onboard critically needed staff timely
5. Invest in a training team to meet the training needs of new staff

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, 2023

**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, 2023**

<u>State Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State Contract Number</u>	<u>Expenditures</u>
New York State Department of Transportation			
Marchiselli/Bond Match for Federal Aid Aid Highway Projects	20.205	D034645, D035372, D035775, D035853, D035846, D040374	\$ 3,181,567
Consolidated Local Street and Highway Improvement Program (CHIPS) – Capital Reimbursement Component Cluster: (CHIPS) – Capital Reimbursement Component	-	CHIPS, PAVENY	125,584,373
State Transit Operating Assistance (STOA)	-	STOA	191,019,900
Arterial Highway Maintenance	-	D007634	15,706,576
Federal Transit Administration	-	K007390	1,172,447
State Personal Income Tax Funds	-	D035260, D035362	1,451,187
FTA – Accelerated Transit Capital (ATC) Modernization and Enhancement Program (MEP)	-	K007390	<u>7,551,672</u>
TOTAL EXPENDITURES OF STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE AWARDS			<u><u>\$ 345,667,722</u></u>

The accompanying notes to the Schedule of Expenditures of State of New York Department of Transportation Assistance Awards should be read in conjunction with this Schedule

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, 2023

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.

GRANT THORNTON LLP

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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, 2023. 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, 2023.

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 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 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 29, 2024

**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, 2023**

**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 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: Unmodified

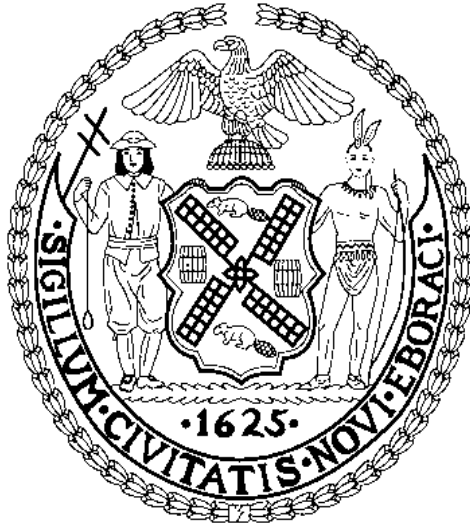
Any audit findings disclosed that are required to be reported in accordance with *Part 43 of the New York State Codification of Rules and Regulations*? yes no

Identification of State of New York Department of Transportation Assistance Award Programs Tested:

<u>State Grantor Program Title</u>	<u>Identifying Number(s)</u>
State Transit Operating Assistance	STOA

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATING TO STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION ASSISTANCE AWARD PROGRAMS**

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, 2023



THE CITY OF NEW YORK

March 29, 2024

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, 2023. 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 blue ink 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, 2023

Finding No.	2023-001
Department(s)	New York City Department of Education
Program(s)	Assistance Listing Numbers: 84.010, Title I Grants to Local Educational Agencies 84.287, Twenty-First Century Community Learning Center 84.365, English Language Acquisition Grants 84.367, Supporting Effective Instruction State Grant
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 been 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 as the program staff become familiar with this report that it would serve as a tool for addressing open items. Unfortunately, the large staff turnover hampered this effort. However, we are continuing these efforts to ensure new staff members are properly trained on utilizing these reports.</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 2024 close calendar in an effort to continue to reinforce the need for the timely payment and 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, 2023

Finding No.	2023-002
Department(s)	New York City Human Resources Administration
Program(s)	Assistance Listing Number 14.239, HOME Investment Partnerships Program
Corrective Action(s)	<p>This FY23 audit was conducted on the heels of the FY22 audit where the questioned cost finding is a similar error type but significantly decreased to \$296 from over \$18,000. Included in the FY22 recommended Corrective Action was the onboarding of the Executive Director to shepherd the charge with strengthening the teams’ internal governance, appropriate monitoring and future compliance. Adversely, the onboarding of the executive director was lengthy and only recently finalized in the 2nd quarter of FY24.</p> <p>HRA agrees to strengthen internal controls and the new Executive Director is working with the team to ensure they are intentional in appropriately applying the correct formula for calculating allowable cost, particularly the inclusion of “gross” and not “net” income.</p> <p>The Quality Assurance Tool has been updated including specific sub-items to ensure allowable cost is correctly calculated as well as the other deliverables.</p> <p>Corrective Action(s)</p> <ul style="list-style-type: none">• Strengthen internal governance and future compliance.• Executive Director for the Home-TBRA now on board.• Update the Quality Assurance tool that includes sub-items information that supports improved review and approval.• Provide refresher training for staff involved with TBRA to improve performance and outcomes.
Anticipated Completion Date	June 30, 2024 and ongoing
Person(s) Responsible for Implementation	<p>Dori Hopkins-Figeroux, Director - HTBRA hopkinsfigeroux@hra.nyc.gov 929-252-6089</p> <p>Jordan Worrell, Executive Director RAP/HTBRA worrellj@hra.nyc.gov 929-252- 5403</p> <p>Dwana Abraham, Assistant Deputy Commissioner abrahamd@hra.nyc.gov 929-221-6726</p>

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-003
Department(s)	New York City Department of Human Resources Administration
Program(s)	Assistance Listing Number 14.231, Emergency Solutions Grants Program
Corrective Action(s)	<p>The oversight in 2022 (regarding obligation of the 2021 grant) occurred prior to the initiation of the Corrective Action Plan implemented to strengthen the internal controls based on the FY 2022 Single Audit finding (regarding obligation of the 2020 grant). As indicated in our response to the FY 2022 finding, 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.</p> <p>Additionally, as communicated in the ICQ, Federal Homeless Policy and Reporting (“FHPR”) and Finance have detailed the following process:</p> <ul style="list-style-type: none">• FHPR will notify Finance when the new ESG funding is awarded and the total amount.• Finance will contact OMB to share that a new award was announced and to expect an updated FY budget construct.• FHPR will work with Programs to confirm funding allocations and will send an updated construct to Finance.• Finance will share updated construct with OMB.• FHPR will use updated construct to complete all funding obligations in IDIS.• FHPR will set progressive reminders following ESG award announcements to ensure the 180-day deadline is met. <p>Going forward, these activities and action steps will be completed by a dedicated ESG staff person working within the FHPR team. This new position was created and posted, and a candidate was selected in late 2023; we expect to onboard the selected candidate shortly.</p>
Anticipated Completion Date	May 1, 2024
Person(s) Responsible for Implementation	<p>Martha Kenton, Executive Director, Continuum of Care kentonm@dss.nyc.gov 929-221-6283</p> <p>ESG Project Manager, candidate currently in the onboarding process</p>

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-004
Department(s)	New York City Human Resources Administration
Program(s)	Assistance Listing Number 14.241, Housing Opportunities for Persons with Aids
Corrective Action(s)	HASA will revamp its contract monitoring policies and procedures to ensure sampling of housing inspection reports and related maintenance and repairs documentation are included to assess compliance with housing quality standards. Documentation reviewed will also include confirmation of apartments' readiness prior to occupancy and corrective action measures taken to address outstanding deficiencies, including failed inspections.
Anticipated Completion Date	April 1, 2024 and ongoing
Person(s) Responsible for Implementation	Xiomara Pamela 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, 2023

Finding No.	2023-005
Department(s)	New York City Human Resources Administration
Program(s)	Assistance Listing Numbers 14.241, Housing Opportunities for Persons with AIDS (HOPWA)
Corrective Action(s)	HASA will enhance its data management system to flag housing units where rent amounts are reportedly above the prevailing Fair Market Rent (FMR) limits per bedroom size, and document follow up activities accordingly. Staff will continue to review support documentation during monitoring visits to ensure client rent calculations are current and accurately completed. HASA will continue facilitating monthly technical assistance meetings and convene training sessions with housing providers to address emerging issues and contract compliance findings from monitoring visits.
Anticipated Completion Date	April 1, 2024 and ongoing
Person(s) Responsible for Implementation	Xiomara Pamela 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, 2023

Finding No.	2023-006
Department(s)	New York City Department of Housing Preservation and Development
Program(s)	Assistance Listing Number 14.239, HOME Investment Partnership 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 HQS 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 is currently sending out non-compliance letters and 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	June 2023 and ongoing
Person(s) Responsible for Implementation	Arabia Brown, Director, Tax Credit and HOME Compliance (212) 863-8204

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-007
Department(s)	New York City Administration for Children’s Services
Program(s)	Assistance Listing Number 93.658, Foster Care – Title IV - E
Corrective Action(s)	<ul style="list-style-type: none">• ACS will review all outstanding non-finalized Redetermination packages and re-request outstanding Court Orders.• Moving forward, if the hard copy Court Order has not been received by ACS within 90 days of the Permanency Hearing, ACS will request a court transcript of the Permanency Hearing.• ACS will finalize IV-E Redetermination packages if a Reasonable Effort determination finding has not been conferred within four months of the request for court action.• ACS will work with the Office of Court Administration to address challenges in timely completion of hearings and receipt of Court Orders.
Anticipated Completion Date	September 2024
Person(s) Responsible for Implementation	Andrew Martin, Executive Director, Central Eligibility Office (212)-341-2816

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-008
Department(s)	New York City Department of Health and Mental Hygiene
Program(s)	Assistance Listing Number 93.323, Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Corrective Action(s)	<p>DOHMH agrees with the recommendation that “DOHMH strengthen its internal controls over the reporting process to include documented review and approval of all financial and special performance reports prior to submission within the required timeframe.”</p> <p>DOHMH Finance will ensure sufficient time to meet and discuss the status of spending and plans for remaining balance before the end of the award period. For example, such meeting will occur at least a month before the end of the award period.</p> <p>DOHMH Finance will ensure sufficient time for review and approval process of the FFR and submit within the required timeframe. For example, send annual FFR for program review at least 2 weeks before the report deadline. Approval deadline date will be added to the approval email and followed up on a consistent basis.</p> <p>The Division of Disease Control will document review of ELC-related reports prior to submission.</p>
Anticipated Completion Date	Effective Immediately; March 20, 2024
Person(s) Responsible for Implementation	Anthony Faciane, Assistant Commissioner, afaciane@health.nyc.gov Wai ting Yu, Assistant Commissioner, wyu4@health.nyc.gov Jennifer Carmona, Senior Director, jcarmona@health.nyc.gov Yuming Li, Director, yli@health.nyc.gov Xiu mei Mai, Director, xmai@health.nyc.gov Jenny Tejada, Director, jtejada@health.nyc.gov James Chan, Assistant Director, jchan6@health.nyc.gov Inna Dubrovenska, Assistant Director, idubrovenska@health.nyc.gov Yulia Gudzinskiy, Grants Manager, ygudzinskiy@health.nyc.gov

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-009
Department(s)	New York City Department of Investigation
Program(s)	Assistance Listing Number 16.922, Equitable Sharing Program
Corrective Action(s)	<p>Based on the recommendations outlined in the audit report, we have developed the following corrective action plan to address the deficiencies and improve compliance with equipment and real property management requirements.</p> <ul style="list-style-type: none">• Strengthen Controls over the Inventory Process: We developed and implemented 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.• Training for Personnel: We 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 developed a continuous monitoring program to ensure that the new controls and procedures are being followed, and to identify any areas for improvement.• We developed Equitable Sharing Program Standard Operating Procedures (“SOPs”) for the New York City Department of Investigation (“DOI” or “Department”) apply to the Department’s use of U.S. Department of Justice (“DOJ”) Equitable Sharing Program (“Program”) funds. These SOPs are intended to complement, not replace, the required guidance found in the “Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies” (July 2018) (“Guide”) and Equitable Sharing Wires (“Wires”), as well as any relevant Department and City policies and procedures. <p>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 of outside of the requirements of federal guidelines.</p> <p>We appreciate the opportunity to address the audit findings, and we are committed to implementing these corrective actions.</p>
Anticipated Completion Date	March 31, 2025

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

**Person(s)
Responsible for
Implementation**

Caspar Barrow, Executive Director of Finance/CFO
CBarrow@doi.nyc.gov
(212)-825-0666

Orane Gordon, Internal Auditor
OGordon@doi.nyc.gov
(212)-825-0123

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-010
Department(s)	New York City Department for the Aging
Program(s)	Assistance Listing Number 93.044, 93.045 & 93.053, Aging Cluster
Corrective Action(s)	To ensure New York City Aging follows 2 CFR 200.332, we are updating our current process and procedures on how to track and inform providers of when the Single Audit is due, when extension for the Single Audit is granted and when the submission is due. We will be sending out this communication to our providers. We will also follow-up with providers three months prior to the audit being due and three months prior to the audit being due for those who were granted extensions.
Anticipated Completion Date	April 12, 2024 and ongoing
Person(s) Responsible for Implementation	Jose Mercado, Chief Financial Officer jmercado@aging.nyc.gov (212) 602-4471

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-011
Department(s)	New York City Police Department
Program(s)	Assistance Listing Number 97.056, Port Security Grant Program
Corrective Action(s)	<p>While the one (1) piece of equipment that was identified as “active equipment” was in fact disposed of prior to the most recent inventory count, the equipment was not listed as disposed of due to the user (project manager) not completing the final step of the entry.</p> <p>Corrective Action(s) NYPD Grants Unit will schedule one-on-one virtual training with all end users of GTS providing a step-by-step approach on inputting and updating assets in GTS. Upon completion of this training all project managers should be able to successfully complete transactions in GTS maintaining accurate and up to date inventory records from the first (new) entry to the final entry (disposal). These one-on-one sessions will be scheduled and coordinated based on the availability of both individuals (users and trainers) over the course of the next six months. In addition, the NYPD has requested a programming update (to the developer of GTS) which would allow the system to prevent the user from exiting the screen/entry without completing all required fields by providing a prompt feature.</p>
Anticipated Completion Date	September 2024 and ongoing
Person(s) Responsible for Implementation	Anthony Danna, Deputy Director, NYPD Grants Unit Anthony.Danna@nypd.org (718) 610-8691

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-012
Department(s)	New York City Fire Department
Program(s)	Assistance Listing Number 97.056, Port Security Grant Program
Corrective Action(s)	The department has established a very comprehensive compliance and operating standards program to monitor the administration of grants and federal awards, and to ensure compliance with applicable state and federal statutes, regulations, requirements and guidelines. Based on the results of over two dozen audits conducted over several years by various external oversight agencies, the department believes that the appropriate controls are already in place and will reiterate as part of our grants and federal awards compliance training curriculum.
Anticipated Completion Date	July 31, 2024
Person(s) Responsible for Implementation	Domenick Loccisano, Executive Director Domenick.Loccisano@fdny.nyc.gov

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-013
Department(s)	New York City Administration for Children’s Services and New York City Human Resources Administration
Program(s)	Assistance Listing Number 93.575, Child Care and Development Block Grant
Corrective Action(s)	<p><u>ACS</u>: ACS will work with other agencies to promote compliance and internal controls going forward.</p> <p><u>HRA</u>: In response to the findings, HRA made the following training requests to address the specific findings identified in this audit:</p> <ol style="list-style-type: none">1. Training ID 2344 - Childcare liaisons and Childcare Review Team (CCRT) require training for the appropriate documentation necessary for the approval and provision of childcare. Audit findings confirmed that the staff charged with approval and authorizing childcare will take refresher training about the appropriate documentation requirements (i.e., CS-274w, LDSS 4699, LDSS 4700, etc.). The training will emphasize the requirement that any approved childcare must have support underlying employment/education documentation to justify the provision of the childcare. Childcare is a supportive service, so any childcare must have employment/engagement/education as a condition precedent.2. Training ID 2343 - The training will include information about the client's employment, rate of pay, frequency of pay, and getting the appropriate documentation into the case records. Audits confirmed that 1) when the agency budgeted income and approved supportive services (i.e., childcare), the record did not have supporting income and employment related documents; 2) training will include the process for budgeting the earned income and applied any earned income disregards.
Anticipated Completion Date	April 2024 and ongoing
Person(s) Responsible for Implementation	<p><u>ACS</u>: Rahel Getachew, Associate Commissioner (212)-676-8818.</p> <p><u>HRA</u>: Ramon E. Flores, Deputy Commissioner, Family Independence Administration (FIA) floresra@hra.nyc.gov</p>

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-014
Department(s)	New York City Housing Preservation & Development
Program(s)	Assistance Listing Numbers: 14.249, Section 8 Project-Based Cluster: Section 8 Moderate Rehabilitation Single Room Occupancy 14.856, Section 8 Project-Based Cluster: Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation
Corrective Action(s)	<p>During the pandemic, HPD adopted HUD CARES Act waivers, intended to minimize health and safety risks to applicants, participants, owners and staff, and which included the temporary suspension of adverse actions. Although HPD continued to request recertification packages during the period the waivers, February 2020 through December 2021, HPD did not penalize families who did not submit complete recertification packages at that time until more recently.</p> <p>Additionally, HPD is among the City agencies that experienced a staff retention crisis, with attrition rates among its Rental Subsidy Program administrative teams swelling from 12 percent in 2020 to 27 percent in 2022. During the audit period, HPD was experiencing its highest vacancy rate. This meant standard recertifications were delayed because participants did not respond to recertification packages they were asked to complete, HPD did not have the capacity to revoke subsidies for those who did not comply, and the agency had significant backlog as a result of staff vacancies. Though HPD’s vacancy rate improved, it takes significant time to train and prepare staff to do the work.</p> <p>Finally, even though HPD’s COVID-era policies involving adverse action have ceased and normal processes are now in effect, due process requires intensive tracking and follow-up to ideally have participants comply with requirements (but if necessary to terminate assistance for those who do not comply). Therefore, there will be a significant lag between the re-implementation of HPD’s policy to take enforcement actions when recertification packages are not completed or missing and HPD’s actually terminating assistance.</p> <p>Corrective Action(s)</p> <ol style="list-style-type: none">1. Build on existing systems to more closely track recertifications that are mailed and not returned.2. Develop more robust digital operations that were started during the pandemic leading to reporting capabilities that will help with tracking overdue recertifications.3. Work more closely with Community Based Organizations that can assist participants complete and return recertification package.4. Continue close coordination to implement the Housing Access and Stability staffing plan and identify priority hires to onboard critically needed staff timely.

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

5. Invest in a training team to meet the training needs of new staff.

**Anticipated
Completion Date**

April 2025

**Person(s)
Responsible for
Implementation**

Dinsiri Fikru, Assistant Commissioner, Division of Program Policy and
Innovation, Office of Housing Access and Stability
FIKRUD@hpd.nyc.gov

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-015
Department(s)	New York City Housing Preservation & Development
Program(s)	Assistance Listing Numbers: 14.249, Section 8 Project-Based Cluster: Section 8 Moderate Rehabilitation Single Room Occupancy 14.856, Section 8 Project-Based Cluster: Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation
Corrective Action(s)	<p>These deficiencies result from HPD adopting HUD CARES Act waivers, intended to minimize health and safety risks to applicants, participants, owners and staff, and which included the temporary suspension of inspections and adverse actions. HPD conducted limited inspections and did not take enforcement action during the waiver period of 2/1/2020 through 12/31/2021. These waivers ended in 2022 in the midst of a significant HPD staffing shortage.</p> <p>HPD is among the City agencies that experienced a staff retention crisis, with attrition rates among its Housing Maintenance Code inspection team that mirrored the 27 percent experienced in HPD’s rental subsidy program administration team.</p> <p>Although HPD’s COVID-era policies have ceased, and normal processes are now in effect, it will take a significant period of time for full standard operations to resume.</p> <p>Corrective Action(s)</p> <ol style="list-style-type: none">1. Develop a detailed tracking process for routine inspection scheduling.2. Prioritize inspections for units that are upcoming or those that have gone the longest without an inspection.3. Develop a detailed tracking and follow up process for enforcing failed inspections.4. Make every effort to ensure staff vacancy rates are addressed through in house recruitment or other means as needed.
Anticipated Completion Date	April 2025
Person(s) Responsible for Implementation	Dinsiri Fikru, Assistant Commissioner, Division of Program Policy and Innovation, Office of Housing Access and Stability FIKRUD@hpd.nyc.gov

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

Finding No.	2023-016
Department(s)	New York City Housing Preservation & Development
Program(s)	Assistance Listing Number 14.871, Housing Voucher Cluster: Section 8 Housing Choice Vouchers
Corrective Action(s)	<p>During the pandemic, HPD adopted HUD CARES Act waivers, intended to minimize health and safety risks to applicants, participants, owners and staff, and which included the temporary suspension of adverse actions. Although HPD continued to request recertification packages during the period of the waivers until today, from February 2020 through December 2021, HPD did not penalize families who did not submit complete recertification packages.</p> <p>Additionally, HPD is among the City agencies that experienced a staff retention crisis, with attrition rates among its Rental Subsidy Program administrative teams swelling from 12 percent in 2020 to 27 percent in 2022. During the audit period, HPD was experiencing its highest vacancy rate. This meant standard recertifications were delayed because participants did not respond to recertification packages they were asked to complete, HPD did not have the capacity to revoke subsidies for those who did not comply, and the agency had significant backlog as a result of staff vacancies. Though HPD’s vacancy rate improved, it takes significant time to train and prepare staff to do the work.</p> <p>Finally, even though HPD’s COVID-era policies involving adverse action have ceased and normal processes are now in effect, due process requires intensive tracking and follow up to ideally have participants comply with requirements but if necessary to terminate assistance for those who do not comply. Therefore, there will be a significant lag between the re-implementation of HPD’s policy to take enforcement actions when recertification packages are not completed or missing and HPD’s actually terminating assistance.</p> <p>Corrective Action(s)</p> <ol style="list-style-type: none">1. Build on existing systems to more closely track recertifications that are mailed and not returned.2. Develop more robust digital operations that were started during the pandemic leading to reporting capabilities that will help with tracking overdue recertifications.3. Work more closely with Community Based Organizations that can assist participants complete and return recertification package.4. Continue close coordination to implement the Housing Access and Stability staffing plan and identify priority hires to onboard critically needed staff timely.5. Invest in a training team to meet the training needs of new staff.

THE CITY OF NEW YORK
SINGLE AUDIT CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2023

**Anticipated
Completion Date**

April 2025

**Person(s)
Responsible for
Implementation**

Dinsiri Fikru, Assistant Commissioner, Division of Program Policy and
Innovation, Office of Housing Access and Stability
FIKRUD@hpd.nyc.gov

THE CITY OF NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023

City Agency	Index #	Page	Program Name	Summary of Finding	Status
Department of Education	02-25 - 84.027, 84.173	178	Title I – Grants to Local Education Agencies (84.010)	Timely completion of expenditure reports	Repeat: CAP in current year report; refer to index 2023-001 - 84.010, 84.287, 84.365, and 84.367
	03-18 - 84.027, 84.173	164			
	04-18 - 84.027, 84.173	176			
	05-18 - 84.027, 84.173	190	Special Education – Grants to 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)		
	07-12 - 84.027, 84.173	209			
	07-13 - 84.048	211			
	08-08 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.318, 84.357, 84.365	197	Special Education Pre-school Grants (84.173)		
	09-11 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.318, 84.357	211	Twenty-First Century Community Learning Centers (84.287)		
		229	Education Technology State Grants (84.318)		
	10-15 - 84.027, 84.048, 84.173, 84.287, 84.318, 84.357	227	Reading First State Grants (84.357)		
	11-08 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.365	236	English Language Acquisition Grants (84.365)		
	12-09 - 84.027, 84.048, 84.173, 84.287, 84.386	237	Supporting Effective Instruction State Grant (84.367)		
	13-005 - 84.027, 84.048, 84.173, 84.287, 84.365, 84.367, 84.386, 84.395	269	School Improvement Grants (84.377)		
		268	Recovery Act – Education Technology State Grants (84.386)		
	2014-005 - 84.010, 84.027, 84.048, 84.173, 84.365, 84.388		School Improvement Grant, Recovery Act (84.388)		
	2015-006 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.365, 84.367, 84.395	354	State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (84.395)		
2016-004 - 84.010, 84.027, 84.173,	193				

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For the Fiscal Year Ended June 30, 2023

City Agency	Index #	Page	Program Name	Summary of Finding	Status
	84.365, 84.367, 84.377	205	Preschool Development Grants (84.419)		
	2017-002 - 84.010, 84.419				
	2018-002 - 84.010, 84.048, 84.287, 84.419	199	Student Support and Academic Enrichment Program (84.424)		
	2019-002 - 84.010, 84.048, 84.287, 84.365, 84.377, 84.419	200			
	2020-001 - 84.010, 84.048, 84.287, 84.365, 84.377, 84.419	228			
	2021-001 - 84.010, 84.048, 84.287, 84.365, 84.424				
	2022-001 – 84.010, 84.048, 84.287, 84.365, 84.367, 84.424	232			
New York City Police Department	2020-004 - 97.056 2021-003 - 97.056 2022-002 - 97.056	206 232 234	Port Security Grant Program	Equipment and real property management	Corrective actions implemented
New York City Police Department	2022-010 - 16.922	248	Equitable Sharing Program	Equipment and real property management	Corrective actions implemented
New York City Department of Investigation	2022-009 - 16.922	245	Equitable Sharing Program	Equipment and Real Property Management	Repeat: CAP in current year report; refer to index 2023-009 - 16.922
New York City Department for the Aging	2021-005 - 93.044, 93.045, 93.053, 93.667	236	Aging Cluster: Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers (93.044)	Subrecipient monitoring	Corrective actions implemented
	2022-016 - 93.044, 93.045 & 93.053	262	Special Programs for the Aging – Title III, Parc C – Nutrition Services (93.045)		

THE CITY OF NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023

City Agency	Index #	Page	Program Name	Summary of Finding	Status
			Nutrition Services Incentive Program (93.053) Social Services Block Grant (93.667)		
New York City Department of Health and Mental Hygiene	2022-007 - 14.241	242	Housing Opportunities for Persons with AIDS	Reporting	Corrective actions implemented
New York City Department of Health and Mental Hygiene	2022-004 - 93.940	237	HIV Prevention Activities Health Department Based	Reporting	Corrective actions implemented
New York City Department of Health and Mental Hygiene	2022-005 - 93.940	239	HIV Prevention Activities Health Department Based	Subrecipient monitoring	Corrective actions implemented
New York City Department of Health and Mental Hygiene	2022-006 - 93.069	240	Public Health Emergency Preparedness	Level of effort	Corrective actions implemented
New York City Human Resources Administration	2022-011 - 14.239	250	HOME Investment Partnerships Program	Special Tests and Provisions	Corrective actions implemented
New York City Human Resources Administration	2022-012 - 14.239	253	HOME Investment Partnerships Program	Allowable costs and eligibility	Repeat: CAP in current year report; refer to index 2023-002 - 14.239
New York City Human Resources Administration	2022-003 - 14.231	236	Emergency Solutions Grants Program	Special Tests and Provisions	Repeat: CAP in current year report; refer to index 2023-003 - 14.231
New York City Human	2021-012 - 14.241 2022-013 - 14.241	251 256	Housing Opportunities for Persons with AIDS	Eligibility	Repeat: CAP in current year report;

THE CITY OF NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
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City Agency	Index #	Page	Program Name	Summary of Finding	Status
Resources Administration					refer to index 2023-005 - 14.241
New York City Human Resources Administration	2022-014 - 14.241	258	Housing Opportunities for Persons with AIDS	Special Tests and Provisions	Repeat: CAP in current year report; refer to index 2023-004 - 14.241
New York City Department of Housing Preservation and Development	2022-008 -14.239	243	HOME Investment Partnership Program	Special Tests and Provisions	Repeat: CAP in current year report; refer to index 2023-006 - 14.239
New York City Administration for Children's Services and New York City Human Resources Administration	2022-015- 93.575	260	Child Care and Development Block Grant	Allowable Costs and Eligibility	Repeat: CAP in current year report; refer to index 2023-013 - 93.575



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, 2023



THE CITY OF NEW YORK

March 29, 2024

To the New York State Department of Transportation:

With respect to the New York City Single Audit for the fiscal year ended June 30, 2023, 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 blue ink that reads "Man Hon Cheung".

Man Hon Cheung

Assistant Director

Mayor's Office of Management and Budget