

THE CITY OF NEW YORK

SINGLE AUDIT REPORT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2020

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:
Report on the financial statements

We have audited the accompanying 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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise The City's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audits. 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	
	2020	2019	2020	2019	2020	2019	2020	2019
Assets	7%	7%	100%	100%	43%	90%	12%	99%
Net Position (Deficit)/Fund Balance	(2)%	(2)%	100%	100%	100%	100%	11%	100%
Revenues	5%	5%	100%	100%	28%	49%	100%	100%

Those financial 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. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The financial statements of the Hudson Yards Development Corporation, Brooklyn Public Library, New York City School Construction Authority, New York City Housing Authority, New York City Housing Development Corporation, Queens Borough Public Library, Brooklyn Bridge Park Corporation, Fiscal Year 2005 Securitization Corporation, Governors Island Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Support Services, Inc., New York City Transitional Finance Authority, Sales Tax Asset Receivable Corporation, TSASC, Inc. and Brooklyn Navy Yard Development Corporation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to The City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above 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 of New York as of June 30, 2020 and 2019, 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.

Other matters

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 37, Schedule of Changes in the City's Net Pension Liability and Related Ratios for Single-Employer Pension Plans at June 30th on pages 147 and 148, Schedule of the City's Proportionate Share of the Net Pension Liabilities of Cost-Sharing Multiple-Employer Pension Plans at June 30th on page 149, Schedule of City Contributions for all Pension Plans for Fiscal Years Ended June 30th on page 150, and Schedule of the Net OPEB Liability at June 30th on page 153 be presented to supplement the basic financial statements. Such information, 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. This required supplementary information is the responsibility of management. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance

with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise The City's basic financial statements. The Consolidated Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State of New York Department of Transportation Assistance Awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and *Part 43 of the New York State Codification of Rules and Regulations* ("NYSCRR"), respectively are presented for purposes of additional analysis. These schedules and Exhibits 1 – 5 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 audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 auditing standards generally accepted in the United States of America. In our opinion, the 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 30, 2020, except for the consolidated schedule of expenditures of Federal awards, which is as of August 4, 2021, 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 30, 2020, except for the consolidated schedule of expenditures of Federal awards, which is as of August 4, 2021

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Overview of the Financial Statements

The following is a narrative overview and analysis of the financial activities of The City of New York (City or primary government) for the Fiscal Years ended June 30, 2020 and 2019. 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. While the VSFs are included with QPPs for financial reporting purposes, in accordance with the Administrative Code of The City of New York (ACNY), VSFs are not pension funds or retirement systems. Instead, 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 New York City Other Postemployment Benefits Plan (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 \$2.1 billion and \$2.7 billion to the OPEB Plan for Fiscal Years 2020 and 2019 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.

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:

- Fiscal Year 2005 Securitization Corporation (FSC)
- Hudson Yards Development Corporation (HYDC)
- Hudson Yards Infrastructure Corporation (HYIC)
- New York City Educational Construction Fund (ECF)
- New York City School Construction Authority (SCA)
- New York City School Support Services, Inc. (NYCSSS)
- New York City Transitional Finance Authority (TFA)
- Sales Tax Asset Receivable Corporation (STAR)
- 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 2017-A Trust
 - NYCTL 2018-A Trust
 - NYCTL 2019-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, are reported as governmental activities. Fiscal year 2019 beginning net position was restated by \$2.8 billion, which caused the ending net position to decrease by 1.4%. Additional information on the restatement can be found in Note A.2 of the Basic Financial Statements.

Governmental activities decreased the City's net position by \$3.9 billion during Fiscal Year 2020, \$4.1 billion during Fiscal Year 2019, and \$3.3 billion in Fiscal Year 2018. The total governmental activities net position for fiscal year 2020 resulted in a 1.9% decrease from the prior year.

The basic financial statements include a reconciliation between the Fiscal Year 2020 governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* to the *Statement of Activities*, which reports an increase of \$819.9 million for all governmental fund balances. A similar reconciliation is provided for Fiscal Year 2019.

For the City's business-type activities, total net position decreased to reach an ending balance of \$875.6 million, a 7.4% decrease from the prior year. The total Fiscal Year 2020 decrease in net position for business-type activities was \$65.1 million.

Key elements of these changes are as follows:

	Governmental Activities		
	2020	2019 (restated)	2018
Revenues:			
Program revenues:			
Charges for services	\$ 5,729,258	\$ 5,700,901	\$ 4,836,215
Operating grants and contributions . . .	25,692,929	23,804,810	23,465,237
Capital grants and contributions	681,694	822,561	551,804
General revenues:			
Taxes	62,314,994	61,705,028	58,477,389
Investment income	184,695	312,636	169,654
Other Federal and State aid	258,951	401,514	251,810
Gain on in-substance defeasance	—	—	730
Other	775,250	593,861	602,240
Total revenues	<u>95,637,771</u>	<u>93,341,311</u>	<u>88,355,079</u>
Expenses:			
General government	6,840,460	6,547,234	6,525,142
Public safety and judicial	19,768,697	21,347,661	19,465,581
Education	36,607,460	34,679,981	30,367,019
City University	1,275,426	1,318,594	1,261,467
Social Services.	16,690,111	16,923,646	16,143,790
Environmental protection	4,715,122	4,502,959	4,248,059
Transportation services.	2,763,111	3,221,709	2,788,532
Parks, recreation and cultural activities	1,257,151	1,428,692	1,339,580
Housing	2,597,792	3,069,371	2,765,381
Health (including payments to NYC			
Health + Hospitals).	3,474,850	3,601,500	3,317,969
Libraries	412,829	486,749	428,635
Debt service interest	3,154,438	3,159,364	3,035,387
Brooklyn Bridge Park	—	—	—
The Trust for Governor's Island	—	—	—
WTC Captive	—	—	—
New York City Tax Lien Trusts	—	—	—
Total expenses	<u>99,557,447</u>	<u>100,287,460</u>	<u>91,686,542</u>
Change in net position	(3,919,676)	(6,946,149)	(3,331,463)
Net position (deficit)—beginning	(201,916,160)	(197,767,704)	(194,436,241)
Restatement of beginning net position (deficit)	—	2,797,693	—
Net position (deficit)—ending	<u><u>\$(205,835,836)</u></u>	<u><u>\$(201,916,160)</u></u>	<u><u>\$(197,767,704)</u></u>

Changes in Net Position (in thousands)					
Business-type Activities			Total Primary Government		
2020	2019	2018	2020	2019 (restated)	2018
\$ 5,142	\$ 5,983	\$ 5,566	\$ 5,734,400	\$ 5,706,884	\$ 4,841,781
142,761	49,854	156,018	25,835,690	23,854,664	23,621,255
17,200	21,442	35,190	698,894	844,003	586,994
19,853	86,623	55,600	62,334,847	61,791,651	58,532,989
110,766	114,055	104,016	295,461	426,691	273,670
—	—	—	258,951	401,514	251,810
—	—	—	—	—	730
(11,794)	3,094	2,228	763,456	596,955	604,468
<u>283,928</u>	<u>281,051</u>	<u>358,618</u>	<u>95,921,699</u>	<u>93,622,362</u>	<u>88,713,697</u>
—	—	—	6,840,460	6,547,234	6,525,142
—	—	—	19,768,697	21,347,661	19,465,581
—	—	—	36,607,460	34,679,981	30,367,019
—	—	—	1,275,426	1,318,594	1,261,467
—	—	—	16,690,111	16,923,646	16,143,790
—	—	—	4,715,122	4,502,959	4,248,059
—	—	—	2,763,111	3,221,709	2,788,532
—	—	—	1,257,151	1,428,692	1,339,580
—	—	—	2,597,792	3,069,371	2,765,381
—	—	—	3,474,850	3,601,500	3,317,969
—	—	—	412,829	486,749	428,635
—	—	—	3,154,438	3,159,364	3,035,387
28,994	26,551	31,124	28,994	26,551	31,124
41,461	42,000	41,746	41,461	42,000	41,746
1,742	1,755	1,862	1,742	1,755	1,862
276,816	208,853	213,374	276,816	208,853	213,374
<u>349,013</u>	<u>279,159</u>	<u>288,106</u>	<u>99,906,460</u>	<u>100,566,619</u>	<u>91,974,648</u>
(65,085)	1,892	70,512	(3,984,761)	(6,944,257)	(3,260,951)
940,701	938,809	868,297	(200,975,459)	(196,828,895)	(193,567,944)
—	—	—	—	2,797,693	—
<u>\$ 875,616</u>	<u>\$ 940,701</u>	<u>\$ 938,809</u>	<u>\$(204,960,220)</u>	<u>\$(200,975,459)</u>	<u>\$(196,828,895)</u>

In Fiscal Year 2020, the government-wide revenues increased from Fiscal Year 2019 by approximately \$2.3 billion and government-wide expenses decreased by approximately \$730 million.

The major components of the government-wide revenue increases were:

- Tax revenues, net of refunds, increased slightly overall as a result of the following:
 - The increase in real estate taxes resulted from growth in billable assessed value during the fiscal year.
 - Personal income taxes only increased slightly, reflecting the impact of the COVID-19 pandemic on wages, though the impact was limited to one quarter.
- The decreases in tax revenues were a result of the following:
 - The decrease in sales and use taxes was driven primarily by a decrease in general sales due to the substantial impact of COVID-19 on taxable sales, including the retail and service sectors, beginning in Q3 of Fiscal Year 2020. Tourist spending declined significantly during the onset of COVID-19. Additionally, mortgage taxes decreased due to lower residential and commercial sales activity.
 - For all other taxes, the decrease in conveyance of real property taxes was due to lower residential and commercial sales activity. The decrease in hotel room occupancy taxes resulted from a decline in tax payments due to the impact of the COVID-19 pandemic. The decreases were slightly offset by an increase in Payment in Lieu of Taxes, resulting from a \$250 million payment from Hudson Yards Infrastructure Corporation.
- Operating grants and contributions increased due to funding from the Federal Emergency Management Agency and the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) for the City’s COVID-19 response and relief efforts.

The major components of the changes in government-wide expenses were:

- Education expenses increased due to collective bargaining increases, fringe benefits, growth in mandated costs for special education pupils, increased charter school costs, and the transfer of the EarlyLearn program from the Administration for Children’s Services to the Department of Education.
- General government expenses increased due to an increase in Department of Citywide Administrative Services spending for testing sites, field hospitals, and procurement of medical and non-medical supplies in response to the COVID-19 pandemic. Department of Small Business Services expenditures increased resulting from the implementation of new City programs to address the pandemic. Department of Youth and Community Development expenses increased due to funding of the NYC Census and significant expansion of programs, including Summer Youth Employment, Runaway Homeless Youth, and School’s Out New York City (“SONYC”) Afterschool.
- Environmental protection expenses increased due to an increase in Department of Sanitation expenditures resulting from COVID-19 emergency food programs that the Department was tasked with operating.
- Transportation services expenses decreased due to a decrease in the City’s contribution to the Metropolitan Transportation Authority (“MTA”), as a result of Federal funding from the CARES Act and lower transit ridership resulting from the COVID-19 pandemic. Additionally, the City made one-time payments to the MTA in Fiscal Year 2019 for the Subway Action Plan. These payments were not required to be made in Fiscal Year 2020.
- Housing expenses decreased due to decreased expenditures in the Department of Housing Preservation & Development as a result of Citywide efforts to prioritize spending to respond to the COVID-19 pandemic.

In Fiscal Year 2019, the government-wide revenues increased from Fiscal Year 2018 by approximately \$5.0 billion and government-wide expenses increased by approximately \$8.6 billion. The major components of the government-wide revenue increases were:

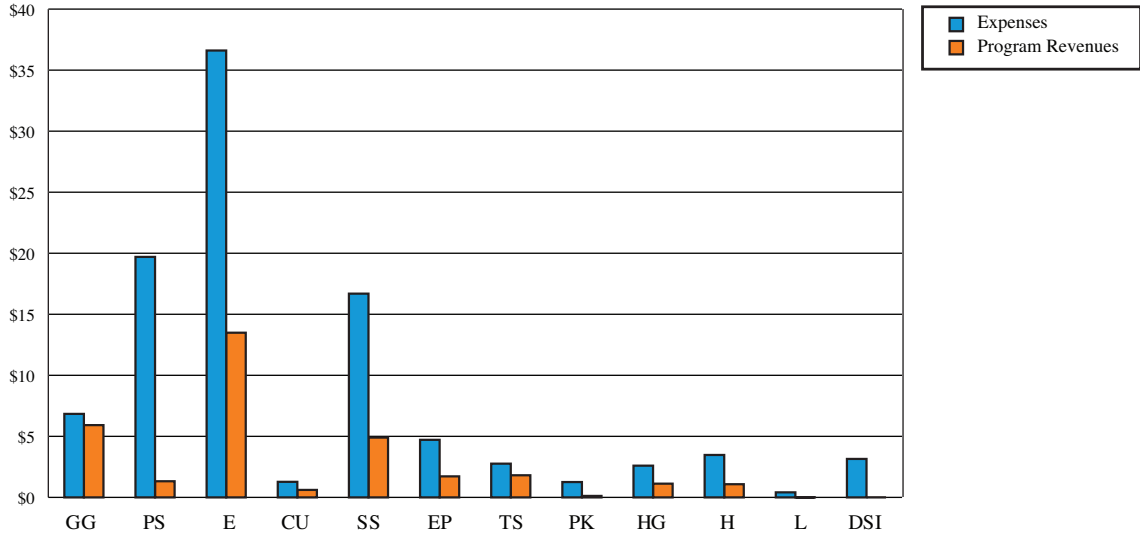
- Tax revenues, net of refunds, increased overall, as a result of the following:
 - The increase in real estate taxes resulted from growth in billable assessed value during the fiscal year.
 - The increase in sales and use taxes was driven primarily by an increase in consumer spending due to higher wages, robust labor market, healthy visitor spending, increase in the number of commercial motor vehicles registered, robust mortgage financing activity in the commercial real estate market, and stable financing activity in the residential real estate market. This was offset by a decrease in cigarette taxes resulting from a decline in the number of packs sold.
 - The increase in income taxes was driven primarily by increases in general corporation taxes due to Fiscal Year 2019 estimated tax payments on tax year 2018 liability not reduced by excessive overpayments on accounts and higher Wall Street profitability. This was offset largely by a decrease in financial corporation taxes due to a decline in audit revenues and increase in refunds. Unincorporated business income taxes decreased due to one time payments in Fiscal Year 2018 resulting from tax law changes that were not repeated in Fiscal Year 2019.
 - For all other taxes, increase in Payment in Lieu of Taxes (PILOT) was due to a new stream of PILOT payments from Hudson Yards Infrastructure Corporation. Hotel room occupancy taxes increased due to increased tourism. Commercial rent taxes increased due to a strong commercial office market with declining vacancy rates and increasing asking rents in Manhattan. Conveyance of real property taxes increased due to strong commercial activity. This was offset by refunds for tax overpayments in commercial rent tax, non-resident personal income taxes, and transaction taxes.
- Charges for services increase was primarily due to NYC Health + Hospitals reimbursements and the receipt of restitutions resulting from bank investigation cases led by the District Attorney for New York.

The major components of the changes in government-wide expenses were:

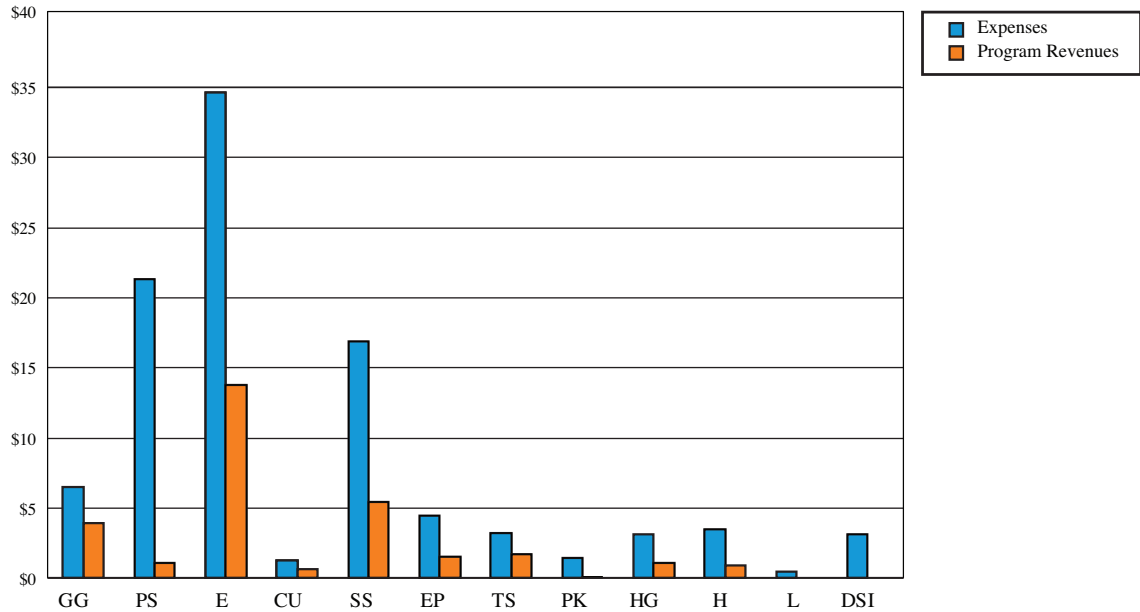
- Public safety and judicial expenses increased due to an increase in Police Department expenses related to the Body Worn Camera program, training initiatives, upgrades to critical technology application, computer equipment and software for daily operations, and collective bargaining adjustments.
- Education expenses increased due to collective bargaining increases, fringe benefits, growth in mandated costs for special education pupils, increased charter school costs, and expansion of early childhood programs.
- Social services expenses increased due to an increase in Administration for Children's Services expenses resulting from hiring of frontline staff, and new investments in child welfare to support recent reform efforts and juvenile justice due to Raise the Age, legislation passed by New York State which raised the age of criminal responsibility to 18 years of age. Department of Social Services expenses increased due to the implementation of Fair Fares, rental assistance programs, anti-eviction legal services, and Medicaid.
- Transportation services expenses increased due to an increase in Department of Transportation expenses resulting from increases in full-time position salary expenditures for the sidewalk and pedestrian ramp programs, heat, light, power spending, and maintenance and operation cost of infrastructure. Transit Authority expenses increased due to City contributions to the MTA's Subway Action Plan and City funding for other capital projects.
- Housing expenses increased due to increased expenditures in the Department of Housing Preservation & Development as a result of affordable housing production under Housing New York 2.0 and large acquisitions to promote the development of permanent supportive housing.
- Health expenses increased due to increases in expenses for City-funded programs and collective bargaining funding for NYC Health + Hospitals. Additionally, Department of Health and Mental Hygiene expenses increased due to new investments in environment health, substance misuse, and emergency preparedness. There was also more spending in other areas, including family and child health, disease control, and epidemiology.
- Libraries expenses increased due to higher operating subsidies to support the continuation of library services and operating expenses, including costs associated with capital ineligible repairs and upkeep.

The following charts compare the amounts of expenses and program revenues for Fiscal Years 2020 and 2019:

**Expenses and Program Revenues — Governmental Activities
for the Fiscal Year ended June 30, 2020
(in billions)**



**Expenses and Program Revenues — Governmental Activities
for the Fiscal Year ended June 30, 2019
(in billions)**

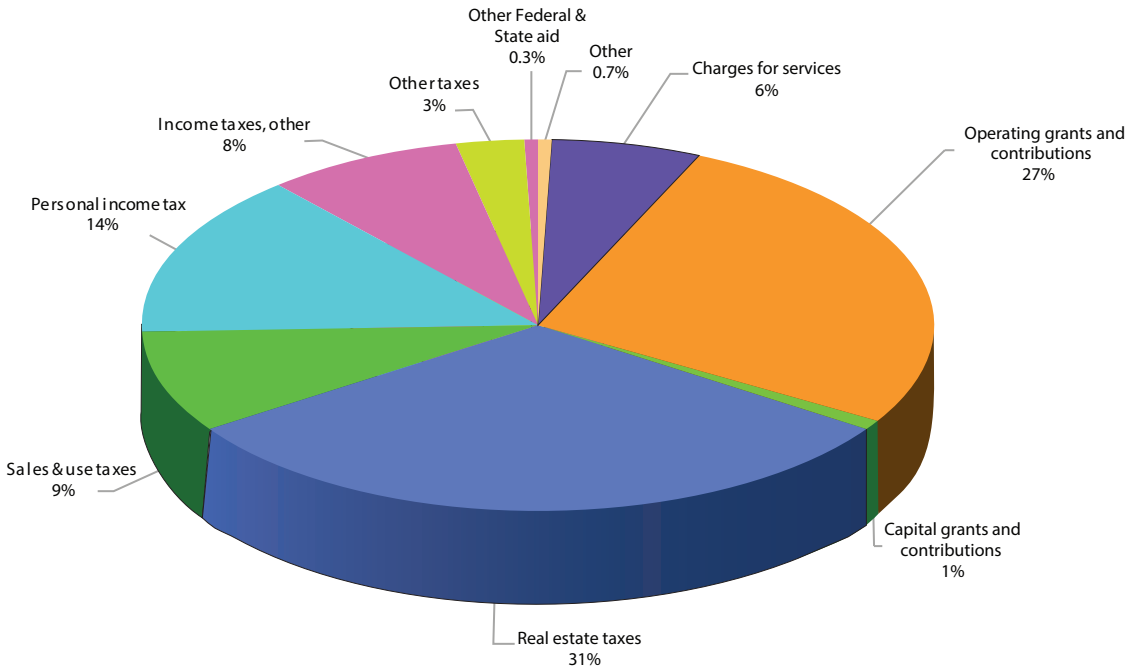


Functions/Programs

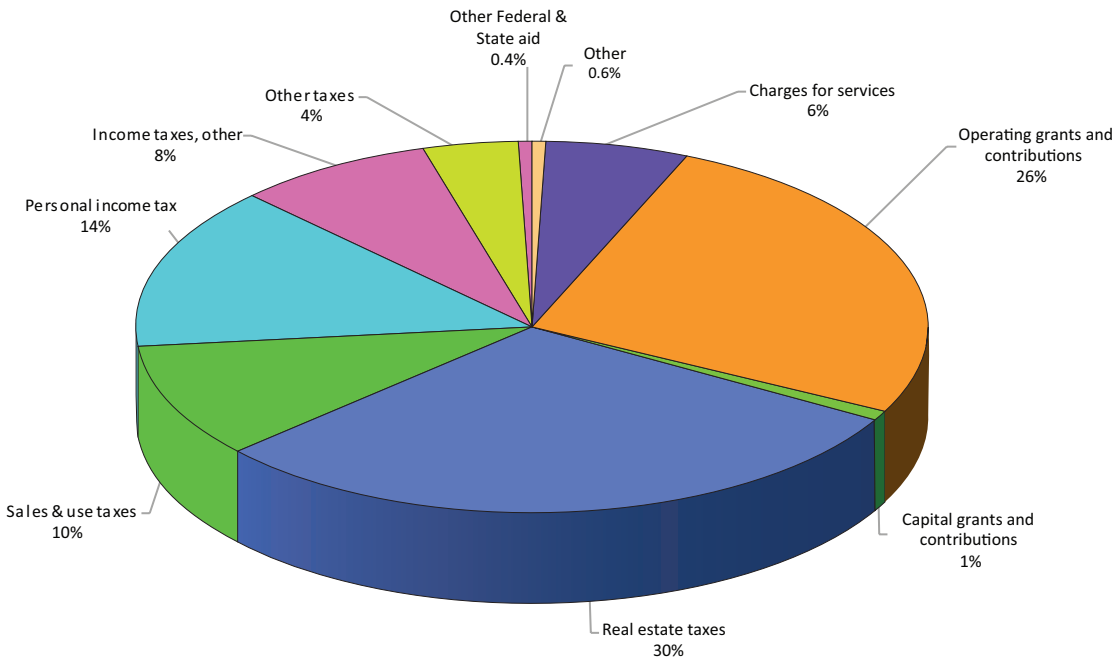
- GG General government
- PS Public safety and judicial
- E Education (Primary and Secondary)
- CU City University
- SS Social services
- EP Environmental protection
- TS Transportation services
- PK Parks, recreation, and cultural activities
- HG Housing
- H Health, including payments to NYC
Health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

The following charts compare the amounts of program and general revenues for Fiscal Years 2020 and 2019:

**Revenues by Source — Governmental Activities
for the Fiscal Year ended June 30, 2020**



**Revenues by Source — Governmental Activities
for the Fiscal Year ended June 30, 2019**



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 2020, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$205.8 billion, an increase in the net deficit of \$3.9 billion from June 30, 2019, which in turn compares with an increase to the net deficit of \$4.1 billion over the prior Fiscal Year 2018.

The increase in total assets is due to an increase of receivables of federal aid related to the City's response to the COVID-19 Pandemic. The annual increase or decrease to long term liabilities is due to the net effect of its current year additions and current year deletions. For fiscal year 2020 the current year deletions was much smaller than the deletions of years past, causing the net effect to appear as a larger than historical net addition for the year. For additional information regarding the change in assumptions, see Note E.4 of the basic financials.

See table below for further details.

	Governmental Activities		
	2020	2019 (restated)	2018
Current and other assets	\$ 51,574,029	\$ 47,184,974	\$ 43,448,131
Capital assets (net of depreciation)	62,901,585	60,840,037	59,424,522
Total assets	<u>114,475,614</u>	<u>108,025,011</u>	<u>102,872,653</u>
Deferred outflows of resources	15,897,383	14,746,877	6,948,324
Long-term liabilities outstanding	274,256,331	264,539,972	257,587,442
Other liabilities	30,575,133	26,916,540	23,828,723
Total liabilities	<u>304,831,464</u>	<u>291,456,512</u>	<u>281,416,165</u>
Deferred inflows of resources	31,377,369	33,231,536	26,172,516
Net position:			
Net investment in capital assets	(13,577,571)	(13,872,508)	(13,501,564)
Restricted	5,278,271	5,554,796	2,942,744
Unrestricted (deficit)	<u>(197,536,536)</u>	<u>(193,598,448)</u>	<u>(187,208,884)</u>
Total net position (deficit)	<u><u>\$(205,835,836)</u></u>	<u><u>\$(201,916,160)</u></u>	<u><u>\$(197,767,704)</u></u>

Net Position (in thousands)					
Business-Type Activities			Total Primary Government		
2020	2019	2018	2020	2019 (restated)	2018
\$ 778,125	\$ 814,861	\$ 809,434	\$ 52,352,154	\$ 47,999,835	\$ 44,257,565
566,584	565,626	572,240	63,468,169	61,405,663	59,996,762
<u>1,344,709</u>	<u>1,380,487</u>	<u>1,381,674</u>	<u>115,820,323</u>	<u>109,405,498</u>	<u>104,254,327</u>
—	—	—	15,897,383	14,746,877	6,948,324
436,557	402,010	399,186	274,692,888	264,941,982	257,986,628
32,536	37,776	43,679	30,607,669	26,954,316	23,872,402
<u>469,093</u>	<u>439,786</u>	<u>442,865</u>	<u>305,300,557</u>	<u>291,896,298</u>	<u>281,859,030</u>
—	—	—	31,377,369	33,231,536	26,172,516
566,584	563,108	568,430	(13,010,987)	(13,309,400)	(12,933,134)
311,295	377,593	370,379	5,589,566	5,932,389	3,313,123
(2,263)	—	—	(197,538,799)	(193,598,448)	(187,208,884)
<u>\$ 875,616</u>	<u>\$ 940,701</u>	<u>\$ 938,809</u>	<u>\$(204,960,220)</u>	<u>\$(200,975,459)</u>	<u>\$(196,828,895)</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, 2020 and 2019:

	<u>Components of Net Position (Deficit)</u>	
	<u>2020</u>	<u>2019 (restated)</u>
	(in billions)	
Net Position Invested in Capital Assets		
Some City-owned assets have a depreciable life used for financial reporting that is different from the period over which the related debt principal is being repaid. Schools and related education assets depreciate more quickly than their related debt is paid, and they comprise one of the largest components of this difference	\$ (13.6)	\$ (13.9)
Net Position Restricted for:		
Capital Projects	0.5	0.7
Debt Service	2.0	2.1
Operations	<u>2.8</u>	<u>2.8</u>
Total restricted net position	<u>5.3</u>	<u>5.6</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	(0.4)	(0.6)
STAR issued debt related to the defeasance of the MAC issued debt	(1.6)	(1.7)
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 TA, 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	(40.3)	(38.0)
Certain long-term obligations do not require funding in the current period:		
Net OPEB liability	(109.5)	(107.8)
Judgments and claims	(7.1)	(6.9)
Vacation and sick leave	(5.7)	(5.1)
Net Pension liability	(46.4)	(43.3)
Landfill closure and postclosure care costs	(1.2)	(1.3)
Deferred outflows of resources	15.9	14.7
Other:	<u>(1.2)</u>	<u>(3.6)</u>
Total unrestricted net position	<u>(197.5)</u>	<u>(193.6)</u>
Total net position (deficit)	<u>\$(205.8)</u>	<u>\$(201.9)</u>

The following table provides Fiscal Year ended June 30, 2020, pension statistics by pension system as of the dates of the most recent actuarial valuations:

	Summary of City Pension Information Fiscal Year 2020					
	<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 6/30/19	219,253	225,431	57,743	89,265	27,967	619,659
			(in billions, except %)			
Total Pension Liability (TPL)	\$ 50.9	\$ 72.9	\$ 5.5	\$ 57.3	\$ 24.1	\$ 210.7
Less Plan Fiduciary Net Position (PFNP)	39.1	57.6	5.2	46.5	15.9	164.3
Net Pension Liability (NPL)	<u>\$ 11.8</u>	<u>\$ 15.3</u>	<u>\$ 0.3</u>	<u>\$ 10.8</u>	<u>\$ 8.2</u>	<u>\$ 46.4</u>
PFNP as a % of TPL***	76.8%	79.0%	94.5%	81.2%	65.9%	77.9%
Pension Expense	\$ 1.7	\$ 2.4	\$ 0.1	\$ 1.6	\$ 1.3	\$ 7.1

* Includes QPP and VSFs

** QPP only

*** Calculated based on whole dollar unrounded amounts.

The following table provides Fiscal Year ended June 30, 2019 pension statistics by pension system as of the dates of the most recent actuarial valuations:

	Summary of City Pension Information Fiscal Year 2019					
	<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 6/30/18	214,430	226,111	51,829	89,117	27,933	609,420
			(in billions, except %)			
Total Pension Liability (TPL)	\$ 48.2	\$ 71.3	\$ 5.3	\$ 55.0	\$ 23.3	\$ 203.1
Less Plan Fiduciary Net Position (PFNP)	38.0	56.4	5.0	45.2	15.2	159.8
Net Pension Liability (NPL)	<u>\$ 10.2</u>	<u>\$ 14.9</u>	<u>\$ 0.3</u>	<u>\$ 9.8</u>	<u>\$ 8.1</u>	<u>\$ 43.3</u>
PFNP as a % of TPL***	79.0%	79.1%	94.3%	82.2%	65.2%	78.7%
Pension Expense	\$ 1.7	\$ 3.5	\$ 0.1	\$ 1.7	\$ 1.1	\$ 8.1

* 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, 2018 ..	\$ 483,133	\$ (2,284,741)	\$ 1,922,291	\$ 5,297,421	\$ —	\$ 5,418,104
Revenues	91,343,801	2,383,168	88,332	4,777,961	(3,551,465)	95,041,797
Expenditures	(84,758,165)	(10,848,283)	(3,775,951)	(9,774,271)	3,107,601	(106,049,069)
Other financing sources (uses)	(6,580,553)	7,030,932	3,492,419	4,593,342	443,864	8,980,004
Restatement of beginning net position ..	2,797,693	—	—	—	—	2,797,693
Fund Balances (deficit), June 30, 2019 ..	<u>3,285,909</u>	<u>(3,718,924)</u>	<u>1,727,091</u>	<u>4,894,453</u>	<u>—</u>	<u>6,188,529</u>
Revenue	94,618,150	2,525,366	83,617	4,951,084	(3,942,597)	98,235,620
Expenditures	(87,849,439)	(9,773,792)	(3,922,310)	(8,163,818)	3,430,611	(106,278,748)
Other financing sources (uses)	(6,809,519)	8,452,518	3,389,084	3,318,961	511,986	8,863,030
Fund Balances (deficit), June 30, 2020 ..	<u>\$ 3,245,101</u>	<u>\$ (2,514,832)</u>	<u>\$ 1,277,482</u>	<u>\$ 5,000,680</u>	<u>\$ —</u>	<u>\$ 7,008,431</u>

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

If the City anticipates that the General Fund will have an operating surplus, the City will make discretionary transfers to the General Debt Service Fund and other payments that reduce the amount of the General Fund surplus for financial reporting purposes and reduce the need for expenditures in the succeeding fiscal year or years. The General Fund had an operating surplus of \$3.8 billion and \$4.2 billion before these expenditures and transfers (discretionary and other) for Fiscal Years 2020 and 2019, respectively. After these certain expenditures and transfers, the General Fund reported an operating surplus of \$5 million, not including restricted fund activities. Additional information on the exclusion of restricted fund activities can be found in Note A.20 of the Basis 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, 2020 can be attributed principally to transfers (discretionary transfer and other) from the General Fund totaling \$1.3 billion in Fiscal Year 2020 for Fiscal Year 2021 debt service. Similar transfers in Fiscal Year 2019 of \$1.7 billion for Fiscal Year 2020 debt service also primarily account for the General Debt Service Fund balance at June 30, 2019.

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, 2020 and 2019 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 2020 General Fund expenditures include approximately \$137.2 million of pollution remediation expenditures associated with projects which were originally included in the City’s capital program. The City also reported \$136.1 million of City bond proceeds and \$1.1 million of other revenues (New York City Municipal Water Finance Authority bond proceeds transferred to the City) supporting the \$137.2 million of pollution remediation expenditures in the General Fund for Fiscal Year 2020. In Fiscal Year 2019, \$140.3 million of City bond proceeds and \$6.2 million of other revenues supported the \$146.5 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.

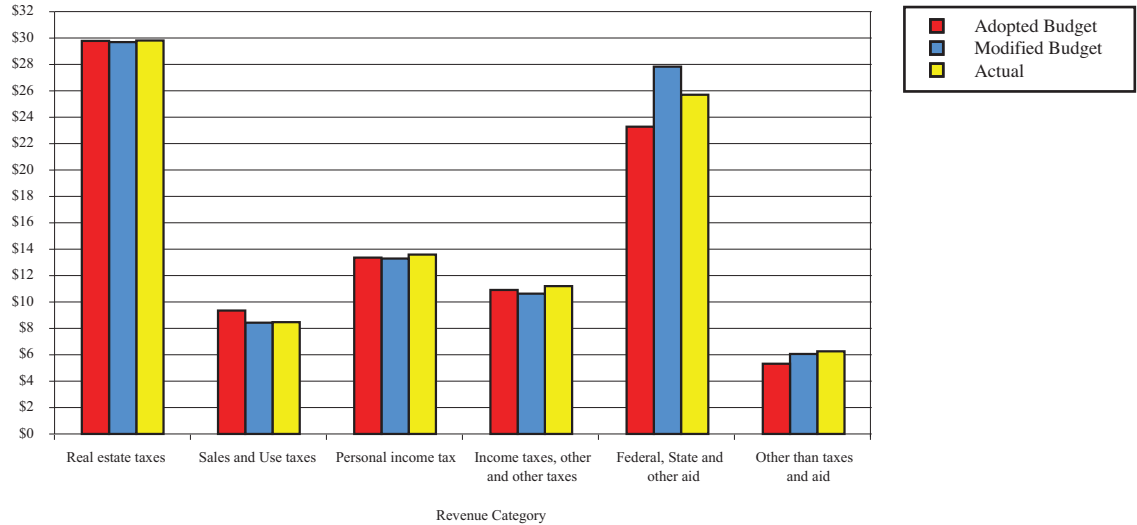
Although amounts were not established in the Adopted Budget, a modification to the budget was made to accommodate the amount of pollution remediation expenditure charge in the General Fund. These pollution remediation expenditures were incurred by various agencies, as follows:

	General Fund Pollution Remediation Expenditures	
	2020	2019
	(in thousands)	
General government	\$ 11,013	\$ 25,755
Public safety and judicial	3,314	3,606
Education	96,001	86,627
Social services	303	119
Environmental protection	9,840	14,982
Transportation services	13,195	8,317
Parks, recreation, and cultural activities	1,343	4,248
Housing	230	2,320
Health, including NYC Health + Hospitals	1,109	203
Libraries	806	319
Total expenditures	<u>\$ 137,154</u>	<u>\$ 146,496</u>

**General Fund Budgetary
Highlights Revenues**

The following charts and tables summarize actual revenues by category and includes restricted fund activities, for Fiscal Years 2020 and 2019 and compare revenues with each fiscal year's Adopted Budget and Modified Budget. Additional information on the inclusion of restricted fund activities can be found in Note A.2 of the Basic Financial Statements.

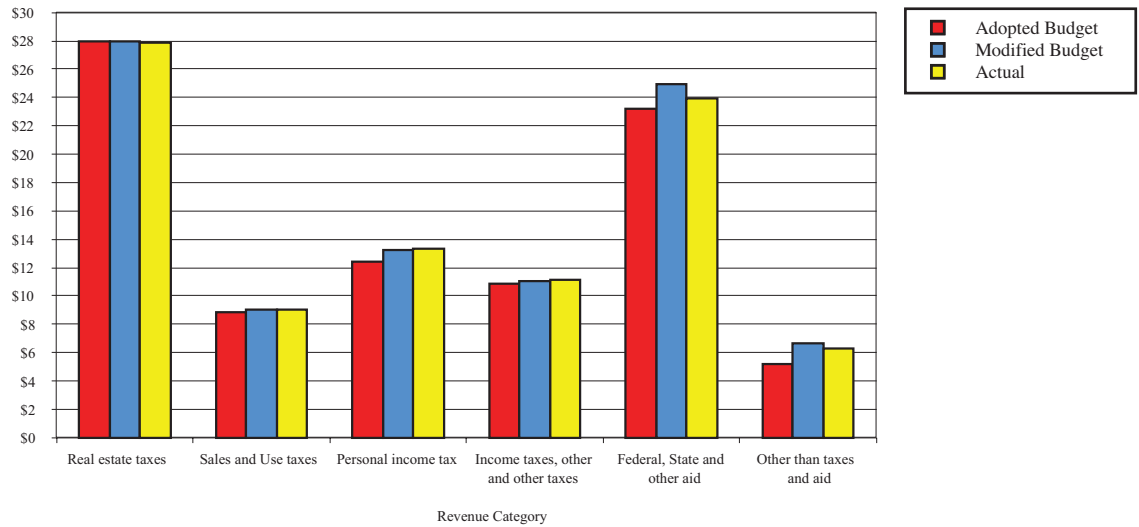
**General Fund Revenues
Fiscal Year 2020
(in billions)**



**General Fund Revenues
Fiscal Year 2020**

	<u>Adopted Budget</u>	<u>Modified Budget</u> (in millions)	<u>Actual</u>
Taxes (net of refunds):			
Real estate taxes	\$29,785	\$29,696	\$29,816
Sales and use taxes	9,359	8,439	8,478
Personal income tax	13,367	13,300	13,591
Other income taxes	6,432	7,359	7,862
Other taxes	4,478	3,277	3,343
Taxes (net of refunds)	<u>63,421</u>	<u>62,071</u>	<u>63,090</u>
Federal, State and other aid:			
Categorical	23,286	27,585	25,693
Unrestricted	—	253	11
Federal, State and other aid	<u>23,286</u>	<u>27,838</u>	<u>25,704</u>
Other than taxes and aid:			
Charges for services	2,789	2,924	2,855
Other revenues	2,226	2,692	2,296
Restricted fund activity	—	—	673
Bond proceeds	—	136	136
Transfers from Nonmajor Debt Service Fund	236	234	226
Transfers from General Debt Service Fund	78	78	78
Other than taxes and aid	<u>5,329</u>	<u>6,064</u>	<u>6,264</u>
Total revenues	<u>\$92,036</u>	<u>\$95,973</u>	<u>\$95,058</u>

**General Fund Revenues
Fiscal Year 2019
(in billions)**



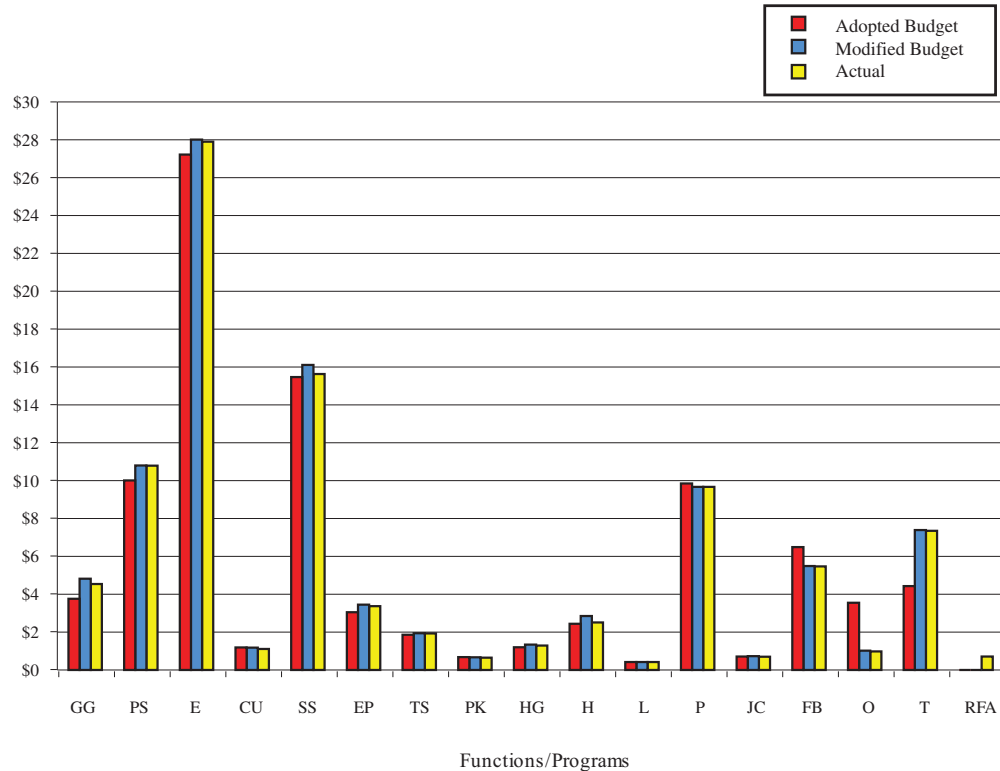
**General Fund Revenues
Fiscal Year 2019**

	<u>Adopted Budget</u>	<u>Modified Budget</u> (in millions)	<u>Actual</u>
Taxes (net of refunds):			
Real estate taxes	\$27,974	\$27,926	\$ 27,885
Sales and use taxes	8,829	9,074	9,083
Personal income tax	12,378	13,261	13,377
Other income taxes	6,411	7,416	7,416
Other taxes	4,484	3,647	3,733
Taxes (net of refunds)	<u>60,076</u>	<u>61,324</u>	<u>61,494</u>
Federal, State and other aid:			
Categorical	23,238	24,728	23,804
Unrestricted	—	201	151
Federal, State and other aid.	<u>23,238</u>	<u>24,929</u>	<u>23,955</u>
Other than taxes and aid:			
Charges for services	2,711	2,748	2,801
Other revenues	2,144	3,445	3,094
Bond proceeds	—	140	140
Transfers from Nonmajor Debt Service Fund.	227	219	219
Transfers from General Debt Service Fund.	80	81	81
Other than taxes and aid	<u>5,162</u>	<u>6,633</u>	<u>6,335</u>
Total revenues	<u>\$88,476</u>	<u>\$92,886</u>	<u>\$91,784</u>

**General Fund Budgetary
Highlights Expenditures**

The following charts and tables summarize actual expenditures by function/program and includes restricted fund activities for Fiscal Years 2020 and 2019, and compare expenditures with each fiscal year's Adopted Budget and Modified Budget. Additional information on the inclusion of restricted fund activities can be found in Note A.2, of the Basic Financial Statements.

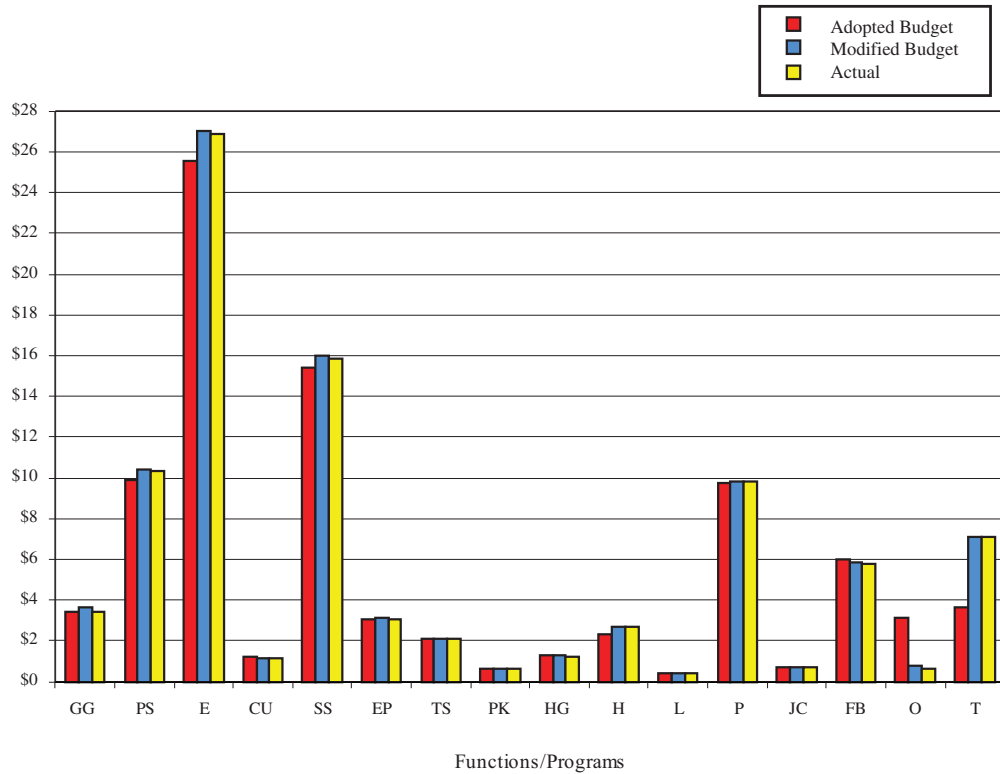
**General Fund Expenditures
Fiscal Year 2020
(in billions)**



**General Fund Expenditures
Fiscal Year 2020**

	Adopted Budget	Modified Budget	Actual
		(in millions)	
General government (GG)	\$ 3,762	\$ 4,829	\$ 4,542
Public safety and judicial (PS)	10,010	10,805	10,791
Education (E)	27,222	28,015	27,903
City university (CU)	1,191	1,184	1,117
Social services (SS)	15,474	16,114	15,631
Environmental protection (EP)	3,057	3,456	3,380
Transportation services (TS)	1,862	1,950	1,932
Parks, recreation and cultural activities (PK)	684	671	658
Housing (HG)	1,204	1,342	1,291
Health, including NYC Health + Hospitals (H)	2,441	2,858	2,520
Libraries (L)	424	427	427
Pensions (P)	9,851	9,674	9,671
Judgments and claims (JC)	712	733	709
Fringe benefits and other benefit payments (FB)	6,554	5,492	5,476
Other (O)	3,552	1,028	982
Transfers and other payments for debt service (T)	4,036	7,395	7,350
Restricted fund activity (RFA)	—	—	719
Total expenditures.	\$92,036	\$95,973	\$95,099

**General Fund Expenditures
Fiscal Year 2019
(in billions)**



**General Fund Expenditures
Fiscal Year 2019**

	<u>Adopted Budget</u>	<u>Modified Budget</u> (in millions)	<u>Actual</u>
General government (GG)	\$ 3,389	\$ 3,680	\$ 3,436
Public safety and judicial (PS)	9,901	10,404	10,358
Education (E)	25,583	27,017	26,905
City university (CU)	1,184	1,174	1,114
Social services (SS)	15,421	15,977	15,833
Environmental protection (EP)	3,046	3,128	3,088
Transportation services (TS)	2,068	2,122	2,068
Parks, recreation and cultural activities (PK)	628	658	646
Housing (HG)	1,324	1,313	1,230
Health, including NYC Health + Hospitals (H)	2,302	2,713	2,656
Libraries (L)	388	399	398
Pensions (P)	9,739	9,833	9,829
Judgments and claims (JC)	697	706	706
Fringe benefits and other benefit payments (FB)	6,001	5,861	5,743
Other (O)	3,150	776	651
Transfers and other payments for debt service (T)	3,655	7,126	7,118
Total expenditures	<u><u>\$88,476</u></u>	<u><u>\$92,887</u></u>	<u><u>\$91,779</u></u>

General Fund Surplus

The City had General Fund surpluses of \$3.8 billion, \$4.2 billion and \$4.6 billion before certain expenditures and transfers (discretionary and other), and without regard to the restricted fund balance for Fiscal Years 2020, 2019 and 2018, respectively. For the Fiscal Years 2020, 2019 and 2018, 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 2020, 2019 and 2018 budgets follow:

	General Fund*		
	<u>2020</u>	<u>2019</u>	<u>2018</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.	\$ 176	\$ 172	\$ 276
Discretionary transfers to the General Debt Service Fund	1,093	1,530	1,626
Grant to TFA	2,550	2,319	2,174
Advance cash subsidies to the NYC Health + Hospitals	—	200	200
Payment to the Retiree Health Benefits Trust	—	—	300
Total expenditures and transfers (discretionary and other)	3,819	4,221	4,576
Reported surplus	<u>5</u>	<u>5</u>	<u>5</u>
Total surplus	<u>\$3,824</u>	<u>\$4,226</u>	<u>\$4,581</u>

* The calculation of the General Fund surplus excludes restricted fund activities. 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 2020 Adopted Budget:

	<u>2020</u> (in millions)
Additional Resources:	
Higher than expected Federal categorical aid	\$ 2,353
Lower than expected health insurance costs (including lower transfer into the Retiree Health Benefits Trust)	1,197
Reallocation of general reserve	1,150
Greater than expected all other miscellaneous revenues	836
Lower than expected all other administrative costs	798
Higher than expected general corporation tax collections	770
Lower than expected all other personal services costs	605
Lower than expected debt service costs (net of prepayment)	431
Greater than expected personal income tax collections	190
Lower than expected public assistance spending	190
Lower than expected pension costs	179
Lower than expected energy costs	146
Higher than expected pollution remediation bond proceeds	136
Higher than expected revenue from water and sewer charges	99
Higher than expected all other tax collections	76
Higher than expected revenue from fines and forfeitures	64
Higher than expected commercial rent tax collections	51
Restricted Fund Activity adjustment*	46
Higher than expected non-governmental grants	42
Higher than expected real estate tax collections	31
Greater than expected housing revenues	31
Higher than expected mortgage tax collections	16
Higher than expected unrestricted aid	11
Lower than expected provisions for disallowance reserve	10
Lower than expected judgments & claims costs	4
Total	<u>9,462</u>
Enabled the City to provide for:	
Prepayments for certain debt service due in Fiscal Year 2021	3,819
Greater than expected contractual services costs	1,139
Lower than expected sales tax collections	906
Greater than expected all other fixed and miscellaneous charges	884
Higher than expected supplies and materials costs	517
Higher than expected overtime spending	483
Higher than expected Medicaid costs	371
Lower than expected real property transfer tax collections	352
Lower than expected unincorporated business tax collections	157
Higher than expected pollution remediation costs	137
Higher than expected all other social services costs (excluding Medicaid and public assistance)	129
Higher than budgeted payments to NYCHA	110
Lower than expected interest income	98
Lower than expected Capital Fund reimbursements for Interfund Agreements associated with underspending	85
Higher than expected property and equipment costs	68
Lower than expected revenue from general government charges	67
Lower than expected revenue from licenses, permits and privileges	59
Lower than expected banking corporation tax collections	51
Greater than expected payments to NYC Health + Hospitals	21
Lower than expected State categorical aid	4
Total	<u>9,457</u>
Reported Surplus – Net of Restricted Fund Activities	<u>\$ 5</u>

* Additional information on the Restricted Fund activity adjustment can be found in Note A.20 of the Basic Financial Statements.

The following table shows the variance between actuals and amounts for the Fiscal Year ended 2019 Adopted Budget:

	<u>2019</u>
	(in millions)
Additional Resources:	
Reallocation of general reserve	\$1,125
Higher than expected personal income tax collections	973
Higher than expected general corporation tax collections	698
Lower than expected all other administrative costs	615
Lower than expected debt service costs (net of Fiscal Year 2020 prepayment)	502
Higher than expected all other miscellaneous revenues	470
Lower than expected health insurance costs	461
Greater than expected non-governmental grants	320
Lower than expected supplies and materials costs (excluding fuel)	257
Greater than expected revenues from fines and forfeitures	165
Higher than expected mortgage tax collections	159
Higher than expected asset sales	156
Higher than expected unrestricted aid	150
Pollution remediation bond proceeds	140
Lower than expected provisions for disallowance reserve	128
Greater than expected Federal categorical aid	127
Greater than expected revenues from licenses, permits and privileges	113
Higher than expected commercial rent tax collections	106
Higher than expected real property transfer tax collections	98
Higher than expected all other tax collections	71
Lower than expected public assistance spending	66
Higher than expected sales tax collections	54
Higher than expected interest income	36
Greater than expected housing revenues	28
Greater than expected revenues from general government charges	26
Greater than expected rental revenues	19
Greater than expected revenues from water and sewer charges	18
Lower than expected energy costs	8
Total	<u>7,089</u>
Enabled the City to provide for:	
Prepayments for certain debt service and subsidies due in Fiscal Year 2020 . .	4,221
Greater than expected contractual services costs	562
Greater than expected overtime costs	428
Lower than expected banking corporation tax collections	435
Lower than expected unincorporated business tax collections	216
Higher than expected all other fixed and miscellaneous charges	216
Higher than expected Medicaid costs	168
Pollution remediation costs	147
Higher than expected payments to NYC Health + Hospitals (net of prepayment)	117
Greater than expected other social services costs (excluding Medicaid and public assistance)	103
Additional contribution to the Retiree Health Benefits Trust	100
Lower than expected real estate tax collections	89
Greater than expected pensions costs	89
Greater than expected property and equipment costs	64
Higher than budgeted payments to the NYCHA	40
Lower than expected Capital Fund reimbursements for Interfund Agreements associated with underspending	30
Higher than expected all other personal services costs	26
Greater than expected payments to libraries	19
Greater than expected judgments & claims costs	8
Lower than expected State categorical aid	6
Total	<u>7,084</u>
Reported Surplus	<u>\$ 5</u>

Capital Assets

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

Governmental Activities

	<u>2020</u>	<u>2019</u>	<u>2018</u>
		(in millions)	
Land*	\$ 2,435	\$ 2,391	\$ 2,251
Buildings	36,723	36,321	36,031
Equipment (including software)	3,380	3,250	2,993
Infrastructure**	16,602	15,678	14,798
Construction work-in-progress*	3,761	3,200	3,352
Total	<u>\$62,901</u>	<u>\$60,840</u>	<u>\$59,425</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 2020 was \$2.06 billion, a 3.4% increase. Capital assets additions in Fiscal Year 2020 were \$9.24 billion, a decrease of \$1.2 billion from Fiscal Year 2019.

In 2020, construction work-in-progress was \$3.76 billion, representing a 17.5% net increase. The 2020 addition to work-in-progress was \$3.36 billion, a 2.3% decrease from prior year. In 2020 building additions (work-in-progress deletions) were \$2.8 billion, representing a 22.1% decrease from Fiscal Year 2019.

The net increase in the City’s governmental activities capital assets during Fiscal Year 2019 was \$1.42 billion, a 2.4% increase. Capital assets additions in Fiscal Year 2019 were \$10.43 billion, an increase of \$1.18 billion from Fiscal Year 2018.

In 2019, construction work-in-progress was \$3.20 billion, representing a 4.5% net decrease. The 2019 addition to work-in-progress was \$3.44 billion, a 15% increase from prior year. In 2019 building additions (work-in-progress deletion) were \$3.59 billion, representing a 6.1% increase from Fiscal Year 2018.

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>2020</u>	<u>2019</u>	<u>2018</u>
		(in millions)	
Buildings	\$ 39	\$ 41	\$ 42
Equipment (including software)	14	15	4
Infrastructure**	444	451	432
Construction work-in-progress*	70	58	94
Total	<u>\$ 567</u>	<u>\$ 565</u>	<u>\$ 572</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 2020 was \$2 million, a 0.4% increase. Capital asset additions net of depreciation in Fiscal Year 2020 were \$38 million, a decrease of \$20 million, from Fiscal Year 2019.

In 2020, construction work-in-progress was \$70 million, representing a 21% net increase. The 2020 addition to work-in-progress was \$44 million, a 57% increase from prior year.

The net decrease in the City’s business-type activities capital assets during Fiscal Year 2019 was \$7 million, a 1.2% decrease. Capital asset additions net of depreciation in Fiscal Year 2019 were \$58 million, a decrease of \$33 million, from Fiscal Year 2018.

In 2019, Construction work-in-progress was \$58 million, representing a 38% net decrease. The 2019 addition to work-in-progress was \$28 million, a 31% decrease from prior year.

The City, through the Comptroller’s Office of Public Finance, in conjunction with the Mayor’s Office of Management and Budget, is charged with issuing debt to finance the City’s capital program. The following table summarizes the debt outstanding for the City and certain City-related issuing entities at the end of Fiscal Years 2020, 2019 and 2018.

	New York City and City-Related Debt		
	2020	2019	2018
	(in millions)		
Governmental activities:			
Bonds and notes payable			
General Obligation Bonds ⁽¹⁾	\$38,784	\$37,519	\$38,628
TFA Bonds	40,257	37,955	34,729
TFA Recovery Bonds	421	558	682
TFA BARBs	8,300	8,111	7,944
TSASC Bonds	1,023	1,053	1,071
IDA Bonds	60	62	77
STAR Bonds	1,634	1,721	1,805
FSC Bonds	—	22	86
HYIC Bonds	2,724	2,724	2,724
ECF Bonds	213	218	231
Total bonds and notes outstanding governmental activities	<u>93,416</u>	<u>89,943</u>	<u>87,977</u>
Business-Type Activities:			
Bonds and notes payable			
Tax Lien Collateralized Bonds	62	46	32
Total bonds and notes outstanding business-type activities	<u>62</u>	<u>46</u>	<u>32</u>
Total before premiums/discounts (net)	93,478	89,989	88,009
Premiums/discounts (net)	5,976	5,541	5,378
Total bonds and notes outstanding	<u>\$99,454</u>	<u>\$95,530</u>	<u>\$93,387</u>

⁽¹⁾ Does not include capital contractual liabilities.

The State Constitution provides that, with certain exceptions, the City may not contract indebtedness in an amount greater than 10% of the average full value of taxable real estate in the City for the most recent five years (Debt Limit). State law further provides that certain TFA debt also be counted against the Debt Limit. On June 30, 2020, the City’s outstanding General Obligation (GO) debt, including capital contract liabilities and TFA’s outstanding debt above \$13.5 billion (refer to Note D.5 for further details) totaled \$79.2 billion (compared with \$76.93 billion and \$71.08 billion as of June 30, 2019 and 2018, respectively). As of June 30, 2020, the City’s Debt Limit was \$116.27 billion (compared with \$106.24 billion and \$98.24 billion as of June 30, 2019 and 2018, respectively). The remaining debt incurring power for the City and TFA’s combined debt as of June 30, 2020, after providing for capital contract liabilities, totaled \$37.06 billion. As of July 1, 2020, the remaining debt incurring power is \$45.81 billion, based on the change in the five-year full valuation average for fiscal year 2021.

As of June 30, 2020, the City’s outstanding GO debt was \$38.78 billion, consisting of \$5.82 billion of variable rate bonds and \$32.96 billion of fixed rate bonds. In Fiscal Year 2020, a total of \$1.5 billion GO bonds were issued to refund a portion of the City’s outstanding bonds at lower interest rates and \$3.78 billion of bonds were issued for new money capital purposes. The proceeds of the refunding issues were placed in irrevocable escrow accounts in amounts sufficient to pay, when due, all principal, interest, and applicable redemption premium, if any, on the refunded bonds. These refundings produce a budgetary savings of \$2.96 million, \$56.21 million, and \$67.5 million in Fiscal Years 2020, 2021, and 2022, respectively. The refunding will generate \$275.87 million in budgetary savings over the life of the bonds or approximately \$264.88 million of savings on a net present value basis.

In Fiscal Year 2020, the City issued \$1.65 billion of taxable fixed rate bonds.

In addition, the City converted \$394.61 million of bonds between variable to fixed rate interest modes.

During Fiscal Year 2020, GO variable rate debt traded at the following average interest rates:

	<u>Tax Exempt</u>
Dailies ⁽¹⁾	1.06%
Weeklies ⁽¹⁾	1.15%
Auction Rate Securities—7 day	2.01%
Index Floaters	2.21%

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

During Fiscal Year 2020, Standard & Poor’s Ratings Services (S&P) and Fitch Ratings (Fitch) maintained the GO rating at AA. Moody’s Investors Service (Moody’s) rated GO bonds at Aa1. On April 1, 2020, Moody’s and Fitch revised its outlook of GO debt from stable to negative.

Short-Term Financing

In Fiscal Year 2020, the City had no short-term borrowings.

Transitional Finance Authority

In Fiscal Year 2020, TFA issued \$3.58 billion of Future Tax Secured (FTS) bonds for new money capital purposes.

In addition, TFA converted \$137.74 million of bonds between modes.

As of June 30, 2020, the total outstanding FTS and Recovery debt were \$40.68 billion. Of the amount outstanding, variable rate debt totaled \$4.17 billion, including \$229.30 million of variable rate Recovery Bonds. During Fiscal Year 2020, TFA’s variable rate bonds traded at the following average interest rates:

	<u>Tax Exempt</u>
Dailies ⁽¹⁾	1.08%
2-Day Mode ⁽¹⁾	1.11%
Weeklies ⁽¹⁾	1.22%
Auction Rate Securities—7 day	1.60%
Index Floaters	1.84%

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

In Fiscal Year 2020, Standard & Poor’s and Fitch Ratings maintained AAA ratings on both Senior Lien and Subordinate Lien TFA FTS Bonds. Moody’s Investors Service maintained its rating of Aaa on TFA FTS Senior Lien and Aa1 on Subordinate Lien Bonds. On April 1, 2020, Moody’s revised its outlook on TFA FTS debt from stable to negative.

TFA is authorized to issue bonds and notes or other obligations in an amount outstanding of up to \$9.40 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 2020, TFA issued \$250 million of TFA BARBs for new money. As of June 30, 2020, TFA BARBs outstanding totaled \$8.30 billion.

In Fiscal Year 2020, TFA BARBs were rated AA by both Fitch Ratings and Standard & Poor’s and Moody’s Investor Services rated TFA BARBs Aa2. On April 1, 2020, Moody’s revised its outlook on TFA BARBs debt from stable to negative.

<i>TSASC, Inc.</i>	<p>In Fiscal Year 2020, TSASC had no financing activity. As of June 30, 2020, TSASC had \$1.02 billion of bonds outstanding.</p> <p>TSASC bond ratings vary by maturity. On October 24, 2019, Standard & Poor's (S&P) took a series of rating actions on TSASC senior and subordinate bonds and removed the ratings from negative credit watch. As of June 30, 2020, S&P rated TSASC senior bonds maturing through June 1, 2029 at A; through June 1, 2036 at A-; and June 1, 2041 at BBB+. As of June 30, 2020, S&P rated TSASC subordinate bonds maturing June 1, 2021 at BBB+; June 1, 2022 at BBB; through June 1, 2025 at B-; and June 1, 2045 at CCC+. The subordinate bonds maturing June 1, 2048 are not rated.</p>
<i>Sales Tax Asset Receivable Corporation</i>	<p>In Fiscal Year 2020, STAR had no financing activity. As of June 30, 2020, STAR had \$1.63 billion of bonds outstanding.</p> <p>STAR maintained its Aa1 rating from Moody's Investor Services and AA+ from Fitch Ratings throughout Fiscal 2020. Standard & Poor's maintained its AAA rating. On April 1, 2020, Moody's revised its outlook on STAR debt from stable to negative.</p>
<i>Hudson Yards Infrastructure Corporation</i>	<p>In Fiscal Year 2020, HYIC has no financing activity. As of June 30, 2020, HYIC had \$2.72 billion of bonds outstanding.</p> <p>In Fiscal Year 2020, the First Indenture bonds were rated AA- by S&P, Aa2 by Moody's, and AA- by Fitch. The Second Indenture bonds were rated A+ by S&P, Aa2 by Moody's, and A+ by Fitch. On April 1, 2020, Moody's revised its outlook on HYIC debt to negative from stable. On April 21, 2020, Fitch revised its outlook of HYIC debt from stable to negative.</p>
<i>New York City Educational Construction Fund</i>	<p>In Fiscal Year 2020, ECF had no financing activity. As of June 30, 2020, ECF had \$213.52 million of bonds outstanding.</p> <p>In Fiscal Year 2020, the bonds were rated AA- by S&P and Aa2 by Moody's. On April 1, 2020, Moody's revised its outlook on ECF debt from stable to negative.</p>
<i>New York City Lien Trusts</i>	<p>In Fiscal Year 2020, the New York City Tax Lien Trusts, NYCTL 2019-A Trust, issued \$74.23 million of bonds. As of June 30, 2020, the New York City Tax Lien Trusts had in aggregate \$62.32 million of bonds outstanding.</p> <p>The bonds are rated AAA by Kroll Bond Rating Agency Inc, and Aaa by Moody's Investors Service.</p>
<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 2020. As of June 30, 2020, 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 \$636.59 million and the mark to market value was approximately negative \$133.96 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 2020, the Authority did not initiate or terminate any swaps. As of June 30, 2020, the outstanding notional amount on the Water Authority's various swap agreements was \$401 million and the mark to market value was approximately negative \$166.26 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

On October 1, 2020, Moody's downgraded the City's GO bonds to Aa2, downgraded TFA BARBs to Aa3, downgraded STAR debt to Aa2, downgraded HYIC First and Second Indenture bonds to Aa3, and downgraded ECF bonds to Aa3.

Subsequent to June 30, 2020, TFA, the City, and the Water Authority completed the following long-term financings:

TFA Debt

On September 1, 2020, the New York City Transitional Finance Authority issued \$1,623,495,000 of Fiscal 2021 Series A and B Future Tax Secured bonds for capital purposes.

On September 24, 2020, the New York City Transitional Finance Authority issued \$1,073,000,000 of Fiscal 2021 Series C Future Tax Secured bonds to refund a portion of its outstanding bonds at lower interest rates and reoffered \$199,685,000 of Fiscal 2021 Series 1 and 2 Future Tax Secured bonds to convert a portion of its outstanding variable rate bonds to fixed rate.

On October 20, 2020, the New York City Transitional Finance Authority reoffered \$107,175,000 of Fiscal 2003 Series 21-A and \$23,775,000 of Fiscal 2003 Series 21-B Recovery bonds to convert a portion of its outstanding variable rate bonds to fixed rate.

On October 22, 2020, the New York City Transitional Finance Authority issued \$200,000,000 of Fiscal 2021 Series S-1 Building Aid Revenue Bonds for capital purposes.

City Debt

On September 9, 2020, The City of New York issued \$1,388,060,000 of Fiscal 2021 Series A and B General Obligation bonds to refund a portion of its outstanding bonds at lower interest rates.

On October 15, 2020, The City of New York issued \$900,000,000 of Fiscal 2021 Series C General Obligation bonds for capital purposes and reoffered \$80,485,000 of Fiscal 2006 Subseries I-A, \$25,305,000 of Fiscal 2008 Subseries J-5, \$41,245,000 of Fiscal 2008 Subseries J-6, \$54,255,000 of Fiscal 2008 Subseries J-10, and \$21,735,000 of Fiscal 2012 Subseries A-3 General Obligation bonds to convert a portion of its outstanding variable rate bonds to fixed rate.

Water Authority

On September 30, 2020, the New York City Municipal Water Finance Authority issued \$650,000,000 of Fiscal 2021 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.

Commitments

At June 30, 2020, the outstanding commitments relating to projects of the New York City's Capital Projects Fund amounted to approximately \$21.1 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 \$116.9 billion over Fiscal Years 2020 through 2028. To help meet the financing needs for its capital spending program, the City and TFA borrowed \$7.4 billion in the public credit market in Fiscal Year 2020. The City and TFA plan to borrow \$7.6 billion in the public credit market in Fiscal Year 2021.

On January 31, 2019, New York City Housing Authority ("NYCHA"), the City and the U.S. Department of Housing and Urban Development entered into an agreement relating to lead-based paint and other health and safety concerns in NYCHA's properties. Pursuant to this agreement, a federal monitor has been appointed to oversee NYCHA's compliance with the

terms of the agreement and federal regulations and the City will provide additional funding. Pursuant to the agreement, the 2020-2024 Capital Commitment Plan (defined herein) reflects \$1.2 billion in additional City capital funds, with an additional \$1 billion in City capital funds reflected in the remaining years of the Ten-Year Capital Strategy for fiscal years 2020 through 2029. NYCHA has announced that it may be out of compliance with federal requirements beyond the regulations concerning lead-based paint and other health and safety concerns that were the subject of such agreement. NYCHA's 2017 Physical Needs Assessment estimated its projected capital costs at approximately \$32 billion over the next five years. In January 2020, NYCHA's Chairman and Chief Executive Officer stated that such costs were \$40 billion. In July 2020, NYCHA announced a plan to carry out capital improvements to approximately 110,000 public housing units through a federal disposition process that would utilize a newly created public entity, the creation of which would require State legislative approval. The plan seeks to generate funds by borrowing against pooled federal Tenant Protection Vouchers, which are federal rental vouchers with a higher value than the Section 9 operating subsidy that NYCHA currently receives. The plan does not explicitly require City investment or directly impact the Financial Plan.

Economic Factors and COVID-19

The outbreak of the coronavirus disease (COVID-19), referred to herein as "COVID-19," has been declared a pandemic by the World Health Organization. The Governor declared a state of emergency in the State on March 7, 2020 and the Mayor declared a state of emergency in the City on March 12, 2020, each of which is still in effect. On March 20, 2020, the Governor ordered the shut-down of all non-essential businesses and mandated that all employees, other than essential workers, remain at home. During the worst three weeks of the pandemic, March 22 to April 11, 2020, the City averaged over 33,000 new cases and 2,500 deaths each week. By September 1, 2020, the City had experienced a total of more than 230,000 COVID-19 cases and suffered more than 23,000 deaths, including those that were both confirmed and probably related to COVID-19, representing approximately 4% of COVID-19 cases in the U.S., 13% of deaths in the U.S., and 3% of deaths globally, with communities of color suffering disproportionately.

Unemployment applications throughout the State increased substantially, with over 1.8 million in the City since mid-March 2020. The City's unemployment rate reached 20.4% in June 2020 and was 16.3% as of August 2020. The sudden cessation of business activity, travel and tourism resulting from the pandemic, and the government's response to it, had a devastating impact on the retail, cultural, hospitality and the entertainment sectors in the City, particularly for the City's many restaurants. The City's hotel occupancy rate declined by approximately 80% at the end of March and beginning of April 2020 compared to the same period in 2019. For the week ending September 19, 2020, the City's hotel occupancy rate declined approximately 60% compared to the same period in 2019. Hotel tax revenue declined 24.0% in the quarter ending in March 2020 compared to the quarter ending March 2019, and 73.8% in the quarter ending in June 2020 compared to the quarter ending in June 2019. International arrivals to City airports declined 99% in both April and May 2020 compared to the same period in 2019, and declined 93% in July 2020, the most recent date for which such data is available, compared to the same period in 2019.

Certain real estate sectors could sustain losses as a result of the business distress and unemployment resulting from the pandemic. Residential rent delinquencies significantly higher than average have been reported and taxable residential sales in the City were down nearly 50% in April through July 2020 compared to the same period in 2019. The longer term impact on commercial real estate will depend on decisions of major office tenants regarding density, remote work and relocation of operations out of the City. It is not possible to predict whether a sustained loss of value in the City's real estate sector will occur or whether the City's real property tax revenues will be adversely affected.

Although COVID-19 cases and deaths declined significantly following the period from March 22 to April 11, 2020, they have shown an increase in recent weeks. Certain businesses and activities have been permitted to reopen although limitations on some activities, such as large indoor gatherings and indoor service at bars and restaurants, are still in effect. COVID-19 infections and positive test rates will likely fluctuate in the future and there can be no

assurance that COVID-19 cases and deaths in the City will not increase above current levels or that business closures will not be reinstated during the course of the pandemic.

The current City school year began on September 21, 2020, with public schools operating at various levels of remote and in-person learning. Some schools located in areas in which cases of COVID-19 have increased have moved to full remote learning.

The COVID-19 pandemic and economic disruption resulting from measures to contain it have resulted in reductions in the City's fiscal year 2020 and projected revenues. However, the ultimate impact of the COVID-19 pandemic on the amount and timing of collections of City revenues cannot be determined at this time. No assurance can be provided that the COVID-19 pandemic and resulting economic disruption will not result in revenues to the City that are lower than projected.

Request for Information

This comprehensive annual 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.

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The City of New York

Single Audit Report

Part II-A

**BASIC
FINANCIAL STATEMENTS**

Fiscal Year Ended June 30, 2020



THE CITY OF NEW YORK
STATEMENT OF NET POSITION

JUNE 30, 2020
(in thousands)

	Primary Government (PG)			Component Units (CU)
	Governmental Activities	Business – Type Activities	Total – (PG)	
ASSETS:				
Cash and cash equivalents	\$ 8,502,868	\$ 46,025	\$ 8,548,893	\$ 2,671,079
Investments	4,836,339	355,058	5,191,397	1,518,314
Receivables:				
Real estate taxes (less allowance for uncollectible amounts of \$226,168)	357,789	—	357,789	—
Federal, State and other aid	13,969,772	1,108	13,970,880	—
Taxes other than real estate	8,852,890	—	8,852,890	—
Leases	—	—	—	1,636,487
Other	1,884,642	271,625	2,156,267	5,266,430
Mortgage loans and interest receivable, net	—	—	—	13,763,065
Inventories	610,993	—	610,993	11,136
Due from PG, net	—	—	—	115,320
Due from CU's	5,522,645	—	5,522,645	—
Restricted cash, cash equivalents and investments	6,491,771	104,167	6,595,938	9,411,771
Other	544,320	142	544,462	669,025
Capital assets:				
Land and construction work-in-progress	6,196,582	70,042	6,266,624	8,742,585
Other capital assets (net of depreciation/amortization):				
Property, plant and equipment (including software)	40,103,171	53,033	40,156,204	35,576,320
Infrastructure	16,601,832	443,509	17,045,341	—
Total assets	<u>114,475,614</u>	<u>1,344,709</u>	<u>115,820,323</u>	<u>79,381,532</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows from pensions	3,574,177	—	3,574,177	382,371
Deferred outflows from OPEB	12,013,041	—	12,013,041	1,182,016
Other deferred outflows of resources	310,165	—	310,165	318,594
Total deferred outflows of resources	<u>15,897,383</u>	<u>—</u>	<u>15,897,383</u>	<u>1,882,981</u>
LIABILITIES:				
Accounts payable and accrued liabilities	19,677,459	27,650	19,705,109	3,793,266
Accrued interest payable	1,214,590	247	1,214,837	210,182
Unearned revenue	—	3,873	3,873	576,089
Due to PG, net	—	—	—	5,522,645
Due to CU, net	115,320	—	115,320	—
Estimated disallowance of Federal, State and other aid	299,059	—	299,059	—
Other	9,268,705	766	9,269,471	326,773
Derivative instruments-interest rate swaps	—	—	—	166,799
Noncurrent liabilities:				
Due within one year:				
Bonds & notes payable (net of amount due within one year)	6,853,424	94,236	6,947,660	1,998,413
Net pension liability	95,437,633	—	95,437,633	47,630,458
Net OPEB liability	46,376,874	—	46,376,874	3,167,567
Other (net of amount due within one year)	109,456,918	—	109,456,918	7,950,631
Total liabilities	<u>16,131,482</u>	<u>342,321</u>	<u>16,473,803</u>	<u>4,940,982</u>
Total liabilities	<u>304,831,464</u>	<u>469,093</u>	<u>305,300,557</u>	<u>76,283,805</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows from pensions	8,261,967	—	8,261,967	585,234
Deferred real estate taxes	8,808,169	—	8,808,169	—
Deferred inflows from OPEB	14,077,795	—	14,077,795	1,645,365
Other deferred inflows of resources	229,438	—	229,438	38,419
Total deferred inflows of resources	<u>31,377,369</u>	<u>—</u>	<u>31,377,369</u>	<u>2,269,018</u>
NET POSITION:				
Net investment in capital assets	(13,577,571)	566,584	(13,010,987)	10,980,467
Restricted for:				
Capital projects	478,211	65,963	544,174	10,342
Debt service	2,048,198	—	2,048,198	4,014,528
Loans/security deposits	—	—	—	54,269
Donor/statutory restrictions	—	—	—	456,951
Operations	2,751,862	245,332	2,997,194	418,559
Unrestricted (deficit)	<u>(197,536,536)</u>	<u>(2,263)</u>	<u>(197,538,799)</u>	<u>(13,223,426)</u>
Total net position (deficit)	<u>\$ (205,835,836)</u>	<u>\$ 875,616</u>	<u>\$ (204,960,220)</u>	<u>\$ 2,711,690</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF NET POSITION

JUNE 30, 2019
(in thousands)

	Restated			
	Primary Government (PG)			Component Units (CU)
	Governmental Activities	Business – Type Activities	Total – (PG)	
ASSETS:				
Cash and cash equivalents	\$ 6,909,414	\$ 113,682	\$ 7,023,096	\$ 2,802,382
Investments	5,710,762	335,874	6,046,636	1,467,956
Receivables:				
Real estate taxes (less allowance for uncollectible amounts of \$236,837)	374,769	—	374,769	—
Federal, State and other aid	11,930,394	928	11,931,322	—
Taxes other than real estate	7,309,126	—	7,309,126	—
Leases	—	—	—	1,662,936
Other	2,395,345	289,563	2,684,908	4,671,806
Mortgage loans and interest receivable, net	—	—	—	12,242,588
Inventories	428,300	—	428,300	11,498
Due from PG, net	—	—	—	27,428
Due from CU's	4,530,602	—	4,530,602	—
Restricted cash, cash equivalents and investments	7,058,188	74,611	7,132,799	8,539,007
Other	538,074	203	538,277	495,612
Capital assets:				
Land and construction work-in-progress	5,591,325	58,005	5,649,330	8,040,599
Other capital assets (net of depreciation/amortization):				
Property, plant and equipment (including software)	39,571,033	56,241	39,627,274	34,702,223
Infrastructure	15,677,679	451,380	16,129,059	—
Total assets	<u>108,025,011</u>	<u>1,380,487</u>	<u>109,405,498</u>	<u>74,664,035</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows from pensions	2,377,333	—	2,377,333	132,600
Deferred outflows from OPEB	11,980,800	—	11,980,800	939,047
Other deferred outflows of resources	388,744	—	388,744	161,251
Total deferred outflows of resources	<u>14,746,877</u>	<u>—</u>	<u>14,746,877</u>	<u>1,232,898</u>
LIABILITIES:				
Accounts payable and accrued liabilities	16,952,637	25,889	16,978,526	3,307,641
Accrued interest payable	1,223,475	223	1,223,698	200,059
Unearned revenue	3,076	10,392	13,468	608,784
Due to PG, net	—	—	—	4,530,602
Due to CU, net	27,428	—	27,428	—
Estimated disallowance of Federal, State and other aid	296,531	—	296,531	—
Other	8,401,943	1,272	8,403,215	216,614
Derivative instruments-interest rate swaps	11,450	—	11,450	117,331
Noncurrent liabilities:				
Due within one year	4,744,848	69,583	4,814,431	2,261,741
Bonds & notes payable (net of amount due within one year)	91,663,982	—	91,663,982	44,942,480
Net pension liability	43,340,293	—	43,340,293	2,988,107
Net OPEB liability	107,790,058	—	107,790,058	7,985,091
Other (net of amount due within one year)	17,000,791	332,427	17,333,218	2,583,851
Total liabilities	<u>291,456,512</u>	<u>439,786</u>	<u>291,896,298</u>	<u>69,742,301</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows from pensions	12,778,884	—	12,778,884	667,686
Deferred real estate taxes	8,648,945	—	8,648,945	—
Deferred inflows from OPEB	11,586,646	—	11,586,646	1,404,408
Other deferred inflows of resources	217,061	—	217,061	44,401
Total deferred inflows of resources	<u>33,231,536</u>	<u>—</u>	<u>33,231,536</u>	<u>2,116,495</u>
NET POSITION:				
Net investment in capital assets	(13,872,508)	563,108	(13,309,400)	10,245,585
Restricted for:				
Capital projects	661,015	18,836	679,851	54,838
Debt service	2,096,088	—	2,096,088	3,667,491
Loans/security deposits	—	—	—	54,835
Donor/statutory restrictions	—	—	—	446,768
Operations	2,797,693	358,757	3,156,450	396,204
Unrestricted (deficit)	(193,598,448)	—	(193,598,448)	(10,827,584)
Total net position (deficit)	<u>\$(201,916,160)</u>	<u>\$ 940,701</u>	<u>\$(200,975,459)</u>	<u>\$ 4,038,137</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
(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	Governmental Activities	Business-Type Activities	Total – (PG)	Component Units (CU)
Primary Government (PG):								
Governmental Activities:								
General government	\$ 6,840,460	\$ 1,061,978	\$ 4,835,009	\$ 25,732	\$ (917,741)	\$ —	\$ (917,741)	\$ —
Public safety and judicial	19,768,697	636,361	678,645	6,739	(18,446,952)	—	(18,446,952)	—
Education	36,607,460	87,527	13,310,245	91,961	(23,117,727)	—	(23,117,727)	—
City University	1,275,426	347,633	263,942	—	(663,851)	—	(663,851)	—
Social services	16,690,111	76,796	4,811,789	10,828	(11,790,698)	—	(11,790,698)	—
Environmental protection	4,715,122	1,659,965	47,012	15,492	(2,992,653)	—	(2,992,653)	—
Transportation services	2,763,111	1,142,198	343,823	325,960	(951,130)	—	(951,130)	—
Parks, recreation and cultural activities	1,257,151	83,550	10,214	25,978	(1,137,409)	—	(1,137,409)	—
Housing	2,597,792	522,491	565,511	35,547	(1,474,243)	—	(1,474,243)	—
Health (including payments to NYC Health + Hospitals)	3,474,850	110,759	826,604	141,778	(2,395,709)	—	(2,395,709)	—
Libraries	412,829	—	135	1,679	(411,015)	—	(411,015)	—
Debt service interest	3,154,438	—	—	—	(3,154,438)	—	(3,154,438)	—
Total governmental activities	<u>99,557,447</u>	<u>5,729,258</u>	<u>25,692,929</u>	<u>681,694</u>	<u>(67,453,566)</u>	<u>—</u>	<u>(67,453,566)</u>	<u>—</u>
Business-Type Activities:								
Brooklyn Bridge Park	28,994	1,594	—	6,964	—	(20,436)	(20,436)	—
The Trust for Governor's Island	41,461	3,548	15,320	10,236	—	(12,357)	(12,357)	—
WTC Captive	1,742	—	—	—	—	(1,742)	(1,742)	—
New York City Tax Lien Trusts	276,816	—	127,441	—	—	(149,375)	(149,375)	—
Total business-type activities	<u>349,013</u>	<u>5,142</u>	<u>142,761</u>	<u>17,200</u>	<u>—</u>	<u>(183,910)</u>	<u>(183,910)</u>	<u>—</u>
Total Primary Government (PG)	<u>\$ 99,906,460</u>	<u>\$ 5,734,400</u>	<u>\$ 25,835,690</u>	<u>\$ 698,894</u>	<u>(67,453,566)</u>	<u>(183,910)</u>	<u>(67,637,476)</u>	<u>—</u>
Component Units	<u>\$ 24,241,292</u>	<u>\$ 14,765,911</u>	<u>\$ 4,491,104</u>	<u>\$ 2,073,803</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ (2,910,474)</u>
General Revenues:								
Taxes (net of refunds):								
Real estate taxes					29,617,805	—	29,617,805	—
Sales and use taxes					8,442,740	—	8,442,740	—
Personal income tax					13,738,179	—	13,738,179	—
Income taxes, other					7,225,996	—	7,225,996	—
Other taxes:								
Commercial rent					942,889	—	942,889	—
Conveyance of real property					1,140,136	—	1,140,136	—
Hotel room occupancy					481,739	—	481,739	—
Payments in lieu of taxes					736,618	19,853	756,471	—
Other					(11,108)	—	(11,108)	—
Investment income					184,695	110,766	295,461	310,800
Unrestricted Federal and State aid					258,951	—	258,951	5,556
Gain on in-substance defeasance					—	—	—	10,107
Other					775,250	(11,794)	763,456	1,257,564
Total general revenues					<u>63,533,890</u>	<u>118,825</u>	<u>63,652,715</u>	<u>1,584,027</u>
Change in net position					(3,919,676)	(65,085)	(3,984,761)	(1,326,447)
Net position (deficit)—beginning					(201,916,160)	940,701	(200,975,459)	4,038,137
Net position (deficit)—ending					<u>\$(205,835,836)</u>	<u>\$875,616</u>	<u>\$(204,960,220)</u>	<u>\$2,711,690</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(in thousands)

Functions/Programs	Program Revenues				Restated Net (Expense) Revenue and Changes in Net Position Primary Government (PG)				Component Units (CU)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total – (PG)		
Primary Government (PG):									
Governmental Activities:									
General government	\$ 6,547,234	\$ 1,463,684	\$ 2,442,445	\$ 34,263	\$ (2,606,842)	\$ —	\$ (2,606,842)	\$ —	
Public safety and judicial	21,347,661	318,957	737,608	9,174	(20,281,922)	—	(20,281,922)	—	
Education	34,679,981	91,239	13,240,886	439,364	(20,908,492)	—	(20,908,492)	—	
City University	1,318,594	379,033	283,009	—	(656,552)	—	(656,552)	—	
Social services	16,923,646	73,637	5,363,695	4,619	(11,481,695)	—	(11,481,695)	—	
Environmental protection	4,502,959	1,529,637	18,348	12,454	(2,942,520)	—	(2,942,520)	—	
Transportation services	3,221,709	1,201,069	282,755	278,252	(1,459,633)	—	(1,459,633)	—	
Parks, recreation and cultural activities	1,428,692	82,363	18,587	14,644	(1,313,098)	—	(1,313,098)	—	
Housing	3,069,371	494,979	557,753	15,596	(2,001,043)	—	(2,001,043)	—	
Health (including payments to NYC Health + Hospitals)	3,601,500	66,303	859,724	14,195	(2,661,278)	—	(2,661,278)	—	
Libraries	486,749	—	—	—	(486,749)	—	(486,749)	—	
Debt service interest	3,159,364	—	—	—	(3,159,364)	—	(3,159,364)	—	
Total governmental activities	<u>100,287,460</u>	<u>5,700,901</u>	<u>23,804,810</u>	<u>822,561</u>	<u>(69,959,188)</u>	<u>—</u>	<u>(69,959,188)</u>	<u>—</u>	
Business-Type Activities:									
Brooklyn Bridge Park	26,551	1,664	—	5,400	—	(19,487)	(19,487)	—	
The Trust for Governor's Island	42,000	4,319	15,972	16,042	—	(5,667)	(5,667)	—	
WTC Captive	1,755	—	—	—	—	(1,755)	(1,755)	—	
New York City Tax Lien Trusts	208,853	—	33,882	—	—	(174,971)	(174,971)	—	
Total business-type activities	<u>279,159</u>	<u>5,983</u>	<u>49,854</u>	<u>21,442</u>	<u>—</u>	<u>(201,880)</u>	<u>(201,880)</u>	<u>—</u>	
Total Primary Government (PG)	<u>\$100,566,619</u>	<u>\$ 5,706,884</u>	<u>\$23,854,664</u>	<u>\$ 844,003</u>	<u>(69,959,188)</u>	<u>(201,880)</u>	<u>(70,161,068)</u>	<u>—</u>	
Component Units	<u>\$ 19,967,511</u>	<u>\$14,078,548</u>	<u>\$ 3,464,667</u>	<u>\$ 1,884,386</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$(539,910)</u>	
General Revenues:									
Taxes (net of refunds):									
Real estate taxes					28,080,534	—	28,080,534	—	
Sales and use taxes					9,110,700	—	9,110,700	—	
Personal income tax					13,479,944	—	13,479,944	—	
Income taxes, other					7,307,265	—	7,307,265	—	
Other taxes:									
Commercial rent					995,346	—	995,346	—	
Conveyance of real property					1,563,388	—	1,563,388	—	
Hotel room occupancy					634,023	—	634,023	—	
Payments in lieu of taxes					491,292	86,623	577,915	—	
Other					42,536	—	42,536	—	
Investment income					312,636	114,055	426,691	223,249	
Unrestricted Federal and State aid					401,514	—	401,514	5,559	
Loss on in-substance defeasance					—	—	—	(26,187)	
Other					593,861	3,094	596,955	1,739,650	
Total general revenues					<u>63,013,039</u>	<u>203,772</u>	<u>63,216,811</u>	<u>1,942,271</u>	
Change in net position					(6,946,149)	1,892	(6,944,257)	1,402,361	
Net position (deficit)—beginning					(197,767,704)	938,809	(196,828,895)	2,635,776	
Restatement of beginning net position					2,797,693	—	2,797,693	—	
Net position (deficit)—ending					<u>\$(201,916,160)</u>	<u>\$940,701</u>	<u>\$(200,975,459)</u>	<u>\$4,038,137</u>	

See accompanying notes to financial statements.

THE CITY OF NEW YORK
GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2020
(in thousands)

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>General Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Adjustments/ Eliminations</u>	<u>Total Governmental Funds</u>
ASSETS:						
Cash and cash equivalents	\$ 7,324,378	\$ 191,147	\$ —	\$ 987,343	\$ —	\$ 8,502,868
Investments	2,923,762	—	—	1,994,647	—	4,918,409
Accounts receivable:						
Real estate taxes (less allowance for uncollectible amounts of \$226,168)	357,789	—	—	—	—	357,789
Federal, State and other aid	12,974,994	994,778	—	—	—	13,969,772
Taxes other than real estate	7,396,932	—	—	1,455,958	—	8,852,890
Other receivables, net	1,787,706	—	—	96,700	—	1,884,406
Due from other funds	2,844,499	183,900	—	405,842	(405,466)	3,028,775
Due from component units, net	4,815,067	707,578	—	—	—	5,522,645
Restricted cash and investments	2,751,862	83,513	1,277,531	2,378,865	—	6,491,771
Other assets	98,604	94,490	—	308,649	—	501,743
Total assets	<u>\$43,275,593</u>	<u>\$ 2,255,406</u>	<u>\$ 1,277,531</u>	<u>\$ 7,628,004</u>	<u>\$ (405,466)</u>	<u>\$ 54,031,068</u>
LIABILITIES:						
Accounts payable and accrued liabilities	\$17,531,446	\$ 1,321,523	\$ 49	\$ 824,770	\$ —	\$ 19,677,788
Accrued tax refunds:						
Real estate taxes	33,019	—	—	—	—	33,019
Personal income tax	235,755	—	—	—	—	235,755
Other	123,042	—	—	—	—	123,042
Accrued judgments and claims	488,558	100,396	—	—	—	588,954
Due to other funds	—	2,906,007	—	528,234	(405,466)	3,028,775
Due to component units, net	115,320	—	—	—	—	115,320
Estimated disallowance of Federal, State and other aid	299,059	—	—	—	—	299,059
Other liabilities	7,668,069	442,312	—	—	—	8,110,381
Total liabilities	<u>26,494,268</u>	<u>4,770,238</u>	<u>49</u>	<u>1,353,004</u>	<u>(405,466)</u>	<u>32,212,093</u>
DEFERRED INFLOWS OF RESOURCES:						
Prepaid real estate taxes	8,808,169	—	—	—	—	8,808,169
Grant advances	37,414	—	—	—	—	37,414
Uncollected real estate taxes	239,854	—	—	—	—	239,854
Taxes other than real estate	4,163,135	—	—	—	—	4,163,135
Other deferred inflows of resources ..	287,652	—	—	1,274,320	—	1,561,972
Total deferred inflows of resources	<u>13,536,224</u>	<u>—</u>	<u>—</u>	<u>1,274,320</u>	<u>—</u>	<u>14,810,544</u>
FUND BALANCES (DEFICITS):						
Nonspendable	—	—	—	252	—	252
Spendable:						
Restricted	2,751,862	83,513	176,362	2,266,534	—	5,278,271
Committed	493,239	—	1,101,120	—	—	1,594,359
Assigned	—	—	—	2,735,174	—	2,735,174
Unassigned	—	(2,598,345)	—	(1,280)	—	(2,599,625)
Total fund balances (deficit) ..	<u>3,245,101</u>	<u>(2,514,832)</u>	<u>1,277,482</u>	<u>5,000,680</u>	<u>—</u>	<u>7,008,431</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$43,275,593</u>	<u>\$ 2,255,406</u>	<u>\$ 1,277,531</u>	<u>\$ 7,628,004</u>	<u>\$ (405,466)</u>	<u>\$ 54,031,068</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, 2019
(in thousands)

Restated

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	\$ 6,177,671	\$ 433,074	\$ —	\$ 298,669	\$ —	\$ 6,909,414
Investments	3,524,742	—	—	2,239,186	—	5,763,928
Accounts receivable:						
Real estate taxes (less allowance for uncollectible amounts of \$236,837)	374,769	—	—	—	—	374,769
Federal, State and other aid	10,874,791	1,055,603	—	—	—	11,930,394
Taxes other than real estate	6,188,388	—	—	1,120,738	—	7,309,126
Other receivables, net	2,299,106	—	—	96,002	—	2,395,108
Due from other funds	3,716,044	228,138	—	543,711	(543,557)	3,944,336
Due from component units, net	3,697,443	833,159	—	—	—	4,530,602
Restricted cash and investments	2,797,693	88,701	1,727,172	2,444,622	—	7,058,188
Other assets	—	93,966	—	408,320	—	502,286
Total assets	<u>\$39,650,647</u>	<u>\$ 2,732,641</u>	<u>\$ 1,727,172</u>	<u>\$ 7,151,248</u>	<u>\$ (543,557)</u>	<u>\$ 50,718,151</u>
LIABILITIES:						
Accounts payable and accrued liabilities	\$14,389,780	\$ 1,818,800	\$ 81	\$ 744,321	\$ —	\$ 16,952,982
Accrued tax refunds:						
Real estate taxes	90,118	—	—	—	—	90,118
Personal income tax	55,067	—	—	—	—	55,067
Other	64,650	—	—	—	—	64,650
Accrued judgments and claims	504,632	101,959	—	—	—	606,591
Unearned revenue	—	—	—	3,076	—	3,076
Due to other funds	—	4,103,863	—	384,030	(543,557)	3,944,336
Due to component units, net	27,428	—	—	—	—	27,428
Estimated disallowance of Federal, State and other aid	296,531	—	—	—	—	296,531
Other liabilities	6,945,665	426,943	—	—	—	7,372,608
Total liabilities	<u>22,373,871</u>	<u>6,451,565</u>	<u>81</u>	<u>1,131,427</u>	<u>(543,557)</u>	<u>29,413,387</u>
DEFERRED INFLOWS OF RESOURCES:						
Prepaid real estate taxes	8,648,945	—	—	—	—	8,648,945
Grant advances	3,113	—	—	—	—	3,113
Uncollected real estate taxes	253,852	—	—	—	—	253,852
Taxes other than real estate	4,821,683	—	—	—	—	4,821,683
Other deferred inflows of resources ..	263,274	—	—	1,125,368	—	1,388,642
Total deferred inflows of resources	<u>13,990,867</u>	<u>—</u>	<u>—</u>	<u>1,125,368</u>	<u>—</u>	<u>15,116,235</u>
FUND BALANCES (DEFICITS):						
Nonspendable	488,216	—	—	166	—	488,382
Spendable:						
Restricted	2,797,693	88,701	171,576	2,496,826	—	5,554,796
Committed	—	—	1,555,515	—	—	1,555,515
Assigned	—	—	—	2,398,033	—	2,398,033
Unassigned	—	(3,807,625)	—	(572)	—	(3,808,197)
Total fund balances (deficit) ..	<u>3,285,909</u>	<u>(3,718,924)</u>	<u>1,727,091</u>	<u>4,894,453</u>	<u>—</u>	<u>6,188,529</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$39,650,647</u>	<u>\$ 2,732,641</u>	<u>\$ 1,727,172</u>	<u>\$ 7,151,248</u>	<u>\$ (543,557)</u>	<u>\$ 50,718,151</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, 2020
(in thousands)

Total fund balances — governmental funds	\$ 7,008,431
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	610,993
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	62,901,585
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds	
Deferred outflows of resources	15,897,383
Other long-term assets	42,813
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the funds:	
Bonds and notes payable	(99,392,769)
Net OPEB liability	(109,456,918)
Accrued interest payable	(1,214,590)
Capital lease obligations	(1,547,326)
Accrued vacation and sick leave	(5,693,120)
Net pension liability	(46,376,874)
Landfill closure and post-closure care costs	(1,212,394)
Pollution remediation obligations	(251,250)
Accrued judgments and claims	(6,509,259)
Other accrued tax refunds	(1,745,000)
Deferred inflows of resources	(16,566,825)
Other liabilities	(2,330,716)
Net position (deficit) of governmental activities	<u>\$ (205,835,836)</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, 2019
(in thousands)

Total fund balances — governmental funds (restated)	\$ 6,188,529
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	428,300
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	60,840,037
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds	
Deferred outflows of resources	14,746,877
Other long-term assets	36,025
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	(95,484,302)
Net OPEB liability.	(107,790,058)
Accrued interest payable	(1,223,475)
Capital lease obligations	(1,552,980)
Accrued vacation and sick leave	(5,051,083)
Net pension liability	(43,340,293)
Landfill closure and post-closure care costs	(1,281,291)
Pollution remediation obligations	(246,320)
Accrued judgments and claims	(6,243,700)
Other accrued tax refunds	(1,827,000)
Deferred inflows of resources	(18,115,301)
Other liabilities	(2,000,125)
Net position (deficit) of governmental activities (restated)	<u><u>\$ (201,916,160)</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, 2020
(in thousands)

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
REVENUES:						
Real estate taxes	\$ 29,815,935	\$ —	\$ —	\$ —	\$ —	\$ 29,815,935
Sales and use taxes	8,478,110	—	—	—	—	8,478,110
Personal income tax	13,591,179	—	—	511,986	(511,986)	13,591,179
Income taxes, other	7,861,996	—	—	—	—	7,861,996
Other taxes	3,342,452	—	—	—	—	3,342,452
Federal, State and other categorical aid	25,692,929	674,839	78,090	—	—	26,445,858
Unrestricted Federal and State aid	10,861	—	—	170,000	—	180,861
Charges for services	2,855,437	—	—	—	—	2,855,437
Tobacco settlement	—	—	—	188,431	—	188,431
Investment income	136,599	—	4,970	71,695	—	213,264
Other revenues	2,832,652	1,850,527	557	4,008,972	(3,430,611)	5,262,097
Total revenues	<u>94,618,150</u>	<u>2,525,366</u>	<u>83,617</u>	<u>4,951,084</u>	<u>(3,942,597)</u>	<u>98,235,620</u>
EXPENDITURES:						
General government	4,541,574	801,072	—	15,227	(1,396,000)	3,961,873
Public safety and judicial	10,790,905	367,475	—	—	—	11,158,380
Education	27,903,295	2,853,275	—	3,027,144	(2,034,611)	31,749,103
City University	1,116,522	52,146	—	—	—	1,168,668
Social services	15,631,055	107,290	—	—	—	15,738,345
Environmental protection	3,379,569	2,048,321	—	—	—	5,427,890
Transportation services	1,931,868	1,435,964	—	—	—	3,367,832
Parks, recreation and cultural activities	657,748	666,500	—	—	—	1,324,248
Housing	1,291,275	904,215	—	—	—	2,195,490
Health (including payments to NYC Health + Hospitals)	2,519,935	401,963	—	—	—	2,921,898
Libraries	427,184	135,571	—	—	—	562,755
Pensions	9,671,638	—	—	—	—	9,671,638
Judgments and claims	708,970	—	—	—	—	708,970
Fringe benefits and other benefit payments	5,476,722	—	—	—	—	5,476,722
Administrative and other	1,700,596	—	59,156	1,047,081	—	2,806,833
Debt Service:						
Interest	—	—	1,575,099	2,320,641	—	3,895,740
Redemptions	—	—	2,288,055	1,753,725	—	4,041,780
Lease payments	100,583	—	—	—	—	100,583
Total expenditures	<u>87,849,439</u>	<u>9,773,792</u>	<u>3,922,310</u>	<u>8,163,818</u>	<u>(3,430,611)</u>	<u>106,278,748</u>
Excess (deficiency) of revenues over expenditures	<u>6,768,711</u>	<u>(7,248,426)</u>	<u>(3,838,693)</u>	<u>(3,212,734)</u>	<u>(511,986)</u>	<u>(8,043,128)</u>
OTHER FINANCING SOURCES (USES):						
Transfers from (to) General Fund	—	—	3,313,378	3,120,219	—	6,433,597
Transfers from (to) Nonmajor Capital Projects Funds	—	4,242,110	—	12,958	—	4,255,068
Transfers from (to) Nonmajor Special Revenue Funds, net	—	—	—	(273,135)	—	(273,135)
Principal amount of bonds issued	136,064	3,643,936	—	3,826,805	—	7,606,805
Bond premium	—	451,659	330,892	476,307	—	1,258,858
Capitalized leases	—	114,813	—	—	—	114,813
Issuance of refunding debt	—	—	1,503,940	137,740	—	1,641,680
Transfers from (to) Capital Projects Fund	—	—	—	(4,242,110)	—	(4,242,110)
Transfers from (to) General Debt Service Fund	(3,313,378)	—	—	—	—	(3,313,378)
Transfers from (to) Nonmajor Debt Service Funds, net	(3,632,205)	—	—	260,177	511,986	(2,860,042)
Payments to refunded bond escrow holder	—	—	(1,759,126)	—	—	(1,759,126)
Total other financing sources (uses)	<u>(6,809,519)</u>	<u>8,452,518</u>	<u>3,389,084</u>	<u>3,318,961</u>	<u>511,986</u>	<u>8,863,030</u>
Net change in fund balances	(40,808)	1,204,092	(449,609)	106,227	—	819,902
FUND BALANCES (DEFICIT) AT BEGINNING						
OF YEAR	3,285,909	(3,718,924)	1,727,091	4,894,453	—	6,188,529
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 3,245,101</u>	<u>\$ (2,514,832)</u>	<u>\$ 1,277,482</u>	<u>\$ 5,000,680</u>	<u>\$ —</u>	<u>\$ 7,008,431</u>

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 Activities 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, 2019
(in thousands)

	Restated					Total Governmental Funds
	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	
REVENUES:						
Real estate taxes	\$ 27,884,735	\$ —	\$ —	\$ —	\$ —	\$ 27,884,735
Sales and use taxes	9,082,780	—	—	—	—	9,082,780
Personal income tax	13,376,944	—	—	443,864	(443,864)	13,376,944
Income taxes, other	7,416,265	—	—	—	—	7,416,265
Other taxes	3,732,776	—	—	—	—	3,732,776
Federal, State and other categorical aid	23,804,810	418,727	80,975	—	—	24,304,512
Unrestricted Federal and State aid	150,539	—	—	170,000	—	320,539
Charges for services	2,801,290	—	—	—	—	2,801,290
Tobacco settlement	—	—	—	164,271	—	164,271
Investment income	225,904	—	6,752	83,413	—	316,069
Other revenues	2,867,758	1,964,441	605	3,916,413	(3,107,601)	5,641,616
Total revenues	91,343,801	2,383,168	88,332	4,777,961	(3,551,465)	95,041,797
EXPENDITURES:						
General government	3,436,484	904,761	—	44,008	—	4,385,253
Public safety and judicial	10,358,049	298,179	—	—	—	10,656,228
Education	26,905,467	2,829,691	—	2,860,960	(3,107,601)	29,488,517
City University	1,114,118	61,687	—	—	—	1,175,805
Social services	15,832,746	167,414	—	—	—	16,000,160
Environmental protection	3,087,739	2,234,602	—	—	—	5,322,341
Transportation services	2,067,874	1,612,366	—	—	—	3,680,240
Parks, recreation and cultural activities	646,480	616,540	—	—	—	1,263,020
Housing	1,230,322	1,680,761	—	—	—	2,911,083
Health (including payments to NYC Health + Hospitals)	2,656,358	334,071	—	—	—	2,990,429
Libraries	397,996	108,211	—	—	—	506,207
Pensions	9,828,626	—	—	—	—	9,828,626
Judgments and claims	705,751	—	—	—	—	705,751
Fringe benefits and other benefit payments	5,742,655	—	—	—	—	5,742,655
Administrative and other	651,011	—	65,911	799,966	—	1,516,888
Debt Service:						
Interest	—	—	1,598,194	2,154,223	—	3,752,417
Redemptions	—	—	2,111,846	3,915,114	—	6,026,960
Lease payments	96,489	—	—	—	—	96,489
Total expenditures	84,758,165	10,848,283	3,775,951	9,774,271	(3,107,601)	106,049,069
Excess (deficiency) of revenues over expenditures	6,585,636	(8,465,115)	(3,687,619)	(4,996,310)	(443,864)	(11,007,272)
OTHER FINANCING SOURCES (USES):						
Transfers from (to) General Fund	—	—	3,432,260	2,844,739	—	6,276,999
Transfers from (to) Nonmajor Capital Projects Funds	—	5,814,290	—	108,014	—	5,922,304
Transfers from (to) Nonmajor Special Revenue Funds, net	—	—	—	(61,673)	—	(61,673)
Principal amount of bonds issued	140,310	1,059,690	—	5,015,350	—	6,215,350
Bond premium	—	76,152	276,948	603,285	—	956,385
Capitalized leases	—	80,800	—	—	—	80,800
Issuance of refunding debt	—	—	1,824,245	2,307,015	—	4,131,260
Transfers from (to) Capital Projects Fund	—	—	—	(5,814,290)	—	(5,814,290)
Transfers from (to) General Debt Service Fund	(3,432,260)	—	—	—	—	(3,432,260)
Transfers from (to) Nonmajor Debt Service Funds, net	(3,288,603)	—	—	(46,341)	443,864	(2,891,080)
Payments to refunded bond escrow holder	—	—	(2,041,034)	(362,757)	—	(2,403,791)
Total other financing sources (uses)	(6,580,553)	7,030,932	3,492,419	4,593,342	443,864	8,980,004
Net change in fund balances	5,083	(1,434,183)	(195,200)	(402,968)	—	(2,027,268)
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	483,133	(2,284,741)	1,922,291	5,297,421	—	5,418,104
Restatement of beginning fund balances	2,797,693	—	—	—	—	2,797,693
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 3,285,909</u>	<u>\$ (3,718,924)</u>	<u>\$ 1,727,091</u>	<u>\$ 4,894,453</u>	<u>\$ —</u>	<u>\$ 6,188,529</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 Activities 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, 2020
(in thousands)

Net change in fund balances — governmental funds \$ 819,902

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

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

Purchases of capital assets	\$ 6,434,460	
Depreciation expense	(4,293,199)	2,141,261

The net effect of various miscellaneous transactions involving capital assets and other (<i>i.e.</i> sales, trade-ins, and donations) is to decrease net position		107,217
--	--	---------

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

Proceeds from sales of bonds	(9,248,485)	
Principal payments of bonds	4,542,048	
Other	<u>750,635</u>	(3,955,802)

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		(820,689)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		2,496,806
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Change in net pension liability		(3,036,581)
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Change in OPEB liability		(1,666,860)
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Change in pollution remediation obligations		(4,930)
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Change in net position—governmental activities		<u>\$ (3,919,676)</u>
--	--	-----------------------

See accompanying notes to financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2019
(in thousands)

Net change in fund balances — governmental funds \$ (2,027,268)

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

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

Purchases of capital assets	\$ 6,834,327	
Depreciation expense	(5,347,202)	1,487,125

The net effect of various miscellaneous transactions involving capital assets and other (i.e. sales, trade-ins, and donations) is to decrease net position.		45,382
--	--	--------

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

Proceeds from sales of bonds	(10,346,610)	
Principal payments of bonds, net	7,474,366	
Other	599,028	(2,273,216)

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.		(239,514)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		932,054
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Change in net pension liability		4,419,775
---------------------------------------	--	-----------

Change in OPEB liability		(9,293,842)
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Change in pollution remediation obligations		3,355
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Change in net position—governmental activities		<u>\$ (6,946,149)</u>
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See accompanying notes to financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2020

(in thousands)

	Budget		Actual	Better (Worse) Than Modified Budget
	Adopted	Modified		
REVENUES:				
Real estate taxes	\$29,785,032	\$29,695,501	\$29,815,935	\$ 120,434
Sales and use taxes	9,359,071	8,438,571	8,478,110	39,539
Personal income tax	13,367,000	13,299,750	13,591,179	291,429
Income taxes, other	6,432,000	7,359,298	7,861,996	502,698
Other taxes	4,478,263	3,277,355	3,342,452	65,097
Federal, State and other categorical aid	23,285,783	27,585,310	25,692,929	(1,892,381)
Unrestricted Federal and State aid	—	252,893	10,861	(242,032)
Charges for services	2,788,640	2,924,287	2,855,437	(68,850)
Investment income	234,880	138,025	136,599	(1,426)
Other revenues	1,991,416	2,554,375	2,832,652	278,277
Total revenues	91,722,085	95,525,365	94,618,150	(907,215)
EXPENDITURES:				
General government	3,762,221	4,829,082	4,541,574	287,508
Public safety and judicial	10,010,259	10,805,365	10,790,905	14,460
Education	27,222,462	28,014,832	27,903,295	111,537
City University	1,190,766	1,184,208	1,116,522	67,686
Social services	15,474,255	16,114,166	15,631,055	483,111
Environmental protection	3,056,764	3,455,727	3,379,569	76,158
Transportation services	1,861,757	1,949,848	1,931,868	17,980
Parks, recreation and cultural activities	684,392	671,191	657,748	13,443
Housing	1,204,192	1,342,781	1,291,275	51,506
Health (including payments to NYC Health + Hospitals)	2,440,505	2,857,971	2,519,935	338,036
Libraries	424,243	427,324	427,184	140
Pensions	9,850,843	9,673,568	9,671,638	1,930
Judgments and claims	711,889	732,521	708,970	23,551
Fringe benefits and other benefit payments	6,554,475	5,491,626	5,476,722	14,904
Lease payments for debt service	126,033	101,333	100,583	750
Other	3,551,570	1,028,073	1,700,596	(672,523)
Total expenditures	88,126,626	88,679,616	87,849,439	830,177
Excess of revenues over expenditures	3,595,459	6,845,749	6,768,711	(77,038)
OTHER FINANCING SOURCES (USES):				
Principal amount of bonds issued	—	136,064	136,064	—
Transfer to Nonmajor Debt Service Fund	(1,519,054)	(3,876,265)	(3,858,042)	(18,223)
Transfer from Nonmajor Debt Service Fund	236,005	233,535	225,837	7,698
Transfers and other payments for debt service, net	(2,312,410)	(3,339,083)	(3,313,378)	(25,705)
Total other financing uses	(3,595,459)	(6,845,749)	(6,809,519)	(36,230)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES . .	\$ —	\$ —	(40,808)	\$ (40,808)
FUND BALANCE AT BEGINNING OF YEAR			3,285,909	
FUND BALANCE AT END OF YEAR			\$ 3,245,101	

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, 2019
(in thousands)

	Restated			Better (Worse) Than Modified Budget
	Budget		Actual	
	Adopted	Modified		
REVENUES:				
Real estate taxes	\$27,974,128	\$27,926,128	\$27,884,735	\$ (41,393)
Sales and use taxes	8,829,000	9,073,584	9,082,780	9,196
Personal income tax	12,378,000	13,261,000	13,376,944	115,944
Income taxes, other	6,411,000	7,416,023	7,416,265	242
Other taxes	4,483,659	3,647,010	3,732,776	85,766
Federal, State and other categorical aid	23,238,375	24,728,335	23,804,810	(923,525)
Unrestricted Federal and State aid	—	200,680	150,539	(50,141)
Charges for services	2,711,076	2,748,021	2,801,290	53,269
Investment income	190,240	212,960	225,904	12,944
Other revenues	1,953,778	3,232,292	2,867,758	(364,534)
Total revenues	<u>88,169,256</u>	<u>92,446,033</u>	<u>91,343,801</u>	<u>(1,102,232)</u>
EXPENDITURES:				
General government	3,389,494	3,680,083	3,436,484	243,599
Public safety and judicial	9,901,469	10,404,465	10,358,049	46,416
Education	25,583,159	27,016,660	26,905,467	111,193
City University	1,183,701	1,174,729	1,114,118	60,611
Social services	15,420,744	15,976,979	15,832,746	144,233
Environmental protection	3,045,504	3,127,922	3,087,739	40,183
Transportation services	2,067,787	2,121,909	2,067,874	54,035
Parks, recreation and cultural activities	628,231	657,593	646,480	11,113
Housing	1,323,573	1,313,011	1,230,322	82,689
Health (including payments to NYC Health + Hospitals)	2,302,077	2,713,119	2,656,358	56,761
Libraries	387,719	398,756	397,996	760
Pensions	9,739,499	9,833,120	9,828,626	4,494
Judgments and claims	696,989	705,751	705,751	—
Fringe benefits and other benefit payments	6,000,867	5,861,062	5,742,655	118,407
Lease payments for debt service	148,330	98,820	96,489	2,331
Other	3,150,360	775,617	651,011	124,606
Total expenditures	<u>84,969,503</u>	<u>85,859,596</u>	<u>84,758,165</u>	<u>1,101,431</u>
Excess of revenues over expenditures	3,199,753	6,586,437	6,585,636	(801)
OTHER FINANCING SOURCES (USES):				
Principal amount of bonds issued	—	140,310	140,310	—
Transfer to Nonmajor Debt Service Fund	(1,418,904)	(3,510,158)	(3,507,818)	(2,340)
Transfer from Nonmajor Debt Service Fund	227,016	219,215	219,215	—
Transfers and other payments for debt service, net	(2,007,865)	(3,435,804)	(3,432,260)	(3,544)
Total other financing uses	<u>(3,199,753)</u>	<u>(6,586,437)</u>	<u>(6,580,553)</u>	<u>(5,884)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ —</u>	<u>\$ —</u>	5,083	<u>\$ 5,083</u>
FUND BALANCE AT BEGINNING OF YEAR			483,133	
Restatement of beginning fund balance			2,797,693	
FUND BALANCE AT END OF YEAR			<u>\$ 3,285,909</u>	

See accompanying notes to financial statements.

**THE CITY OF NEW YORK
PROPRIETARY FUNDS
STATEMENT OF NET POSITION**

JUNE 30, 2020
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island Corporation	WTC Captive Insurance Company, Inc.	NYCTL 1998-2 TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST	Total Proprietary Funds
ASSETS:								
Current assets:								
Cash and cash equivalents	\$ 33,962	\$ 6,571	\$ 5,306	\$ 132	\$ —	\$ 34	\$ 20	\$ 46,025
Investments	—	2,142	2,684	—	—	—	—	4,826
Receivables:								
Federal, State and other aid	—	1,108	—	—	—	—	—	1,108
Accounts receivable	527	51	1,084	43,274	—	10,318	25,144	80,398
Restricted cash, cash equivalents	76,207	2,792	—	9,504	—	4,957	10,268	78,999
Restricted investments	—	—	—	—	—	—	—	24,729
Prepaid expenses	71	3	32	—	—	—	—	106
Total current assets	110,767	12,667	9,106	52,910	—	15,309	35,432	236,191
Noncurrent assets:								
Investments	52,512	—	297,720	—	—	—	—	350,232
Restricted cash, cash equivalents	—	439	—	—	—	—	—	439
Accounts receivable	—	—	—	131,192	—	21,111	38,924	191,227
Capital assets:								
Land and construction work-in-progress	34,854	35,188	—	—	—	—	—	70,042
Other capital assets (net of depreciation/amortization):								
Property, plant and equipment	40,114	12,919	—	—	—	—	—	53,033
(including software)	171,483	272,026	—	—	—	—	—	443,509
Infrastructure	—	—	—	—	—	—	—	36
Other assets	298,963	320,572	297,756	131,192	—	21,111	38,924	1,108,518
Total noncurrent assets	409,730	333,239	306,862	184,102	—	36,420	74,356	1,344,709
LIABILITIES:								
Current liabilities:								
Accounts payable and accrued liabilities	9,633	3,081	5,640	8,781	—	160	355	27,650
Accrued interest payable	1,782	2,091	—	—	—	64	183	247
Unearned revenue	708	—	632	—	—	—	—	3,873
Security deposits	—	—	—	758	—	—	—	1,340
Overage due to taxpayers	—	—	—	—	—	8	—	766
Other	—	349	—	—	—	—	—	349
Bonds payable	—	—	—	—	—	11,991	50,325	62,316
Discount on bonds payable	—	—	—	—	—	(1)	(2)	(3)
Residual liability	—	—	—	10,231	—	4,513	15,490	30,234
Total current liabilities	12,123	5,521	6,272	19,770	—	16,735	66,351	126,772
Noncurrent liabilities:								
Security deposits	6,599	443	183,432	—	—	—	—	190,474
Residual liability	—	—	117,158	34,250	—	—	—	151,408
Other (net of amount due within one year)	—	439	—	—	—	—	—	439
Total noncurrent liabilities	18,722	882	300,590	34,250	—	—	—	342,321
Total liabilities	246,451	6,403	306,862	54,020	—	16,735	66,351	469,093
NET POSITION:								
Net investment in capital assets	246,451	320,133	—	—	—	—	—	566,584
Restricted for:								
Capital projects	65,963	—	—	—	—	—	—	65,963
Operations	78,594	6,703	—	130,082	—	19,685	10,268	245,332
Unrestricted (deficit)	—	—	—	—	—	—	(2,263)	(2,263)
Total net position	\$ 391,008	\$ 326,836	\$ —	\$ 130,082	\$ —	\$ 19,685	\$ 8,005	\$ 875,616

See accompanying notes to financial statements.

THE CITY OF NEW YORK
PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2019
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island Corporation	WTC Captive Insurance Company, Inc.	NYCTL 1998-2 TRUST	NYCTL 2016-A TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	Total Proprietary Funds
ASSETS:								
Current assets:								
Cash and cash equivalents	\$ 99,000	\$ 6,163	\$ 7,773	\$ 511	\$ —	\$ 28	\$ 207	\$ 113,682
Investments	—	948	11,078	—	—	—	—	12,026
Receivables:								
Federal, State and other aid	—	928	—	—	—	—	—	928
Accounts receivable	968	621	4,072	40,504	—	9,594	18,089	73,848
Restricted cash, cash equivalents	30,369	4,669	—	—	—	—	—	35,038
Restricted investments	—	—	—	20,139	—	6,350	12,637	39,126
Prepaid expenses	104	16	47	—	—	—	—	167
Total current assets	130,441	13,345	22,970	61,154	—	15,972	30,933	274,815
Noncurrent assets:								
Investments	51,460	—	272,388	—	—	—	—	323,848
Restricted cash, cash equivalents	—	447	—	—	—	—	—	447
Accounts receivable	—	—	—	170,703	—	16,758	28,254	215,715
Capital assets:								
Land and construction work-in-progress	19,838	38,167	—	—	—	—	—	58,005
Other capital assets (net of depreciation/amortization):								
Property, plant and equipment	41,687	14,554	—	—	—	—	—	56,241
(including software)	168,993	282,387	—	—	—	—	—	451,380
Infrastructure	—	—	36	—	—	—	—	36
Other assets	—	—	—	—	—	—	—	—
Total noncurrent assets	281,978	335,555	272,424	170,703	—	16,758	28,254	1,105,672
Total assets	412,419	348,900	295,394	231,857	—	32,730	59,187	1,380,487
LIABILITIES:								
Current liabilities:								
Accounts payable and accrued liabilities	4,974	6,917	4,702	7,165	—	642	1,489	25,889
Accrued interest payable	—	—	—	—	—	29	194	223
Unearned revenue	7,977	2,415	—	—	—	—	—	10,392
Security deposits	708	—	603	—	—	83	407	1,311
Overage due to taxpayers	—	—	—	782	—	9,329	36,103	1,272
Bonds payable	—	—	—	—	—	(1)	(1)	45,432
Discount on bonds payable	—	—	—	—	—	7,204	3,994	22,842
Residual liability	—	—	—	11,644	—	—	—	(2)
Total current liabilities	13,659	9,332	5,305	19,591	—	17,286	42,186	107,359
Noncurrent liabilities:								
Security deposits	2,912	446	179,417	38,980	—	—	—	182,775
Residual liability	—	—	110,672	—	—	—	—	149,652
Total noncurrent liabilities	2,912	446	290,089	38,980	—	—	—	332,427
Total liabilities	16,571	9,778	295,394	58,571	—	17,286	42,186	439,786
NET POSITION:								
Net investment in capital assets	228,000	335,108	—	—	—	—	—	563,108
Restricted for:								
Capital projects	18,836	—	—	—	—	—	—	18,836
Operations	149,012	4,014	—	173,286	—	15,444	17,001	358,757
Total net position	\$ 395,848	\$ 339,122	\$ —	\$ 173,286	\$ —	\$ 15,444	\$ 17,001	\$ 940,701

See accompanying notes to financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2020
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island Corporation	WTC Captive Insurance Company, Inc.	NYCTL 1998-2 TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST	Total Proprietary Funds
OPERATING REVENUES:								
Investment income	\$ —	\$ —	\$ 8,228	\$ 87,895	\$ 1,185	\$ 3,858	\$ 7,948	\$ 109,114
Permits and other fees	1,594	3,548	—	—	—	—	—	5,142
Tax liens received from The City of New York	—	—	—	38,007	—	—	89,434	127,441
Payments in lieu of taxes and ground leases rent	19,853	—	—	—	—	—	—	19,853
Operating grants and contributions	—	15,320	—	—	—	—	—	15,320
Total operating revenues	21,447	18,868	8,228	125,902	1,185	3,858	97,382	276,870
OPERATING EXPENSES:								
General and administrative expense	—	—	485	6,061	327	1,138	1,331	9,342
Personnel costs	6,388	4,882	614	—	—	—	—	11,884
Utilities	436	448	643	—	—	—	—	884
Professional fees	1,380	—	—	—	—	—	—	2,023
Repairs and maintenance	3,033	—	—	—	—	—	—	3,033
Security	1,628	—	—	49,389	—	—	—	1,628
Distributions to The City of New York	—	—	—	11,302	—	—	68,223	117,612
Purchase of liens	—	—	—	—	—	—	—	11,302
Increase (decrease) in allowance for doubtful accounts	—	—	—	25,769	—	(1,121)	1,222	25,870
Change to residual liability due to Water Board	—	—	—	(13,435)	88	519	15,490	2,662
Write-offs of uncollectible liens, net of recoveries	—	—	—	106,025	477	105	32	106,639
Depreciation and amortization	14,229	21,377	—	—	1	7	5	35,619
Other general, administrative and project expenses	1,900	14,754	—	—	—	—	—	16,654
Other	—	—	—	—	40	653	3,168	3,861
Total operating expenses	28,994	41,461	1,742	185,111	933	1,301	89,471	349,013
Operating income (loss)	(7,547)	(22,593)	6,486	(59,209)	252	2,557	7,911	(72,143)
NONOPERATING REVENUES (EXPENSES):								
Investment income	1,081	41	—	255	54	127	94	1,652
Interest income	30	3	—	—	—	—	—	33
Other income (loss)	(5,368)	27	—	—	—	—	—	(5,341)
Total nonoperating revenues (expenses)	(4,257)	71	—	255	54	127	94	(3,656)
Income (loss) before other revenues and transfers	(11,804)	(22,522)	6,486	(58,954)	306	2,684	8,005	(75,799)
TRANSFERS AND CAPITAL CONTRIBUTIONS:								
Capital contributions from government sources	6,964	9,251	—	—	—	—	—	16,215
Capital contributions from private sources	—	985	—	—	—	—	—	985
Transfer from residual liability	—	—	(6,486)	—	—	—	—	(6,486)
Transfers in	—	—	—	15,750	—	—	—	15,750
Transfers out	—	—	—	—	(15,750)	—	—	(15,750)
Change in net position	(4,840)	(12,286)	—	(43,204)	(15,444)	2,684	8,005	(65,085)
Net position-beginning	395,848	339,122	—	173,286	15,444	17,001	—	940,701
Net position-ending	\$ 391,008	\$ 326,836	\$ —	\$ 130,082	\$ —	\$ 19,685	\$ 8,005	\$ 875,616

See accompanying notes to financial statements.

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

FOR THE YEAR ENDED JUNE 30, 2019
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island Corporation	WTC Captive Insurance Company, Inc.	NYCTL 1998-2 TRUST	NYCTL 2016-A TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	Total Proprietary Funds
OPERATING REVENUES:								
Investment income (loss)	\$ —	\$ —	\$ (636)	\$ 101,679	\$ 1,038	\$ 3,135	\$ 6,791	\$ 112,007
Permits and other fees	1,664	4,319	—	—	—	—	—	5,983
Tax liens received from The City of New York	—	—	—	11,613	—	—	22,269	33,882
Payments in lieu of taxes and ground leases rent	86,623	—	—	—	—	—	—	86,623
Operating grants and contributions	—	15,972	—	—	—	—	—	15,972
Total operating revenues	<u>88,287</u>	<u>20,291</u>	<u>(636)</u>	<u>113,292</u>	<u>1,038</u>	<u>3,135</u>	<u>29,060</u>	<u>254,467</u>
OPERATING EXPENSES:								
General and administrative expense	—	—	498	6,728	97	1,083	1,584	9,990
Personnel costs	5,575	4,427	639	—	—	—	—	10,641
Utilities	338	629	—	—	—	—	—	967
Professional fees	1,985	—	618	—	—	—	—	2,603
Repairs and maintenance	2,788	—	—	—	—	—	—	2,788
Security	1,589	—	—	—	—	—	—	1,589
Distributions to The City of New York	—	—	—	43,781	—	—	60,139	103,920
Purchase of liens	—	—	—	9,720	—	—	—	9,720
Increase (decrease) in allowance for doubtful accounts	—	—	—	15,677	—	(1,034)	1,986	16,629
Change to residual liability due to Water Board	—	—	—	(6,234)	175	513	(6,205)	(11,751)
Write-offs of uncollectible liens, net of recoveries	—	—	—	75,937	108	646	113	76,804
Depreciation and amortization	13,123	20,243	—	—	2	—	5	33,373
Other general, administrative and project expenses	1,153	16,701	—	—	—	—	—	17,854
Other	—	—	—	—	3	299	3,730	4,032
Total operating expenses	<u>26,551</u>	<u>42,000</u>	<u>1,755</u>	<u>145,609</u>	<u>385</u>	<u>1,507</u>	<u>61,352</u>	<u>279,159</u>
Operating income (loss)	<u>61,736</u>	<u>(21,709)</u>	<u>(2,391)</u>	<u>(32,317)</u>	<u>653</u>	<u>1,628</u>	<u>(32,292)</u>	<u>(24,692)</u>
NONOPERATING REVENUES (EXPENSES):								
Investment income (loss)	1,374	(3)	—	306	37	141	193	2,048
Interest income	61	19	—	—	—	—	—	80
Other income	—	623	—	—	—	—	—	623
Total nonoperating revenues (expenses)	<u>1,435</u>	<u>639</u>	<u>—</u>	<u>306</u>	<u>37</u>	<u>141</u>	<u>193</u>	<u>2,751</u>
Income (loss) before other revenues and transfers	<u>63,171</u>	<u>(21,070)</u>	<u>(2,391)</u>	<u>(32,011)</u>	<u>690</u>	<u>1,769</u>	<u>(32,099)</u>	<u>(21,941)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:								
Capital contributions from government sources	5,400	15,226	—	—	—	—	—	20,626
Capital contributions from private sources	—	816	—	—	—	—	—	816
Transfer from residual liability	—	—	2,391	—	—	—	—	2,391
Transfers in	—	—	—	22,590	—	—	—	22,590
Transfers out	—	—	—	—	(22,590)	—	—	(22,590)
Change in net position	<u>68,571</u>	<u>(5,028)</u>	<u>—</u>	<u>(9,421)</u>	<u>(21,900)</u>	<u>1,769</u>	<u>(32,099)</u>	<u>1,892</u>
Net position-beginning	<u>327,277</u>	<u>344,150</u>	<u>—</u>	<u>182,707</u>	<u>21,900</u>	<u>13,675</u>	<u>49,100</u>	<u>938,809</u>
Net position-ending	<u>\$ 395,848</u>	<u>\$ 339,122</u>	<u>\$ —</u>	<u>\$ 173,286</u>	<u>\$ —</u>	<u>\$ 15,444</u>	<u>\$ 17,001</u>	<u>\$ 940,701</u>

See accompanying notes to financial statements.

THE CITY OF NEW YORK
PROPRIETARY FUNDS
STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2020
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island Corporation	WTC Captive Insurance Company, Inc.	NYCTL 1998-2 TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts from:								
Cash received from other assets	\$ —	\$ —	\$ 15	\$ —	\$ —	\$ —	\$ —	\$ 15
Interest income collected	—	—	7,998	—	—	—	—	7,998
Receipts from customers	1,642	4,147	—	—	—	—	—	5,789
Cash collections	—	—	—	51,912	5,552	19,953	32,314	109,731
Tenants payments	14,050	—	—	—	—	—	—	14,050
Operating grants and contributions	—	15,096	—	—	—	—	—	15,096
Cash payments for:								
Losses and loss adjustment expenses paid	—	—	(507)	—	—	—	—	(507)
Personnel costs	(6,214)	(4,725)	(614)	—	—	—	—	(11,553)
Distributions	—	—	—	(49,389)	—	—	(68,223)	(117,612)
Purchase of liens	—	—	—	(11,302)	—	—	—	(11,302)
Administration expenses	—	—	(485)	—	(69)	(782)	(4,215)	(5,551)
Services and supplies	(8,765)	(18,142)	(641)	(4,773)	(304)	(3,033)	—	(35,658)
Net cash provided by (used for) operating activities	713	(3,624)	5,766	(13,552)	5,179	16,138	(40,124)	(29,504)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Payments from lessees - security deposits	3,687	(4)	—	—	—	—	—	3,683
Proceeds from loan payable	—	788	—	—	—	—	—	788
Transfers in/out	—	—	—	2,282	(2,282)	—	—	—
Bond issued	—	—	—	—	—	—	74,230	74,230
Bond retired	—	—	—	—	(9,329)	(24,112)	(23,905)	(57,346)
Bond discount	—	—	—	—	—	(7)	(7)	(14)
Net cash provided by (used for) noncapital financing activities	3,687	784	—	2,282	(11,611)	(24,119)	50,318	21,341
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Capital grants and contributions from government sources	6,964	8,970	—	—	—	—	—	15,934
Capital grants and contributions from private sources	—	986	—	—	—	—	—	986
Capital asset expenditures	(30,625)	(7,443)	—	—	—	—	—	(38,068)
Net cash provided by (used for) capital and related financing activities	(23,661)	2,513	—	—	—	—	—	(21,148)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchase of investments	(51,434)	(1,194)	(586,322)	(117,877)	(8,186)	(27,608)	(45,785)	(838,406)
Sales and maturities of investments	50,624	—	578,089	128,512	14,536	35,289	35,517	842,567
Interest received	871	44	—	256	54	127	94	1,446
Net cash provided by (used for) investing activities	61	(1,150)	(8,233)	10,891	6,404	7,808	(10,174)	5,607
Net increase (decrease) in cash and cash equivalents	(19,200)	(1,477)	(2,467)	(379)	(28)	(173)	20	(23,704)
Cash and cash equivalents July 1	129,369	11,279	7,773	511	28	207	—	149,167
Cash and cash equivalents June 30	\$ 110,169	\$ 9,802	\$ 5,306	\$ 132	\$ —	\$ 34	\$ 20	\$ 125,463

**THE CITY OF NEW YORK
PROPRIETARY FUNDS
STATEMENT OF CASH FLOW**

FOR THE YEAR ENDED JUNE 30, 2020
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island Corporation	WTC Captive Insurance Company, Inc.	NYCTL 1998-2 TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST	Total Proprietary Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:								
Operating income (loss)	\$ (7,547)	\$ (22,593)	\$ 6,486	\$ (59,209)	\$ 252	\$ 2,557	\$ 7,911	\$ (72,143)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and amortization	14,229	21,377	—	—	1	7	5	35,619
Accounts receivable	441	599	—	32,107	5,217	16,034	(65,290)	(10,892)
Change in allowance for doubtful accounts	—	—	—	25,769	—	(1,121)	1,222	25,870
Prepaid expenses	33	13	15	—	—	—	—	61
Accounts payable and accrued expenses ..	(248)	(2,796)	4,046	(12,219)	(291)	(1,339)	16,028	3,181
Unearned revenue	(6,195)	(224)	—	—	—	—	—	(6,419)
Realized losses on sales of investments ..	—	—	(975)	—	—	—	—	(975)
Change in unrealized losses on investments	—	—	(3,800)	—	—	—	—	(3,800)
Accrued investment income	—	—	(6)	—	—	—	—	(6)
Total adjustments	8,260	18,969	(720)	45,657	4,927	13,581	(48,035)	42,639
Net cash provided by (used for) operating activities	\$ 713	\$ (3,624)	\$ 5,766	\$ (13,552)	\$ 5,179	\$ 16,138	\$ (40,124)	\$ (29,504)
RECONCILIATION TO CASH AND CASH EQUIVALENTS, END OF YEAR:								
Unrestricted cash and cash equivalents	33,962	6,571	5,306	132	—	34	20	46,025
Current restricted cash and cash equivalents .	76,207	2,792	—	—	—	—	—	78,999
Noncurrent restricted cash and cash equivalents	—	439	—	—	—	—	—	439
Cash and cash equivalents—end of year	\$ 110,169	\$ 9,802	\$ 5,306	\$ 132	\$ —	\$ 34	\$ 20	\$ 125,463
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:								
Noncash capital and related financing transactions:								
Accrued capital asset expenditures	\$ 8,462	\$ 1,350	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,812
Noncash loss on disposal of fixed assets ..	\$ 5,368	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,368

See accompanying notes to financial statements.

THE CITY OF NEW YORK
PROPRIETARY FUNDS
STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2019
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island Corporation	WTC Captive Insurance Company, Inc.	NYCTL 1998-2 TRUST	NYCTL 2016-A TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts from:								
Cash received from other assets	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 1
Interest income collected	—	—	6,612	—	—	—	—	6,612
Receipts from customers	2,057	5,057	—	—	—	—	—	7,114
Cash collections	—	—	—	55,259	4,697	16,983	41,401	118,340
Tenants receipts	92,617	—	—	—	—	—	—	92,617
Operating grants and contributions	—	15,922	—	—	—	—	—	15,922
Cash payments for:								
Losses and loss adjustment expenses paid	—	—	(660)	—	—	—	—	(660)
Personnel costs	(5,516)	(4,334)	(639)	—	—	—	—	(10,489)
Distributions	—	—	—	(43,781)	—	—	(60,139)	(103,920)
Purchase of liens	—	—	—	(9,720)	—	—	—	(9,720)
Administration expenses	—	—	(498)	—	(227)	(359)	(3,536)	(4,620)
Services and supplies	(7,631)	(19,049)	(633)	(7,952)	—	(2,906)	(2,146)	(40,317)
Net cash provided by (used for) operating activities	81,527	(2,404)	4,183	(6,194)	4,470	13,718	(24,420)	70,880
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Payments from lessees - security deposits	122	(25)	—	—	—	—	—	97
Transfers in (out)	—	—	—	7,427	(7,427)	—	—	—
Bond issued	—	—	—	—	—	—	74,659	74,659
Bond retired	—	—	—	—	(3,584)	(19,446)	(38,556)	(61,586)
Bond discount	—	—	—	—	—	—	(7)	(7)
Net cash provided by (used for) noncapital financing activities	122	(25)	—	7,427	(11,011)	(19,446)	36,096	13,163
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Capital grants and contributions from government sources	—	18,595	—	—	—	—	—	18,595
Capital grants and contributions from private sources	—	841	—	—	—	—	—	841
Capital asset expenditures	(13,658)	(14,931)	—	—	—	—	—	(28,589)
Net cash provided by (used for) capital and related financing activities	(13,658)	4,505	—	—	—	—	—	(9,153)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchase of investments	(26,250)	816	(565,498)	(82,027)	(12,384)	(24,666)	(51,838)	(761,847)
Sales and maturities of investments	25,410	—	559,074	80,357	18,569	29,906	40,091	753,407
Interest received	952	51	—	306	37	141	193	1,680
Net cash provided by (used for) investing activities	112	867	(6,424)	(1,364)	6,222	5,381	(11,554)	(6,760)
Net increase (decrease) in cash and cash equivalents	68,103	2,943	(2,241)	(131)	(319)	(347)	122	68,130
Cash and cash equivalents July 1	61,266	8,336	10,014	642	319	375	85	81,037
Cash and cash equivalents June 30	\$ 129,369	\$ 11,279	\$ 7,773	\$ 511	\$ —	\$ 28	\$ 207	\$ 149,167

**THE CITY OF NEW YORK
PROPRIETARY FUNDS
STATEMENT OF CASH FLOW**

FOR THE YEAR ENDED JUNE 30, 2019
(in thousands)

	Brooklyn Bridge Park Corporation	The Trust for Governors Island Corporation	WTC Captive Insurance Company, Inc.	NYCTL 1998-2 TRUST	NYCTL 2016-A TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	Total Proprietary Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:								
Operating income (loss)	\$ 61,736	\$ (21,709)	\$ (2,391)	\$ (32,317)	\$ 653	\$ 1,628	\$ (32,292)	\$ (24,692)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and amortization	13,123	20,243	—	—	—	—	5	33,373
Accounts receivable	5,687	738	—	17,704	4,323	14,751	10,049	53,252
Change in allowance for doubtful accounts	—	—	—	15,677	—	(1,034)	1,986	16,629
Prepaid expenses	(57)	8	1	—	—	—	—	(48)
Accounts payable and accrued expenses ..	338	(1,634)	3,780	(7,258)	(508)	(1,627)	(4,168)	(11,077)
Unearned revenue	700	(50)	—	—	—	—	—	650
Realized losses on sales of investments ..	—	—	4,557	—	—	—	—	4,557
Change in unrealized losses on investments	—	—	(1,743)	—	—	—	—	(1,743)
Accrued investment income	—	—	(21)	—	—	—	—	(21)
Total adjustments	19,791	19,305	6,574	26,123	3,817	12,090	7,872	95,572
Net cash provided by (used for) operating activities	\$ 81,527	\$ (2,404)	\$ 4,183	\$ (6,194)	\$ 4,470	\$ 13,718	\$ (24,420)	\$ 70,880
RECONCILIATION TO CASH AND CASH EQUIVALENTS, END OF YEAR:								
Unrestricted cash and cash equivalents	99,000	6,163	7,773	511	—	28	207	113,682
Current restricted cash and cash equivalents	30,369	4,669	—	—	—	—	—	35,038
Noncurrent restricted cash and cash equivalents	—	447	—	—	—	—	—	447
Cash and cash equivalents—end of year	\$ 129,369	\$ 11,279	\$ 7,773	\$ 511	\$ —	\$ 28	\$ 207	\$ 149,167
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:								
Noncash capital and related financing transactions:								
Accrued capital asset expenditures	\$ 3,555	\$ 2,390	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,945

See accompanying notes to financial statements.

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

JUNE 30, 2020
(in thousands)

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Custodial Fund</u>
ASSETS:		
Cash and cash equivalents	\$ 1,686,357	\$ 664,453
Receivables:		
Member loans	2,429,706	—
Investment securities sold	4,722,093	—
Accrued interest and dividends	724,545	—
Other receivables	15,043	—
Total receivables	<u>7,891,387</u>	<u>—</u>
Investments:		
Short-term investments	8,733,269	—
Debt securities	67,635,007	296,490
Equity securities	104,301,373	—
Alternative investments	35,809,823	—
Mutual funds	17,194,163	—
Collective trust funds	24,353,832	—
Collateral from securities lending transactions	12,410,379	—
Guaranteed investment contracts	6,449,312	—
Total investments	<u>276,887,158</u>	<u>296,490</u>
Other assets	234,369	—
Total assets	<u>286,699,271</u>	<u>960,943</u>
LIABILITIES:		
Accounts payable and accrued liabilities	1,086,436	775,442
Payable for investment securities purchased	7,979,394	—
Accrued benefits payable	1,236,919	—
Securities lending transactions	12,410,379	—
Other liabilities	1,052	185,501
Total liabilities	<u>22,714,180</u>	<u>960,943</u>
NET POSITION:		
Restricted for benefits to be provided by QPPs	190,773,817	—
Restricted for benefits to be provided by VSFs	6,137,257	—
Restricted for benefits to be provided by TDA program	39,360,275	—
Restricted for other employee benefits	27,713,742	—
Total net position	<u>\$263,985,091</u>	<u>\$ —</u>

See accompanying notes to financial statements.

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

JUNE 30, 2019
(in thousands)

	Pension and Other Employee Benefit Trust Funds	<u>Restated</u> Custodial Fund
ASSETS:		
Cash and cash equivalents	\$ 1,019,644	\$ 153,319
Receivables:		
Member loans	2,479,931	—
Investment securities sold	4,875,622	—
Accrued interest and dividends	705,889	—
Other receivables	897	—
Total receivables	<u>8,062,339</u>	<u>—</u>
Investments:		
Short-term investments	4,793,924	—
Debt securities	66,381,164	1,124,494
Equity securities	111,139,322	—
Alternative investments	33,392,817	—
Mutual funds	13,446,323	—
Collective trust funds	18,053,908	—
Collateral from securities lending transactions	12,745,775	—
Guaranteed investment contracts	6,064,554	—
Total investments	<u>266,017,787</u>	<u>1,124,494</u>
Other assets	217,262	—
Total assets	<u>275,317,032</u>	<u>1,277,813</u>
LIABILITIES:		
Accounts payable and accrued liabilities	2,002,417	958,970
Payable for investment securities purchased	5,406,346	—
Accrued benefits payable	1,146,877	—
Securities lending transactions	12,745,775	—
Other liabilities	617	318,843
Total liabilities	<u>21,302,032</u>	<u>1,277,813</u>
NET POSITION:		
Restricted for benefits to be provided by QPPs	185,963,209	—
Restricted for benefits to be provided by VSFs	6,135,804	—
Restricted for benefits to be provided by TDA program	37,460,813	—
Restricted for other employee benefits	24,455,174	—
Total net position	<u>\$254,015,000</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, 2020
(in thousands)

	<u>Pension And Other Employee Benefit Trust Funds</u>
ADDITIONS:	
Contributions:	
Member contributions	\$ 3,459,367
Employer contributions	13,513,113
Other employer contributions	61,748
Total contributions	<u>17,034,228</u>
Investment income:	
Interest income	3,091,074
Dividend income	3,088,581
Net appreciation in fair value of investments	8,450,904
Investment expenses	(916,117)
Investment income, net	<u>13,714,442</u>
Securities lending transactions:	
Securities lending income	56,186
Securities lending fees	(5,572)
Securities lending income, net	<u>50,614</u>
Other	4,872
Total additions	<u>30,804,156</u>
DEDUCTIONS:	
Benefit payments and withdrawals	20,582,685
Administrative expenses	242,293
Other	9,087
Total deductions	<u>20,834,065</u>
Net increase in net position	9,970,091
NET POSITION:	
Restricted for Benefits:	
Beginning of year	<u>254,015,000</u>
End of year	<u>\$263,985,091</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, 2019
(in thousands)

	<u>Pension and Other Employee Benefit Trust Funds</u>
ADDITIONS:	
Contributions:	
Member contributions	\$ 3,344,824
Employer contributions	14,268,298
Other employer contribution	62,513
Total contributions	<u>17,675,635</u>
Investment income:	
Interest income	3,280,868
Dividend income	3,038,008
Net appreciation in fair value of investments	8,933,551
Investment expenses	(950,517)
Investment income, net	<u>14,301,910</u>
Securities lending transactions:	
Securities lending income	86,414
Securities lending fees	(8,564)
Securities lending income, net	<u>77,850</u>
Other	2,502
Total additions	<u>32,057,897</u>
DEDUCTIONS:	
Benefit payments and withdrawals	19,798,381
Administrative expenses	243,400
Other	9,769
Total deductions	<u>20,051,550</u>
Net increase in net position	12,006,347
NET POSITION:	
Restricted for Benefits:	
Beginning of year	<u>242,008,653</u>
End of year	<u>\$254,015,000</u>

See accompanying notes to financial statements.

**THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF NET POSITION**

JUNE 30, 2020
(in thousands)

	Water and Sewer System	Housing Authority December 31, 2019	Housing Development Corporation October 31, 2019	Health and Hospitals Corporation	Economic Development Corporation	Nonmajor Component Units	Total
ASSETS:							
Cash and cash equivalents	\$ —	\$ 549,585	\$ 801,401	\$ 1,139,850	\$ 86,571	\$ 93,672	\$ 2,671,079
Investments	36,116	527,387	202,891	620,241	21,791	109,888	1,518,314
Lease receivables	765,786	942,269	1,656,096	1,566,359	296,911	1,636,487	1,636,487
Other receivables	—	114,301	13,624,238	—	24,526	39,009	5,266,430
Mortgage loans and interest receivable, net	—	11,136	—	—	—	—	13,763,065
Inventories	93,685	—	—	—	—	21,635	11,136
Due from Primary Government	—	—	—	—	—	—	115,320
Restricted cash, cash equivalents and investments	2,695,520	666,857	5,185,240	329,138	263,453	271,563	9,411,771
Other	64,484	106,514	619	394,123	88,611	14,674	669,025
Capital assets:							
Land and construction work-in-progress	5,242,563	2,694,619	—	644,498	132,387	28,518	8,742,585
Buildings and equipment	43,201,976	14,601,635	8,768	9,204,924	348,672	955,506	68,321,481
Accumulated depreciation	(16,685,067)	(9,775,570)	(6,894)	(5,940,344)	(27,422)	(309,864)	(32,745,161)
Total assets	35,415,063	10,438,733	21,472,359	7,958,789	1,235,500	2,861,088	79,381,532
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred outflows from pensions	(263)	150,224	3,264	229,146	—	—	382,371
Deferred outflows from OPEB	489	396,053	1,025	783,244	1,205	—	1,182,016
Other deferred outflows of resources	167,402	13,907	108,041	10,369	7,026	11,849	318,594
Total deferred outflows of resources	167,628	560,184	112,330	1,022,759	8,231	11,849	1,882,981
LIABILITIES:							
Accounts payable and accrued liabilities	11,648	552,406	928,322	2,005,643	248,838	46,409	3,793,266
Accrued interest payable	51,495	12,286	135,926	10,475	—	—	210,182
Unearned revenue	83,648	311,750	115,565	—	29,857	35,269	576,089
Due to Primary Government	567,644	4,432,287	4,432,287	382,780	139,934	168,385	5,522,645
Other	—	46,330	102,907	—	9,151	11,849	326,773
Derivative instruments-interest rate swaps	154,950	—	—	—	—	—	166,799
Noncurrent liabilities:							
Due within one year	214,664	470,208	345,922	869,907	—	97,712	1,998,413
Bonds & notes payable (net of amount due within one year)	32,875,741	759,628	11,788,584	634,217	—	1,572,288	47,630,458
Net pension liability	422	822,109	10,049	2,329,327	—	5,660	3,167,567
Net OPEB liability	1,929	2,816,376	7,154	5,125,172	—	—	7,950,631
Other (net of amount due within one year)	49,398	3,479,545	575,533	387,689	247,007	201,810	4,940,982
Total liabilities	34,011,539	9,270,638	18,442,249	11,745,210	674,787	2,139,382	76,283,805
DEFERRED INFLOWS OF RESOURCES:							
Deferred inflows from pensions	8	234,860	1,737	348,629	—	—	585,234
Deferred inflows from OPEB	549	386,426	8,785	1,244,908	4,697	—	1,645,365
Other deferred inflows of resources	38,419	—	—	—	—	—	38,419
Total deferred inflows of resources	38,976	621,286	10,522	1,593,537	4,697	—	2,269,018
NET POSITION:							
Net investment in capital assets	481,129	6,897,324	1,874	2,837,825	321,250	441,065	10,980,467
Restricted for:							
Capital projects	—	—	—	—	(37,769)	48,111	10,342
Debt service	1,638,121	—	2,236,470	138,454	—	1,483	4,014,528
Loans/security deposits	—	—	—	—	54,269	—	54,269
Donor/statutory restrictions	—	—	—	414,822	—	42,129	456,951
Operations	264,178	—	85,918	—	—	68,463	418,559
Unrestricted (deficit)	(851,252)	(5,790,331)	807,656	(7,748,300)	226,497	132,304	(13,223,426)
Total net position (deficit)	\$ 1,532,176	\$ 1,106,993	\$ 3,131,918	\$ (4,357,199)	\$ 564,247	\$ 733,555	\$ 2,711,690

See accompanying notes to financial statements.

**THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF NET POSITION**

JUNE 30, 2019
(in thousands)

	Water and Sewer System	Housing Authority December 31, 2018	Housing Development Corporation October 31, 2018	Health and Hospitals Corporation	Economic Development Corporation	Nonmajor Component Units	Total
ASSETS:							
Cash and cash equivalents	\$ —	\$ 530,199	\$ 765,088	\$ 1,396,634	\$ 60,620	\$ 49,841	\$ 2,802,382
Investments	7,389	535,677	135,589	562,687	95,284	131,330	1,467,956
Lease receivables	—	—	—	—	—	1,662,936	1,662,936
Other receivables	730,837	810,500	1,716,505	1,150,763	229,780	33,421	4,671,806
Mortgage loans and interest receivable, net	—	169,227	12,052,049	—	21,312	—	12,242,588
Inventories	—	11,498	—	—	—	—	11,498
Due from Primary Government	—	—	—	—	—	27,428	27,428
Restricted cash, cash equivalents and investments	2,153,358	740,310	4,645,556	325,385	346,042	328,356	8,539,007
Other	61,822	104,611	34,398	194,869	90,193	9,719	495,612
Capital assets:							
Land and construction work-in-progress	4,717,989	2,521,306	—	655,973	132,387	12,944	8,040,599
Buildings and equipment	41,942,360	13,944,121	8,667	6,884,454	256,623	908,094	65,744,319
Accumulated depreciation	(15,685,296)	(9,424,645)	(6,502)	(5,625,151)	(211,038)	(279,464)	(31,042,096)
Total assets	33,928,459	9,942,804	19,351,350	7,345,614	1,211,203	2,884,605	74,664,035
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred outflows from pensions	(385)	94,802	1,588	36,595	—	—	132,600
Deferred outflows from OPEB	532	67,240	1,061	870,214	—	—	939,047
Other deferred outflows of resources	121,013	14,083	7,540	6,851	1,591	10,173	161,251
Total deferred outflows of resources	121,160	176,125	10,189	913,660	1,591	10,173	1,232,898
LIABILITIES:							
Accounts payable and accrued liabilities	16,930	458,508	895,387	1,679,336	214,947	42,533	3,307,641
Accrued interest payable	53,514	13,125	121,416	12,004	—	—	200,059
Unearned revenue	76,716	341,992	104,258	—	34,786	51,032	608,784
Due to Primary Government	715,233	3,376,951	3,376,951	300,587	137,831	—	4,530,602
Other	—	44,272	—	—	12,538	159,804	216,614
Derivative instruments-interest rate swaps	107,158	—	—	—	—	10,173	117,331
Noncurrent liabilities:							
Due within one year	509,299	330,079	630,081	755,172	—	37,110	2,261,741
Bonds and notes payable (net of amount due within one year)	31,162,950	801,299	10,647,712	726,552	—	1,603,967	44,942,480
Net pension liability	393	894,818	9,325	2,076,633	—	6,938	2,988,107
Net OPEB liability	1,828	2,562,230	13,822	5,407,211	—	—	7,985,091
Other (net of amount due within one year)	53,120	810,716	696,986	491,570	247,731	283,728	2,583,851
Total liabilities	32,697,141	6,257,039	16,495,938	11,449,065	647,833	2,195,285	69,742,301
DEFERRED INFLOWS OF RESOURCES:							
Deferred inflows from pensions	34	152,071	1,356	514,225	—	—	667,686
Deferred inflows from OPEB	598	279,037	765	1,120,799	3,209	—	1,404,408
Other deferred inflows of resources	12,389	—	32,012	—	—	—	44,401
Total deferred inflows of resources	13,021	431,108	34,133	1,635,024	3,209	—	2,116,495
NET POSITION:							
Net investment in capital assets	437,786	6,450,404	2,165	2,736,120	235,585	383,525	10,245,585
Restricted for:							
Capital projects	—	—	—	—	8,182	46,656	54,838
Debt service	1,624,802	1,904,075	1,904,075	136,238	—	2,376	3,667,491
Loans/security deposits	—	—	—	—	54,835	—	54,835
Donor/statutory restrictions	—	—	—	408,778	—	37,990	446,768
Operations	260,102	79,378	—	—	—	56,724	396,204
Unrestricted (deficit)	(983,233)	(3,019,622)	845,850	(8,105,951)	263,150	172,222	(10,827,584)
Total net position (deficit)	\$ 1,339,457	\$ 3,430,782	\$ 2,831,468	\$ (4,824,815)	\$ 561,752	\$ 699,493	\$ 4,038,137

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020
(in thousands)

	Water and Sewer System	Housing Authority December 31, 2019	Housing Development Corporation October 31, 2019	Health and Hospitals Corporation	Economic Development Corporation	Nonmajor Component Units	Total
EXPENSES	\$ 3,973,386	\$ 6,904,317	\$ 437,816	\$ 11,331,693	\$ 990,314	\$ 603,766	\$ 24,241,292
PROGRAM REVENUES:							
Charges for services	3,862,373	1,058,488	557,634	8,965,552	244,716	77,148	14,765,911
Operating grants and contributions	—	2,517,894	—	1,429,180	180,576	363,454	4,491,104
Capital grants, contributions and other	48,062	878,901	41,088	460,460	560,012	85,280	2,073,803
Total program revenues	3,910,435	4,455,283	598,722	10,855,192	985,304	525,882	21,330,818
Net (expenses) program revenues	(62,951)	(2,449,034)	160,906	(476,501)	(5,010)	(77,884)	(2,910,474)
GENERAL REVENUES:							
Investment income	79,993	49,483	139,544	32,866	4,124	4,790	310,800
Unrestricted Federal and State aid	—	—	—	—	—	5,556	5,556
Gain on in-substance defeasance.	10,107	—	—	—	—	—	10,107
Other	165,570	75,762	—	911,251	3,381	101,600	1,257,564
Total general revenue	255,670	125,245	139,544	944,117	7,505	111,946	1,584,027
Change in net position	192,719	(2,323,789)	300,450	467,616	2,495	34,062	(1,326,447)
Net position (deficit)—beginning	1,339,457	3,430,782	2,831,468	(4,824,815)	561,752	699,493	4,038,137
Net position (deficit)—ending	\$ 1,532,176	\$ 1,106,993	\$ 3,131,918	\$ (4,357,199)	\$ 564,247	\$ 733,555	\$ 2,711,690

See accompanying notes to financial statements.

THE CITY OF NEW YORK
COMPONENT UNITS
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019
(in thousands)

	Housing Authority December 31, 2018	Housing Development Corporation October 31, 2018	Health and Hospitals Corporation	Economic Development Corporation	Nonmajor Component Units	Total
EXPENSES	\$ 3,931,264	\$ 380,206	\$ 10,473,859	\$ 806,474	\$ 558,027	\$ 19,967,511
PROGRAM REVENUES:						
Charges for services	1,070,022	471,364	8,374,499	277,856	65,860	14,078,548
Operating grants and contributions	2,387,205	—	644,685	90,911	341,866	3,464,667
Capital grants, contributions and other	820,368	39,601	375,336	536,457	100,176	1,884,386
Total program revenues	4,277,595	510,965	9,394,520	905,224	507,902	19,427,601
Net (expenses) program revenues	346,331	130,759	(1,079,339)	98,750	(50,125)	(539,910)
GENERAL REVENUES:						
Investment income	22,507	53,555	38,807	9,057	7,611	223,249
Unrestricted Federal and State aid	—	—	—	—	5,559	5,559
Loss on in-substance defeasance	—	(129)	—	—	—	(26,187)
Other	183,621	63,117	1,209,701	5,696	101,169	1,739,650
Total general revenue	206,128	116,543	1,248,508	14,753	114,339	1,942,271
Change in net position	552,459	247,302	169,169	113,503	64,214	1,402,361
Net position (deficit)—beginning	2,878,323	2,584,166	(4,993,984)	448,249	635,279	2,635,776
Net position (deficit)—ending	\$ 3,430,782	\$ 2,831,468	\$ (4,824,815)	\$ 561,752	\$ 699,493	\$ 4,038,137

See accompanying notes to financial statements.

THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

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:

Fiscal Year 2005 Securitization Corporation (FSC). FSC is a corporation organized in 2004 under the Not-for-Profit Corporation Law of the State of New York. FSC was formed for the purpose of issuing bonds to acquire securities held in an escrow account securing City General Obligation Bonds of the City. The securities, which are held in a trust by the trustee for FSC, are scheduled to generate sufficient cash flow to fund the debt service and operational expenditures of FSC for the life of its bonds. FSC expects to cease operations and dissolve the corporation by fiscal year 2021 as the final payments on FSC’s bonds was April 1, 2020. After such date, the Corporation had no assets or liabilities and no bonds outstanding as it fully expended its debt service funds. FSC is governed by a three-member Board of Directors. FSC does not have any employees; its affairs are administered by employees of the City and of the New York City Municipal Water Finance Authority (Water Authority), for which FSC pays a management fee and overhead based on its allocated share of personnel and overhead costs.

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 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.

Sales Tax Asset Receivable Corporation (STAR). STAR is a corporation organized in 2004 under the Not-for-Profit Corporation Law of the State of New York. The corporation was formed to issue bonds to retire the outstanding bonds of the Municipal Assistance Corporation (MAC) of The City of New York and the outstanding bonds of the City held by MAC. STAR bonds are secured by \$170 million paid annually through June 30, 2034 to STAR from the New York State Local Government Assistance Corporation. STAR is governed by a six-member Board of Directors. STAR does not have any employees; its affairs are administered by employees of the City and of the Water Authority, for which STAR pays a management and overhead fee 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 2017-A Trust
- NYCTL 2018-A Trust
- NYCTL 2019-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 BNYC 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: **FSC, HYDC, HYIC, ECF, SCA, NYCSSS, TFA, STAR 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. While the VSFs are included with QPPs for financial reporting purposes, in accordance with the Administrative Code of The City of New York (ACNY), VSFs are not pension funds or retirement systems. Instead, 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.

Discretely Presented Component Units

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

New Accounting Standard Adopted

In Fiscal Year 2020, the City adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*

Statement No. 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources, should also be reported.

The City continues to meet the fiduciary criteria by classifying activities related to pension, investment trust funds, and private-purpose trust funds as fiduciary. Items previously reported as part of the agency fund classification of the Fiduciary Funds statements were reviewed to evaluate if they met the new custodial funds criteria. The City identified approximately 151 custodial accounts as non-fiduciary and re-categorized them as restricted. As a result, for fiscal year ended June 30, 2020, the net activities of the restricted accounts of \$46 million was reported as part of the City’s General Fund. The inclusion of restricted fund activities causes a deficit in the General Fund of \$41 million; however, the exclusion of restricted fund activities, as permitted by state legislation for the determination as to the existence of a deficit pursuant to the New York State Financial Emergency Act, results in the City’s operating surplus of approximately \$5 million. More information is available in Note A.20.

The restricted accounts and balances were reclassified from the City’s Fiduciary Net Position to the General Fund Restricted Fund Balance. The reclassification prompted the City to restate the following statements for fiscal year ended June 30, 2019: Governmental Fund Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances; Fiduciary Fund Statement of Fiduciary Net Position; and Custodial Fund Schedule of Changes in Assets and Liabilities.

The Governmental Funds’ fund balance for fiscal year 2019 increased from \$3.391 billion to \$6.189 billion as a result of the reclassification. The change in net position is outlined below and incorporates the restatement.

	Fiscal Year June 30, 2019 Original	GASB Statement No. 84 (in thousands)	Fiscal Year June 30, 2019 (Restated)
Net change in fund balances	\$ (2,027,268)		\$ (2,027,268)
Fund balances (deficit) at Beginning of year	5,418,104		5,418,104
Restatement of beginning fund balance	—	2,797,693	2,797,693
Fund balances (deficit) at End of year	<u>\$ 3,390,836</u>		<u>\$ 6,188,529</u>
Change in net position	\$ (6,946,149)		\$ (6,946,149)
Net position (deficit)—Beginning	(197,767,704)		(197,767,704)
Restatement of beginning net position	—	2,797,693	2,797,693
Net position (deficit)—Ending	<u>\$ (204,713,853)</u>		<u>\$ (201,916,160)</u>

Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City has implemented GASB 95, with the exception of the adoption of Statement No. 84 mentioned above.

Pronouncements Issued But Not Yet Effective

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

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2022
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32</i>	2022

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. Nonexchange transactions include: sales and income taxes, property taxes, grants, entitlements and donations, and are recorded on the accrual basis of accounting.

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

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

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

4. Encumbrances

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

5. Cash and Investments

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

The annual average collected bank balances maintained during Fiscal Years 2020 and 2019 were approximately \$1.86 and \$1.74 billion, respectively.

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

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

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

A description of the City's fiduciary funds securities lending activities in Fiscal Years 2020 and 2019 is included in Deposits and Investments (see Note D.1).

6. Inventories

Inventories on hand at June 30, 2020 and 2019, estimated based on average cost at \$611 and \$428 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 other elements of the City's infrastructure that have been appropriated in the Capital Budget (see Note C.1). All capital assets, with the exception of computer hardware, software, networks and systems, have an initial minimum useful life of five years. Computer hardware, software, networks and systems, have a three year minimum useful life. The City's baseline eligibility criteria stipulate that capital assets must have a minimum cost threshold of more than \$35 thousand. Capital assets, which are used for general governmental purposes and are not available for expenditure, 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. The capital assets of the water distribution and sewage collection system are recorded in the System component unit financial statements under a lease agreement between the City and the Water Board.

Capital assets are generally stated at historical cost, or at estimated historical cost, based on appraisals or on other acceptable methods, when historical cost is not available. Donated capital assets are reported at their acquisition value. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the present value of net minimum lease payments at the inception of the lease (see Note D.3).

Accumulated depreciation and amortization are reported as reductions of capital assets. Depreciation is computed using the straight-line method based upon estimated useful lives of generally 25 to 50 years for new construction, 10 to 25 years for betterments and/or reconstruction, 5 to 15 years for equipment (including software), and 15 to 40 years for infrastructure. Capital lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset, whichever is less.

9. Vacation and Sick Leave

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

10. Judgments and Claims

The City is generally uninsured with respect to risks including, but not limited to, property damage, personal injury, and workers' compensation. However, as required by the Stafford Act, the City insures certain assets, which have been restored with grant funds from the Federal Emergency Management Agency, through the National Flood Insurance Program. In the fund financial statements, expenditures for judgments and claims (other than workers' compensation and condemnation proceedings) are recorded on the basis of settlements reached or judgments entered within the current fiscal year. Expenditures for workers' compensation are recorded when paid. Settlements relating to condemnation proceedings are reported when the liability is estimable. In the government-wide financial statements, the estimated liability for all judgments and claims incurred but not yet expended is recorded as a noncurrent liability.

11. Long-Term Liabilities

For long-term liabilities, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. All long-term liabilities are reported in the government-wide *Statement of Net Position*. Long-term liabilities expected to be financed from discretely presented component units' operations are accounted for in those component units' financial statements.

12. Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, classified by type, and the changes in fair value of such derivative instruments for the fiscal year then ended, are as follows:

Governmental Activities

Item	Changes in Fair Value from June 30, 2019		Fair Value at June 30, 2020		Notional
	Classification	Amount	Classification	Amount	
		(in thousands)			
Cash flow Hedges:					
H Pay-Fixed interest rate swap	Debt	\$(11,450)	Debt	\$ —	
Investment derivative instruments:					
A Pay-Fixed interest rate swap	Investment Revenue	1,358	Investment	(681)	42,158
B Pay-Fixed interest rate swap	Investment Revenue	453	Investment	(227)	14,053
C Pay-Fixed interest rate swap	Investment Revenue	453	Investment	(227)	14,053
D Pay-Fixed interest rate swap	Investment Revenue	453	Investment	(227)	14,053
E Pay-Fixed interest rate swap	Investment Revenue	(588)	Investment	(8,240)	76,775
H Pay-Fixed interest rate swap	Investment Revenue	(30,698)	Investment	(72,681)	350,000

Due to the conversion to fixed rate of the outstanding 2004 A-4 and 2004 A-5 bonds during Fiscal Year ended June 30, 2020, Swap H is no longer treated as a cash flow hedge. Accordingly, the change in fair value of the swaps from June 30, 2019 to June 30, 2020 is reported within the investment revenue classification for the Fiscal Year ended June 30, 2020.

Effective May 1, 2020 The City and the counterparty for Investment Derivative H agreed to change the floating rate index from 61.85% of USD-LIBOR-BBA to 100% of SIFMA in exchange for increasing the fixed rate from 2.964% to 3.175%. The new floating rate index and fixed rate will remain in place for the remaining term of the agreement. There was no payment of receipt from the swap counterparty in connection with the change in terms.

Fair Value for the derivative instruments is the estimated exit price that assumes a transaction takes place in the City's principal market, or 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-market values of the derivative instruments 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. The derivative instruments are classified in Level 2 as their valuation relies primarily on observable inputs.

Hedging Derivative Instruments

As of June 30, 2020 the City no longer has 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 Baa1 (Moody's) or BBB+ (Standard & Poor's) for derivative instruments A and B, or below Baa3 (Moody's) or BBB- (Standard & Poor's) for derivative instruments H or below Baa3 (Moody's) and BBB- (Standard & Poor's) for derivative instruments C, D and 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 \$82.33 million for ratings below Baa3 or BBB- based on posting cash. The City's credit rating as of June 30, 2020 was Aa1 (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, 2020 ⁽²⁾ (in thousands)	Collateral Threshold at Baa2/BBB to Baa3/BBB- ⁽³⁾	Collateral Amount (in thousands)	Collateral Threshold below Baa3/BBB-	Required Collateral Amount ⁽⁴⁾ (in thousands)
JP Morgan Chase Bank, N.A.	\$ (681)	\$3,000	\$ —	—	\$ 700
Merrill Lynch Capital Services, Inc. ⁽⁵⁾ . . .	(227)	3,000	—	—	227
US Bank National Association.	(8,694)	Infinity	—	—	8,700
Wells Fargo Bank, NA	(72,681)	Infinity	—	—	72,700
Total Fair Value	\$ (82,283)		\$ —		\$82,327

⁽¹⁾ All of the City's swap counterparties have agreements that collateral is to be posted by the City if the City were to owe a termination payment and its ratings fall below a certain level. Based on the credit rating level, the amount of collateral required can range from zero to the amount of the counterparty's exposure based on the market 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, other than Merrill Lynch Capital Services Inc., round the collateral amount up or down to the nearest \$100,000. Merrill Lynch does not round the amount.

13. Real Estate Tax

Real estate tax payments for the fiscal year ended June 30, 2020, were due July 1, 2019 and January 1, 2020 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 2020 taxes was June 19, 2019. 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, 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 0.25% discount on the last three quarters if the taxpayer waits until the October due date to pay the entire amount due, or a 0.125% discount on the last six months of taxes when the taxpayer pays the balance by the January due date. Payment of real estate taxes before July 15, 2020, on properties with an assessed value of \$250,000 or less and before July 1, 2019, on properties with an assessed value over \$250,000 received the discount. Collections of these real estate taxes received on or before June 30, 2020 and 2019 were approximately \$8.8 billion and \$8.6 billion, respectively.

The City sold approximately \$105.3 million of real property tax liens, fully attributable to fiscal year 2020, at various dates in fiscal year 2020. As in prior years' lien sale agreements, the City will refund the value of liens later determined to be defective, plus interest and a 5% surcharge. It has been estimated that \$4.0 million worth of liens sold in fiscal year 2020 will require refunding. The estimated refund accrual amount of \$4.0 million, including the surcharge and interest, resulted in fiscal year 2020 net sale proceeds of \$101.3 million.

The City sold approximately \$58.6 million of real property tax liens, fully attributable to fiscal year 2019, at various dates in fiscal year 2019. As in prior years' lien sale agreements, the City will refund the value of liens later determined to be defective, plus interest and a 5% surcharge. No reserve for defective tax liens in fiscal year 2019 was required.

In fiscal years 2020 and 2019, \$226 million and \$237 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, 2020 and 2019, excess amounts of \$176 million and \$172 million, respectively, were transferred to the General Debt Service Fund.

14. Other Taxes and Other Revenues

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

15. Federal, State and Other Aid

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

16. Bond Discounts, Premiums and Issuance Costs

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

17. Intra-Entity Activity

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

18. Subsidies

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

19. Deferred Outflows and Inflows of Resources

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

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

	FY 2020		FY 2019	
	Primary Government	Component Units	Primary Government	Component Units
	(in thousands)			
Deferred Outflows of Resources				
Deferred outflows from pension	\$ 3,574,177	\$ 382,371	\$ 2,377,333	\$ 132,600
Deferred outflows from OPEB	12,013,041	1,182,016	11,980,800	939,047
Accumulated decrease in fair value of hedging derivatives	—	—	11,450	—
Unamortized deferred bond refunding costs	309,926	—	377,239	—
Other	239	318,594	55	161,251
Total deferred outflows of resources	<u>\$15,897,383</u>	<u>\$1,882,981</u>	<u>\$14,746,877</u>	<u>\$1,232,898</u>
Deferred Inflows of Resources:				
Deferred inflows from pension	\$ 8,261,967	\$ 585,234	\$12,778,884	\$ 667,686
Real estate taxes	8,808,169	—	8,648,945	—
Deferred inflows from OPEB	14,077,795	1,645,365	11,586,646	1,404,408
Service concession arrangements	61,280	—	80,944	—
Grant advances	37,414	—	3,113	—
Other	130,744	38,419	133,004	44,401
Total deferred inflows of resources	<u>\$31,377,369</u>	<u>\$2,269,018</u>	<u>\$33,231,536</u>	<u>\$2,116,495</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.

Therefore, for purposes of financial reporting, the fiscal year operating surplus excluding Restricted Fund activity is approximately \$5 million. See table below.

	General Fund Analysis
	(in thousands)
Total revenues	\$ 94,618,150
Total expenditures	87,849,439
Excess of revenues over expenditures	6,768,711
Total other financing (uses)	(6,809,519)
Net change in fund balance	(40,808)
(Less) Restricted Fund activity	45,831
Fiscal Year Operating Surplus	<u>\$ 5,023</u>

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 reclassified its nonspendable fund balance to committed which represents the revenue stabilization fund, which will be 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.

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, 2020 and 2019:

	Fiscal Year 2020				
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	(in thousands)				
Nonspendable:					
Prepaid expenditures	\$ —	\$ —	\$ —	\$ 252	\$ 252
Spendable:					
Restricted					
General Fund	2,751,862	—	—	—	2,751,862
Capital projects	—	83,513	—	394,698	478,211
Debt service	—	—	176,362	1,871,836	2,048,198
Committed					
General Fund	493,239	—	—	—	493,239
Debt service	—	—	1,101,120	—	1,101,120
Assigned					
Debt service	—	—	—	2,566,974	2,566,974
Operations	—	—	—	168,200	168,200
Unassigned					
Capital Projects Fund	—	(2,598,345)	—	—	(2,598,345)
Nonmajor Special Revenue Funds	—	—	—	(1,280)	(1,280)
Total Fund Balances (Deficit)	<u>\$3,245,101</u>	<u>\$(2,514,832)</u>	<u>\$1,277,482</u>	<u>\$5,000,680</u>	<u>\$ 7,008,431</u>

Fiscal Year 2019 (Restated)					
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	(in thousands)				
Nonspendable:					
General Fund	\$ 488,216	\$ —	\$ —	\$ —	\$ 488,216
Prepaid expenditures	—	—	—	166	166
Spendable:					
Restricted					
General Fund	2,797,693	—	—	—	2,797,693
Capital projects	—	88,701	—	572,314	661,015
Debt service	—	—	171,576	1,924,512	2,096,088
Committed					
Debt service	—	—	1,555,515	—	1,555,515
Assigned					
Debt service	—	—	—	2,138,264	2,138,264
Operations	—	—	—	259,769	259,769
Unassigned					
Capital Projects Fund	—	(3,807,625)	—	—	(3,807,625)
Nonmajor Special Revenue Funds	—	—	—	(572)	(572)
Total Fund Balances (Deficit)	<u>\$3,285,909</u>	<u>\$(3,718,924)</u>	<u>\$1,727,091</u>	<u>\$4,894,453</u>	<u>\$ 6,188,529</u>

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.

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

C. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgets and Financial Plans

Budgets

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

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

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 \$3.94 and \$4.41 billion subsequent to its original adoption in Fiscal Years 2020 and 2019, 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 \$2.51 and \$3.72 billion for the years ended June 30, 2020 and 2019, 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, a representative 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. 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, their 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 amount of deposits, at any time, in any one bank or trust company, to a maximum of one-half of the amount of the capital and net surplus of such bank or trust company. The discretely presented component units included in the City's financial reporting maintain their own banking relationships, which generally conform with the City's standards.

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

Cash & Cash Equivalents

The following is a summary of the cash and cash equivalents of the City's Governmental Activities as of June 30, 2020 and June 30, 2019:

	Governmental Activities	
	2020	2019 (Restated)
	(in thousands)	
Restricted cash and cash equivalents:		
Cash	\$ 8,267	\$ 25,032
Cash Equivalents	5,442,282	2,780,718
Restated Cash Equivalents	—	2,797,693
Total restricted cash and cash equivalents:	<u>5,450,549</u>	<u>5,603,443</u>
Unrestricted cash and cash equivalents:		
Cash*	4,224,052	2,451,706
Cash Equivalents	4,278,816	4,457,708
Total unrestricted cash and cash equivalents:	<u>8,502,868</u>	<u>6,909,414</u>
Grand Total cash and cash equivalents	<u>\$13,953,417</u>	<u>\$12,512,857</u>

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

At June 30, 2020 and 2019, the City's unrestricted Governmental Activities bank balances were \$3.63 and \$2.51 billion, respectively. Of those amounts, \$496 thousand was exposed to custodial credit risk (the risk that, in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities that are in the possession of an outside party) at June 30, 2020; at June 30, 2019, there was no exposure to custodial credit risk. At June 30, 2020 and 2019, the City's restricted Governmental Activities cash balances were \$8.27 and \$25.03 million, respectively. Of those amounts, \$41 and \$8 thousand were exposed to custodial credit risk. Bank balances are exposed to custodial credit risk when they are uninsured and uncollateralized.

The following is a summary of the cash and cash equivalents of the City's business-type activities as of June 30, 2020 and June 30, 2019:

	Business-Type Activities	
	2020	2019
	(in thousands)	
Restricted cash and cash equivalents:		
Cash	\$ 79,438	\$ 35,485
Cash Equivalents	—	—
Total restricted cash and cash equivalents:	<u>79,438</u>	<u>35,485</u>
Unrestricted cash and cash equivalents:		
Cash	40,760	105,973
Cash Equivalents	5,265	7,709
Total unrestricted cash and cash equivalents:	<u>46,025</u>	<u>113,682</u>
Grand Total cash and cash equivalents	<u>\$125,463</u>	<u>\$149,167</u>

At June 30, 2020 and 2019, the City's unrestricted business-type activities bank balances were \$40.76 and \$105.97 million, respectively. Of those amounts, \$33.73 million was exposed to custodial credit risk at June 30, 2020; at June 30, 2019, there was no exposure to custodial credit risk. At June 30, 2020 and 2019, the City's restricted business-type activities cash balances were \$79.44 and \$35.49 million, respectively. Of those amounts, \$75.69 and \$30.20 million were exposed to custodial credit risk at June 30, 2020 and 2019, 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, 2020 and 2019:

Governmental Activities:

Investment Type	Investment Maturities					
	(in years)					
	2020		2019			
	Less than 1	1 to 5	More than 5	Less than 1	1 to 5	More than 5
	(in thousands)					
Unrestricted						
U.S. Government securities	\$4,328,832	\$ —	\$ —	\$2,594,090	\$ —	\$ —
U.S. Government agency obligations ..	570,022	—	—	2,137,359	—	—
Commercial paper	—	—	—	982,156	—	—
Time deposits	19,768	—	—	50,871	—	—
Investment derivative instruments	—	—	(82,283) ⁽¹⁾	—	—	(53,714) ⁽²⁾
Total unrestricted	<u>\$4,918,622</u>	<u>\$ —</u>	<u>\$ (82,283)</u>	<u>\$5,764,476</u>	<u>\$ —</u>	<u>\$ (53,714)</u>
Restricted						
U. S. Government securities	\$ 202,944	\$ —	\$202,330	\$ 349,263	\$ —	\$142,704
U.S. Government agency obligations ..	633,597	—	—	962,775	—	—
Time deposits	2,351	—	—	3	—	—
Total restricted	<u>\$ 838,892</u>	<u>\$ —</u>	<u>\$202,330</u>	<u>\$1,312,041</u>	<u>\$ —</u>	<u>\$142,704</u>

⁽¹⁾ The City has six pay-fixed interest rate swaps that are treated as investment derivative instruments. On June 30, 2020, the swaps had fair values of \$(681), (227), (227), (227), (8,240), and (72,681) all in thousands, respectively.

⁽²⁾ The City has five pay-fixed interest rate swaps that are treated as investment derivative instruments. Additionally, the City has one pay-fixed swap (H) that is partially treated as an investment derivative instrument. On June 30, 2019, the swaps had fair values of \$(2,039), (680), (680), (680), (7,652), and (41,983) all in thousands, respectively.

Business-Type Activities:

Investment Type	Investment Maturities					
	(in years)					
	2020			2019		
	Less than 1	1 to 5	More than 5	Less than 1	1 to 5	More than 5
	(in thousands)					
Unrestricted						
U.S. Government securities	\$39,918	\$ 57,733	\$ 52,512	\$39,092	\$ —	\$ 51,460
Commercial paper	—	105,379	—	20,963	128,426	—
Time deposits	3,642	—	—	10,636	—	—
Mortgage backed & asset backed securities	—	—	95,874	—	—	85,297
Total unrestricted	<u>\$43,560</u>	<u>\$163,112</u>	<u>\$148,386</u>	<u>\$70,691</u>	<u>\$128,426</u>	<u>\$136,757</u>
Restricted						
Money market fund	\$24,729	—	—	\$39,126	\$ —	\$ —
Total restricted	<u>\$24,729</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$39,126</u>	<u>\$ —</u>	<u>\$ —</u>

Fair Value Hierarchy

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City's primary government as of June 30, 2020 and June 30, 2019:

Investments ⁽¹⁾ by Fair Value Level	2020			2019		
	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	\$6,468,656	\$1,328,820	\$5,139,836	\$ 5,305,686	\$1,752,044	\$3,553,642
U.S. Government agency obligations . .	1,831,578	—	1,831,578	3,490,766	—	3,490,766
Commercial paper	205,365	—	205,365	1,434,548	212	1,434,336
Money market funds (includes time deposits)	1,125,513	2,142	1,123,371	122,135	736	121,399
Mortgage backed & asset back securities	95,874	—	95,874	85,297	—	85,297
Investment derivative instruments	(82,283)	—	(82,283)	(53,714)	—	(53,714)
Total Investment & Cash Equivalent by Fair Value Level	<u>\$9,644,703⁽²⁾</u>	<u>\$1,330,962</u>	<u>\$8,313,741</u>	<u>\$10,384,718⁽²⁾</u>	<u>\$1,752,992</u>	<u>\$8,631,726</u>

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

⁽²⁾ As of June 30, 2020 and June 30, 2019, all ECF investment maturities were recorded at carrying value. For the year ended June 30, 2020 and June 30, 2019, ECF's listed investments totaled \$60 and \$89.52 million, respectively.

Investments classified in Level 1 of the fair value hierarchy, valued at \$1.33 and \$1.75 billion in Fiscal Years 2020 and 2019 respectively, are valued using quoted prices in active markets.

U.S. Government securities totaling \$5.14 and \$3.53 billion, U.S. Government agency obligations totaling \$1.83 and \$3.49 billion, commercial paper totaling \$205.4 million and \$1.43 billion, money market funds totaling \$1.12 billion and \$121.40 million and mortgage backed and asset backed securities totaling \$95.87 and \$85.30 million in Fiscal Years 2020 and 2019 respectively, classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

U.S. Government securities, totaling \$0 and \$22.33 million in Fiscal Years 2020 and 2019 respectively, under a forward supply contract classified in Level 2 of the fair value hierarchy are valued using present value and option pricing model techniques.

Investment derivative instruments, totaling \$(82.28) and \$(53.71) million in Fiscal Years 2020 and 2019, 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-market 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, 2020 and 2019, 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 (or its respective guarantor) with respect to derivative instruments B, D, and E is required to post collateral if one of its credit ratings goes below A3/A-. The counterparty with respect to derivative instrument H is required to post collateral if one of its credit ratings goes below A2/A. The counterparty with respect to derivative instruments A and C 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, 2020 was \$(82.28) million. A negative aggregate fair value means the City would have owed payments to the counterparties. The City had no counterparty credit exposure to any of the investment derivative instrument counterparties as of that date.

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

Basis risk: The City is exposed to basis risk on derivative instruments A, B, C, D, E and H 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 instruments A, B, C, D, E and H, the City pays a variable rate on the outstanding underlying bonds based on Securities Industry and Financial Markets Association (SIFMA), but receives a variable rate on the swap based on a percentage of LIBOR.

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

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, 2020 and 2019, 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 53 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, 2019 and 2020:

Primary Governmental	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
	(in thousands)						
Governmental activities:							
Capital assets, not being depreciated/amortized:							
Land	\$ 2,250,893	\$ 144,665	\$ 4,311	\$ 2,391,247	\$ 44,223	\$ 2	\$ 2,435,468
Construction work-in-progress ..	3,351,544	3,440,996	3,592,462	3,200,078	3,360,453	2,799,417	3,761,114
Total capital assets, not being depreciated/amortized	5,602,437	3,585,661	3,596,773	5,591,325	3,404,676	2,799,419	6,196,582
Capital assets, being depreciated/amortized:							
Building	64,288,305	3,592,462	127,654	67,753,113	2,799,417	188,910	70,363,620
Equipment (including software) ..	9,845,549	1,216,977	61,878	11,000,648	890,527	74,534	11,816,641
Infrastructure	24,614,774	2,036,950	440,227	26,211,497	2,140,674	466,324	27,885,847
Total capital assets, being depreciated/amortized	98,748,628	6,846,389	629,759	104,965,258	5,830,618	729,768	110,066,108
Less accumulated depreciation/amortization							
Building	28,256,965	3,282,419	107,077	31,432,307	2,325,973	117,510	33,640,770
Equipment (including software) ..	6,852,388	939,461	41,428	7,750,421	758,078	72,179	8,436,320
Infrastructure	9,817,190	1,125,322	408,694	10,533,818	1,209,148	458,951	11,284,015
Total accumulated depreciation/amortization	44,926,543	5,347,202 ⁽¹⁾	557,199	49,716,546	4,293,199 ⁽¹⁾	648,640	53,361,105
Total capital assets, being depreciated/amortized, net ...	53,822,085	1,499,187	72,560	55,248,712	1,537,419	81,128	56,705,003
Governmental activities capital assets, net	\$59,424,522	\$5,084,848	\$3,669,333	\$60,840,037	\$4,942,095	\$2,880,547	\$62,901,585

⁽¹⁾ Depreciation expense was charged to functions/programs of The City for the Fiscal Years ended June 30, 2019 and 2020.

The following is a summary of the governmental activities depreciation expense by function/program for the Fiscal Years ended June 30, 2020 and 2019:

	2020	2019
	(in thousands)	
Governmental activities:		
General government	\$ 513,845	\$ 528,355
Public safety and judicial	316,111	307,283
Education	1,875,628	2,934,040
City University	4,405	4,398
Social services	69,292	66,579
Environmental protection	195,391	187,521
Transportation services	826,974	768,136
Parks, recreation and cultural activities	428,813	408,394
Housing	4,777	4,706
Health	40,255	120,814
Libraries	17,708	16,976
Total depreciation expense-governmental activities	<u>\$4,293,199</u>	<u>\$5,347,202</u>

The following are the sources of funding for the governmental activities capital assets for the Fiscal Years ended June 30, 2020 and 2019. Sources of funding for capital assets are not available prior to Fiscal Year 1987.

	2020	2019
	(in thousands)	
Capital Projects Funds:		
Prior to fiscal year 1987	\$ 6,484,659	\$ 6,484,659
City and TFA Bonds	106,076,662	100,608,731
Federal grants	712,344	599,109
State grants	127,047	98,008
Private grants	82,553	81,886
Capitalized leases	2,779,425	2,684,190
Total funding sources	<u>\$116,262,690</u>	<u>\$110,556,583</u>

At June 30, 2020 and 2019, the governmental activities capital assets include approximately \$1.2 billion of City-owned assets leased for \$1 per year to the New York City Transit Authority which operates and maintains the assets. In addition, assets leased to NYC Health + Hospitals and to the System are excluded from governmental activities capital assets and are recorded in the respective component unit financial statements.

Included in buildings at June 30, 2020 and 2019, are leased properties that have elements of ownership. These assets are recorded as capital assets as follows:

	Capital Leases	
	2020	2019
	(in thousands)	
Governmental activities:		
Capital asset:		
Building	\$2,779,425	\$2,684,190
Less accumulated amortization	<u>1,232,099</u>	<u>1,131,210</u>
Buildings, net	<u>\$1,547,326</u>	<u>\$1,552,980</u>

Capital Commitments

At June 30, 2020, the outstanding commitments relating to projects of the New York City Capital Projects Fund amounted to approximately \$21.1 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 City Capital Projects Fund expenditures of \$116.9 billion over Fiscal Years 2020 through 2028. To help meet its capital spending program, the City and TFA borrowed \$7.4 billion in the public credit market in Fiscal Year 2020. The City and TFA plan to borrow \$7.6 billion in the public credit market in Fiscal Year 2021.

On January 31, 2019, New York City Housing Authority (“NYCHA”), the City and the U.S. Department of Housing and Urban Development (“HUD”) entered into an agreement relating to lead-based paint and other health and safety concerns in NYCHA’s properties. Pursuant to this agreement, a federal monitor has been appointed to oversee NYCHA’s compliance with the terms of the agreement and federal regulations and the City will provide additional funding. Pursuant to the agreement, the 2020-2024 Capital Commitment Plan (defined herein) reflects \$1.2 billion in additional City capital funds, with an additional \$1 billion in City capital funds reflected in the remaining years of the Ten-Year Capital Strategy for fiscal years 2020 through 2029. NYCHA has announced that it may be out of compliance with federal requirements beyond the regulations concerning lead-based paint and other health and safety concerns that were the subject of such agreement. NYCHA’s 2017 Physical Needs Assessment estimated its projected capital costs at approximately \$32 billion over the next five years. In January 2020, NYCHA’s Chairman and Chief Executive Officer stated that such costs were \$40 billion. In July 2020, NYCHA announced a plan to carry out capital improvements to approximately 110,000 public housing units through a federal disposition process that would utilize a newly created public entity, the creation of which would require State legislative approval. The plan seeks to generate funds by borrowing against pooled federal Tenant Protection Vouchers, which are federal rental vouchers with a higher value than the Section 9 operating subsidy that NYCHA currently receives. The plan does not explicitly require City investment or directly impact the Financial Plan.

The following is a summary of business-type activities capital assets for the Fiscal Years ended June 30, 2019 and 2020:

<u>Primary Government</u>	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
	(in thousands)						
Business-Type Activities:							
Capital assets, not being depreciated/amortized:							
Construction work-in-progress ..	\$ 94,551	\$ 28,268	\$ 64,814	\$ 58,005	\$ 43,817	\$ 31,780	\$ 70,042
Total capital assets, not being depreciated/amortized	<u>94,551</u>	<u>28,268</u>	<u>64,814</u>	<u>58,005</u>	<u>43,817</u>	<u>31,780</u>	<u>70,042</u>
Capital assets, being depreciated/amortized:							
Building	43,849	—	16	43,833	6,101	8,127	41,807
Equipment (including software) ..	9,519	11,701	—	21,220	761	—	21,981
Infrastructure	<u>532,022</u>	<u>51,613</u>	<u>—</u>	<u>583,635</u>	<u>23,033</u>	<u>—</u>	<u>606,668</u>
Total capital assets, being depreciated/amortized ..	<u>585,390</u>	<u>63,314</u>	<u>16</u>	<u>648,688</u>	<u>29,895</u>	<u>8,127</u>	<u>670,456</u>
Less accumulated depreciation/amortization:							
Building	2,012	438	—	2,450	364	439	2,375
Equipment (including software) ..	5,275	1,087	—	6,362	2,018	—	8,380
Infrastructure	<u>100,414</u>	<u>31,841</u>	<u>—</u>	<u>132,255</u>	<u>33,224</u>	<u>2,320</u>	<u>163,159</u>
Total accumulated depreciation/amortization	<u>107,701</u>	<u>33,366</u>	<u>—</u>	<u>141,067</u>	<u>35,606</u>	<u>2,759</u>	<u>173,914</u>
Total capital assets, being depreciated/amortized, net ...	<u>477,689</u>	<u>29,948</u>	<u>16</u>	<u>507,621</u>	<u>(5,711)</u>	<u>5,368</u>	<u>496,542</u>
Business-type activities capital assets, net	<u>\$ 572,240</u>	<u>\$ 58,216</u>	<u>\$ 64,830</u>	<u>\$ 565,626</u>	<u>\$ 38,106</u>	<u>\$ 37,148</u>	<u>\$ 566,584</u>

3. Leases

The City leases a significant amount of property and equipment from others. Leased property having elements of ownership is recorded in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property not having elements of ownership are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when payable. Total expenditures on such leases for the Fiscal Years ended June 30, 2020 and 2019 were approximately \$1.28 and \$1.22 billion, respectively.

As of June 30, 2020, the City (excluding discretely presented component units) had future minimum payments under capital and operating leases with a remaining term in excess of one year as follows:

	<u>Capital Leases</u>	<u>Operating Leases</u> (in thousands)	<u>Total</u>
Government Activities			
Fiscal year ending June 30:			
2021	\$ 192,713	\$ 842,289	\$ 1,035,002
2022	191,214	783,893	975,107
2023	207,960	752,287	960,247
2024	167,477	724,296	891,773
2025	155,151	684,705	839,856
2026-2030	642,861	2,825,790	3,468,651
2031-2035	364,517	1,413,133	1,777,650
2036-2040	151,352	537,695	689,047
2041-2045	8,071	17,482	25,553
2046-2050	—	11,499	11,499
Future minimum payments	<u>2,081,316</u>	<u>\$8,593,069</u>	<u>\$10,674,385</u>
Less: Interest	<u>533,990</u>		
Present value of future minimum payments	<u>\$1,547,326</u>		

The present value of future minimum lease payments includes approximately \$758 million for leases with Public Benefit Corporations (PBC) where State law generally provides that in the event the City fails to make any required lease payment, the amount of such payment will be deducted from State aid otherwise payable to the City and paid to PBCs.

The City also leases City-owned property to others, primarily for markets, ports, and terminals. Total rental revenue on these capital and operating leases for the Fiscal Years ended June 30, 2020 and 2019 was approximately \$258 and \$273 million, respectively. As of June 30, 2020, the following future minimum rentals are provided for by the leases:

	<u>Capital Leases</u>	<u>Operating Leases</u> (in thousands)	<u>Total</u>
Governmental activities:			
Fiscal Year ending June 30:			
2021	\$ 737	\$ 219,503	\$ 220,240
2022	647	214,289	214,936
2023	616	212,889	213,505
2024	616	205,499	206,115
2025	616	200,238	200,854
2026-2030	3,524	897,496	901,020
2031-2035	3,405	860,208	863,613
2036-2040	566	837,954	838,520
2041-2045	234	820,463	820,697
2046-2050	58	816,316	816,374
2051-2055	—	121,740	121,740
2056-2060	—	44,871	44,871
2061-2065	—	44,871	44,871
2066-2070	—	44,659	44,659
2071-2075	—	42,747	42,747
2076-2080	—	42,747	42,747
2081-2085	—	42,747	42,747
2086-2090	—	12,824	12,824
Thereafter until 2111	—	2	2
Future minimum lease rentals	<u>11,019</u>	<u>\$5,682,063</u>	<u>\$5,693,082</u>
Less interest	<u>5,367</u>		
Present value of future minimum lease rentals	<u>\$ 5,652</u>		

4. Service Concession Arrangements

The City is the transferor in 74 Service Concession Arrangements contracted at the Parks Department. The agreements convey to the operators the right, either through licenses or permits, to construct capital assets and operate and maintain all service concessions. The City has the right to approve the type of services the operators may provide and the fees that may be charged by the operators to the public. As per the agreements, the operators provide amenities and facilities to park users, which generate General Fund revenues for the City and also create valuable business and employment opportunities for the public. The Parks Department operators help preserve some of the City’s unique park facilities and provide public amenities while creating and developing new park destinations with fewer public funds.

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

Concession Type	2020			2019			
	<u>Number of Concessions</u>	<u>Deferred Inflows</u>	<u>Capital Assets Value</u>	<u>Number of Concessions</u>	<u>Deferred Inflows</u>	<u>Capital Assets Value</u>	
		(in thousands)				(in thousands)	
Restaurants	30	\$ 16,371	\$ 42,310	30	\$ 19,046	\$ 43,880	
Sports Centers	15	14,206	50,447	14	17,145	51,089	
Golf Courses	15	26,638	58,146	15	31,575	60,398	
Gas Stations	7	284	703	7	377	728	
Amusement Parks/Carousels	3	3,436	68,651	3	12,323	70,941	
Stables	3	190	871	3	246	906	
Other	<u>1</u>	<u>155</u>	<u>334</u>	<u>1</u>	<u>232</u>	<u>343</u>	
Total	<u>74</u>	<u>\$ 61,280</u>	<u>\$ 221,462</u>	<u>73</u>	<u>\$ 80,944</u>	<u>\$ 228,285</u>	

5. Long-Term Liabilities

Changes in Long-term liabilities

In Fiscal Years 2019 and 2020, the changes in long-term liabilities were as follows:

Primary Government	Balance	Additions	Deletions	Balance	Additions	Deletions	Balance	Due
	June 30, 2018			June 30, 2019			June 30, 2020	
Governmental activities:								
Bonds and notes payable				(in thousands)				
General Obligation Bonds ⁽¹⁾	\$ 37,802,901	\$ 2,874,245	\$ 3,983,411	\$ 36,693,735	\$ 5,283,940	\$ 3,819,010	\$ 38,158,665	\$ 2,143,941
from direct borrowing and direct placement	825,000	150,000	150,000	825,000	—	200,000	625,000	—
Total General Obligation Bonds	38,627,901	3,024,245	4,133,411	37,518,735	5,283,940	4,019,010	38,783,665	2,143,941
TFA bonds	42,462,505	7,282,015	3,710,050	46,034,470	3,964,000	1,577,475	48,420,995	1,636,985
from direct borrowing and direct placement	892,800	—	302,800	590,000	—	32,600	557,400	34,100
Total TFA Bonds	43,355,305	7,282,015	4,012,850	46,624,470	3,964,000	1,610,075	48,978,395	1,671,085
Total TSASC Bonds	1,070,915	—	18,355	1,052,560	—	29,375	1,023,185	30,570
Total IDA Bonds	76,975	—	14,965	62,010	—	2,300	59,710	2,545
Total STAR Bonds	1,804,745	—	83,505	1,721,240	—	87,650	1,633,590	92,010
Total FSC Bonds	86,145	—	64,360	21,785	—	21,785	—	—
HYIC Bonds	2,723,870	—	—	2,723,870	—	—	2,723,870	9,955
from direct borrowing and direct placement	—	—	—	—	545	—	545	—
Total HYIC Bonds	2,723,870	—	—	2,723,870	545	—	2,724,415	9,955
Total ECF Bonds	231,200	40,350	53,195	218,355	—	4,840	213,515	5,030
Total before premiums/discounts(net)	87,977,056	10,346,610	8,380,641	89,943,025	9,248,485	5,775,035	93,416,475	3,955,136
Less premiums/(discounts)(net)	5,378,043	956,385	793,151	5,541,277	1,258,858	823,841	5,976,294	—
Total governmental activities bonds and notes payable	93,355,099	11,302,995	9,173,792	95,484,302	10,507,343	6,598,876	99,392,769	3,955,136
Capital lease obligations	1,658,558	80,800	186,378	1,552,980	114,813	120,467	1,547,326	106,437
Other tax refunds	1,969,878	157,717	180,878	1,946,717	276,797	119,717	2,103,797	358,797
Judgments and claims	6,691,084	1,446,758	1,287,551	6,850,291	1,577,018	1,329,096	7,098,213	1,408,963
Real estate tax certiorari	1,208,289	198,635	410,287	996,637	221,013	93,980	1,123,670	209,764
Vacation and sick leave	4,891,726	490,859	331,502	5,051,083	1,260,969	618,932	5,693,120	618,932
Net Pension liability	47,760,068	21,156,711	25,576,486	43,340,293	22,090,730	19,054,149	46,376,874	—
Net OPEB liability	98,496,216	18,328,310	9,034,468	107,790,058	11,080,392	9,413,532	109,456,918	—
Landfill closure and postclosure care costs	1,306,849	70,643	96,201	1,281,291	24,701	93,598	1,212,394	61,857
Pollution remediation obligation	249,675	146,329	149,684	246,320	147,774	142,844	251,250	133,538
Total governmental activities long-term liabilities	\$257,587,442	\$53,379,757	\$46,427,227	\$264,539,972	\$ 47,301,550	\$ 37,585,191	\$ 274,256,331	\$ 6,853,424
Business-type activities:								
Bonds and notes payable								
NYCTL 2016-A TRUST bonds	\$ 3,584	\$ —	\$ 3,584	\$ —	\$ —	\$ —	\$ —	\$ —
NYCTL 2017-A TRUST bonds	28,775	—	19,446	9,329	—	9,329	—	—
NYCTL 2018-A TRUST bonds	—	74,659	38,556	36,103	—	24,112	11,991	11,991
NYCTL 2019-A TRUST bonds	—	—	—	—	74,230	23,905	50,325	50,325
Total before premiums/discounts(net)	32,359	74,659	61,586	45,432	74,230	57,346	62,316	62,316
Less premiums/(discounts)(net)	(3)	2	1	(2)	1	2	(3)	(3)
Total business-type activities bonds and notes payable	32,356	74,661	61,587	45,430	74,231	57,348	62,313	62,313
Other liabilities	366,830	5,999	16,249	356,580	31,014	13,350	374,244	31,923
Total business-type activities long-term liabilities	\$ 399,186	\$ 80,660	\$ 77,836	\$ 402,010	\$ 105,245	\$ 70,698	\$ 436,557	\$ 94,236

⁽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.

The bonds and notes payable, net of treasury obligations, at June 30, 2019 and 2020 summarized by type of issue are as follows:

Primary Government	2019				2020			
	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	\$36,693,735	\$ —	\$ —	\$36,693,735	\$38,158,665	\$ —	\$ —	\$38,158,665
from Direct borrowing and direct placement	825,000	—	—	825,000	625,000	—	—	625,000
Total General obligation bonds . . .	37,518,735	—	—	37,518,735	38,783,665	—	—	38,783,665
TFA Bonds	—	37,923,340	—	37,923,340	—	40,121,180	—	40,121,180
from Direct borrowing and direct placement	—	590,000	—	590,000	—	557,400	—	557,400
TFA Bonds BARBS	—	—	8,111,130	8,111,130	—	—	8,299,815	8,299,815
Total TFA Bonds	—	38,513,340	8,111,130	46,624,470	—	40,678,580	8,299,815	48,978,395
TSASC Bonds	—	—	1,052,560	1,052,560	—	—	1,023,185	1,023,185
IDA Bonds	—	62,010	—	62,010	—	59,710	—	59,710
STAR Bonds	—	—	1,721,240	1,721,240	—	—	1,633,590	1,633,590
FSC Bonds	—	—	21,785	21,785	—	—	—	—
HYIC Bonds	—	—	2,723,870	2,723,870	—	—	2,723,870	2,723,870
from Direct borrowing and direct placement	—	—	—	—	—	545	—	545
Total HYIC Bonds	—	—	2,723,870	2,723,870	—	545	2,723,870	2,724,415
ECF Bonds	—	—	218,355	218,355	—	—	213,515	213,515
Total before net of premium / discount ..	37,518,735	38,575,350	13,848,940	89,943,025	38,783,665	40,738,835	13,893,975	93,416,475
Net Premiums/(discounts)	1,846,876	833,624	2,860,777	5,541,277	2,157,123	806,820	3,012,351	5,976,294
Total bond payable	\$39,365,611	\$39,408,974	\$16,709,717	\$95,484,302	\$40,940,788	\$41,545,655	\$16,906,326	\$99,392,769
Business-type activities:								
NYCTL Trusts bonds	—	—	45,432	45,432	—	—	62,316	62,316
Net Premiums/(discounts)	—	—	(2)	(2)	—	—	(3)	(3)
Total bond payable	\$ —	\$ —	\$ 45,430	\$ 45,430	\$ —	\$ —	\$ 62,313	\$ 62,313

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

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

(3) Revenue bonds include ECF, FSC, HYIC, STAR, TFA (BARBS), NYCTL Trusts, and TSASC.

NOTES TO FINANCIAL STATEMENTS, Continued

The following table summarizes future debt service requirements as of June 30, 2020:

	Governmental activities									
	City General Obligation Bonds				Other bonds and notes payable				Revenue Bonds	
	Bonds		Borrowings/ Direct Placements		Bonds		Borrowings/ Direct Placements		Bonds	
Principal	Interest ⁽¹⁾	Principal	Interest ⁽¹⁾	Principal	Interest	Principal	Interest	Principal	Interest	
Fiscal year ending June 30:										
2021	\$ 2,143,941	\$ 1,627,775	\$ —	\$ 18,750	\$ 1,580,845	\$ 1,650,789	\$ 34,100	\$ 11,774	\$ 241,400	\$ 672,709
2022	2,286,145	1,535,895	20,000	18,750	1,667,360	1,590,256	36,345	11,014	294,595	660,025
2023	2,363,276	1,432,988	30,000	18,150	1,688,925	1,524,840	37,500	10,200	381,460	645,205
2024	2,429,471	1,327,640	—	17,250	1,680,885	1,457,598	—	9,792	487,210	625,302
2025	2,345,021	1,218,544	—	17,250	1,652,025	1,391,557	—	9,792	511,280	601,702
2026-2030	9,840,778	4,651,123	74,125	83,358	8,774,845	5,908,802	100,000	42,952	2,979,495	2,586,597
2031-2035	7,415,817	2,760,329	105,835	69,002	8,286,515	4,135,683	—	38,080	3,364,365	1,774,722
2036-2040	5,104,233	1,350,078	157,155	48,451	8,863,010	2,113,964	13,575	37,858	2,840,605	984,399
2041-2045	3,385,907	480,722	84,120	32,484	5,530,320	475,033	287,905	23,609	1,926,295	446,948
2046-2050	844,034	61,550	153,765	7,862	456,160	12,405	48,520	1,390	867,270	77,831
2051-2055	4	14	—	—	—	—	—	—	—	—
Thereafter until 2147	38	130	—	—	—	—	—	—	—	—
Total future debt service requirements	38,158,665	16,446,788	625,000	331,307	40,180,890	20,260,927	557,945	196,461	13,893,975	9,075,440
Less interest	—	(16,446,788)	—	(331,307)	—	(20,260,927)	—	(196,461)	—	(9,075,440)
Total principal outstanding	\$38,158,665	\$ —	\$625,000	\$ —	\$40,180,890	\$ —	\$557,945	\$ —	\$13,893,975	\$ —
Business-type activities										
Fiscal year ending June 30:										
2021	\$ —	\$ 1,488								
2022	—	1,488								
2023	—	1,488								
2024	—	1,488								
2025	—	1,488								
2026-2030	—	7,441								
2031-2035	62,316	1,846								
Total future debt service requirements	62,316	16,727								
Less interest	—	(16,727)								
Total principal outstanding	\$ 62,316	\$ —								

⁽¹⁾ Includes interest for general obligation bonds estimated at a 3% rate on tax-exempt adjustable rate bonds and at a 4% rate on taxable adjustable rate bonds.

The average (weighted) interest rates for outstanding City General Obligation Bonds as of June 30, 2020 and 2019, were 4.38% and 4.49%, respectively, and both ranged from 1.10% 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 2020 and 2019, the City issued \$1.50 and \$1.82 billion, respectively, of General Obligation Bonds to advance refund General Obligation Bonds of \$1.73 and \$2.02 billion, respectively, aggregate principal amounts. The net proceeds from the sales of the refunding bonds, together with other funds of \$13.31 and \$15.64 million, respectively, were irrevocably placed in escrow accounts and invested in United States Government securities. As a result of providing for the payment of the principal and interest to maturity, and any redemption premium, the advance refunded bonds are considered to be defeased and, accordingly, the liability is not reported in the government-wide financial statements. In Fiscal Year 2020, the refunding transactions will decrease the City’s aggregate debt service payments by \$275.87 million and provide an economic gain of \$264.88 million. In Fiscal Year 2019, the refunding transactions decreased the City’s aggregate debt service payments by \$263.80 million and provided an economic gain of \$235.67 million. At June 30, 2020 and 2019, \$19.41 and \$20.11 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, 2020 and 2019, the 10% general limitation was approximately \$116.27 and \$106.24 billion, respectively. Also, as of June 30, 2020, the City’s remaining GO debt-incurring power totaled \$37.06 billion, after providing for capital commitments. As of July 1, 2020, the debt incurring power was \$45.81 billion based on the change in the five-year full valuation average for fiscal year 2021.

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 2020, prepayment transfers of \$1.27 billion were made from the General Fund which included discretionary transfers of \$1.09 billion to the General Debt Service Fund for Fiscal Year 2020 debt service. In Fiscal Year 2019, prepayment transfers of \$1.70 billion were made from the General Fund to the General Debt Service Fund for Fiscal Year 2020 debt service.

As of June 30, 2020, the City has 46 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 \$4.46 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%, 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 46 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 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, 2020, the City has eight series of Index Rate Bonds outstanding with a total par value of \$625 million, all of which are Direct Purchases. The Series 1994E-4 bonds and the Series 2012G-5 bonds were issued with Continuing Covenant Agreements with event of default provisions comparable to those of the City's Variable Rate Demand Bonds. The Continuing Covenant Agreements can be found on the Municipal Securities Rulemaking Board's EMMA website at <https://emma.msrb.org>. The Series 1994E-4 bonds have a default rate of 12% per annum. The Series 2012G-5 bonds have a default rate of the Base Rate plus 3% per annum. The Base Rate equals the highest of the Federal Funds Rate plus 3%, the Prime Rate plus 2%, or 6%.

Hedging derivative instrument payments and hedged debt

As of June 30, 2020 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, 2020 and 2019, claims in excess of \$1.52 and \$1.18 trillion, respectively, were outstanding against the City for which the City estimates its potential future liability to be \$7.10 and \$6.85 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 70 notices of claim from putative plaintiffs and been named as a defendant in approximately a dozen legal actions to date claiming that, through the wrongful actions of the City, they, or a family member, were exposed to the novel coronavirus or contracted the COVID-19 disease resulting in, among other things, severe medical, psychological and economic damages and/or death. Going forward, the City expects to receive additional legal claims related to COVID-19. 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.

Complaints on behalf of approximately 11,900 plaintiffs alleging respiratory or other injuries from alleged exposures to World Trade Center dust and debris at the World Trade Center site or the Fresh Kills landfill were commenced against the City and other entities

involved in the post-September 11 rescue and recovery process. Plaintiffs include, among others, Department of Sanitation employees, firefighters, police officers, construction workers and building clean-up workers. The actions were consolidated in federal District Court pursuant to the Air Transportation and System Stabilization Act, which grants exclusive federal jurisdiction for all claims related to or resulting from the September 11 attack. A not-for-profit “captive” insurance company, WTC Captive Insurance Company, In. (the “WTC Captive”) was formed to cover claims against the City and its private contractors relating to debris removal work at the World Trade Center site and the Fresh Kills landfill. WTC Captive was funded by a grant from the Federal Emergency Management Agency in the amount of \$999.9 million. On June 10, 2010, the WTC Captive announced that a settlement was reached with attorneys for the plaintiffs. On November 19, 2010, District Court Judge Hellerstein announced that more than the required 95% of plaintiffs agreed to the settlement, thus making it effective. Approximately \$700 million has been paid under the settlement, leaving residual funds of approximately \$290 million to insure and defend the City and its contractors against any new claims. Since the applicable statute of limitations runs from the time a person learns of his or her injury or should reasonably be aware of the injury, additional plaintiffs may bring lawsuits in the future for late emerging cancers, which could result in substantial damages. In 2019, Congress enacted legislation extending the September 11 Victim Compensation Fund through October 1, 2092, which provides a non-litigation alternative for claimants to obtain compensation. While the passage of this legislation has diminished the likelihood of future claims and suits being filed against the City, no assurance can be given that additional claims against the City will not be filed or that the remaining insurance will be sufficient to cover all liability that might arise from such claims.

In 1996, a class action was brought against the City Board of Education and the State under Title VII of the Civil Rights Act of 1964 alleging that the use by the Board of Education of two teacher certification examinations mandated by the State 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. In December 2012, the District Court decided a controlling legal question against the City. On February 4, 2013, the Second Circuit affirmed the District Court’s decision. The District Court has appointed a Special Master to oversee claimants’ individualized hearings both as to damages and eligibility for Board of Education employment. The hearings relate to members of the class that took the Liberal Arts and Science Test (“LAST”) from 1996 to 2004. Currently, approximately 4,000 such individuals have submitted claim forms and may be eligible for damages. On June 5, 2015, the Court ruled that a second version of LAST, LAST-2, that was administered from 2004 to 2014, violated Title VII because it did not measure skills necessary to do the job. Currently, up to 700 potential LAST-2 class members have submitted claim forms and may be eligible for damages. In August 2015, the Court found that the State’s new teacher certification test, the Academic Literacy Skills Test (ALST), administered since Spring 2014, was not discriminatory and evaluated skills necessary to do the job. Hearings to determine each claimant’s damages are ongoing. While some final judgments have been entered, it is too early to permit an accurate estimation of the ultimate potential cost to the City.

The Office of Inspector General of the United States Department of Health and Human Services (“OIG”) conducted a review of Medicaid Personal Care Services claims made by providers in the City from January 1, 2004 through December 31, 2006, and concluded that 18 out of 100 sampled claims by providers failed to comply with Federal and State requirements. The Medicaid Personal Care Services program in the City is administered by the City’s Human Resources Administration. In its audit report issued in June 2009, the OIG, extrapolating from the case sample, estimated that the State improperly claimed \$275.3 million in federal Medicaid reimbursement during the audit period and recommended to the Center for Medicare and Medicaid Services (“CMS”) that it seek to recoup that amount from the State. To the City’s knowledge, CMS has not taken any action to recover amounts from the State based on the findings in this audit, but no assurance can be given that it will not do so in the future.

Section 22 of Part B of Chapter 109 of the Laws of 2010 amended an earlier unconsolidated state law to set forth a process under which the State Department of Health may recover from a social services district, including the City, the amount of a federal Medicaid disallowance or recovery that the State Commissioner of Health “determines was caused by a district’s failure to properly administer, supervise or operate the Medicaid program.” Such a determination would require a finding that the local agency had “violated a statute, regulation or clearly articulated written policy and that such violation was a direct cause of the federal disallowance or recovery.” It is not clear whether the recovery process set out in the amendment can be applied to a federal disallowance against the State based upon a pre-existing audit; however, in the event that it does, and results in a final determination by the State Commissioner of Health against the City, such a determination could result in substantial liability for the City as a result of the audit.

On December 21, 2015, the United States Attorney for the Southern District of New York (“USAO-SDNY”) sent a findings letter to the DOE indicating various areas in which he alleged that the City elementary schools were not accessible to students with disabilities in violation of the Americans with Disabilities Act of 1990. The City and USAO-SDNY are currently in discussion as to the matters raised in the letter. While the City has an ongoing program to make smaller schools accessible, an acceleration of alterations to City elementary schools to address concerns raised in the findings letter could result in a substantial acceleration of compliance costs to the City but not damages.

In late 2015, a putative class action was filed against the City and the New York City Taxi and Limousine Commission alleging numerous commercial claims in connection with the November 2013 and February 2014 auctions of wheelchair accessible taxi medallions. Plaintiffs allege that the New York City Taxi and Limousine Commission negligently posted false information about average medallion transfer prices in advance of the auction, falsely inducing plaintiffs to bid higher amounts for their medallions, as well as failed to inform prospective bidders that the New York City Taxi and Limousine Commission would allow black cars to utilize electronic apps to prearrange rides, which plaintiffs argue violates their street hail exclusivity. In June 2017, the City's motion for summary judgment was granted, due to plaintiffs' failure to file notices of claim with the Office of the City Comptroller. Plaintiffs withdrew their appeal of that ruling to pursue related actions subsequently filed. On January 31, 2017 and on March 23, 2017, in State Supreme Court, Queens County, a second and a third putative class action were filed, alleging similar claims. In September 2017, the Court dismissed all but the breach of contract rescission and implied covenant of good faith and fair dealing claims in the second filed action. Motion practice remains ongoing in the second filed action. The Court recently denied plaintiffs' motion for class certification as premature. In November 2017, the Court dismissed the third filed action, which plaintiffs appealed. In March 2019, the Court granted the plaintiffs' motion to reargue and the discovery is underway. In November 2019, the Court granted plaintiffs' motion for class certification in the third filed action. While the scope of the class of plaintiffs is unclear at this time, it includes at least most of the plaintiffs who purchased medallions at the auctions; if the class were to prevail in any of the remaining described cases, damages of several hundred million dollars could be sought.

In an action filed in December 2015, plaintiffs that include owners of taxi medallions, taxi drivers, groups that finance taxi medallions, and taxi medallion interest groups, raised numerous constitutional claims challenging regulations on taxi medallions that allegedly are not applied to for-hire vehicles ("FHVs") that operate via electronic apps. The plaintiffs also claimed that such FHVs benefit from additional TLC regulations that effected an alleged taking of the plaintiffs' taxi medallions. In March 2017, the City was granted its motion to dismiss. The U.S. Court of Appeals for the Second Circuit upheld the dismissal of all federal claims in May 2018, while indicating that it would not rule on plaintiffs' takings claim because plaintiffs failed to avail themselves of State procedures for seeking remedy. Although plaintiffs may elect to file a takings claim in State court, in a May 2018 decision on a similar case that did not seek monetary relief, the Supreme Court of the State of New York, Appellate Division, Second Judicial Department opined that the TLC's actions permitting FHVs to operate via electronic apps do not constitute a taking under State law. If the plaintiffs were to ultimately prevail on a takings claim, the City could be subject to substantial liability.

In June, 2018, a class action on behalf of blind and visually impaired persons commenced in the United States District Court for the Southern District of New York (American Council of the Blind, et al. v. City of New York, et al.) and by Order dated July 22, 2019 the class was certified. The plaintiffs allege that the City is violating the Americans with Disabilities Act, the Rehabilitation Act and the New York City Human Rights Law by not installing Accessible Pedestrian Signals ("APS") at all intersections that have a pedestrian control signal for sighted pedestrians. Plaintiffs further argue that under these statutes the City is required at a minimum to install APS whenever it installs a new pedestrian control signal and to install APS whenever it alters an existing pedestrian control signal. Plaintiffs seek declaratory relief that the City has violated these statutes and an order directing the City to comply with these statutes by installing APS at all signalized pedestrian street crossings (over 13,000 intersections), and attorneys' fees. If plaintiffs were to prevail, the City could be subject to substantial compliance costs.

In 2010, a single claimant sued the City for improper jail detention resulting from the City honoring a federal ICE detainer request. By 2017, the court certified a class of similarly situated individuals who were allegedly wrongfully detained in City jails between 2007 and 2012. Various courts around the country, over the same time period, determined that holding detainees past their scheduled release date based on an ICE detainer request was unconstitutional, except under certain limited circumstances. During discovery, plaintiffs have asserted that potentially over 10,000 individuals were held in City jails in alleged contravention of these circumstances, allegedly totaling approximately 75,000 additional days past their scheduled release dates. 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.

On February 20, 2020, the New York State Attorney General's Office filed a notice with the New York City Comptroller's Office that it planned to file a legal action that would claim, among other things, that beginning no later than 2004, the New York City Taxi and Limousine Commission (the "TLC") marketed taxicab medallions to purchasers, prospective purchasers, brokers and financial institutions as investments and conducted auctions of taxicab medallions in a manner that artificially inflated the price of the medallions and, in or about 2004, permitted collusive bidding in its auctions of taxicab medallions and failed to take necessary action to prevent further collusion. Additionally, the Attorney General says it will claim that beginning on or about January 19, 2011, the TLC failed to disclose and concealed information that the price of taxicab medallions outstripped the underlying value of the taxicab medallions and that the City gave the impression that the price of taxicab medallions would only increase. The

notice further states the Attorney General will seek damages from the City in the amount of \$810 million plus interest and costs. The City believes the claims described in the notice of claim are without merit and are time barred under State law. The City will evaluate and vigorously defend against any complaint when and if filed by the Attorney General.

In a putative class action filed on August 29, 2019 in New York County Supreme Court, *Street v. City*, plaintiff challenged the processing of vehicular red light camera tickets issued by the City under the Red Light Camera Program authorized pursuant to New York Vehicle and Traffic Law (“VTL”) section 1111-a. Plaintiff claimed, among other things, that the technician certificates issued by the City to verify vehicular red light violations were not notarized as plaintiff alleged is required by VTL section 1111-a(d), and therefore said certificates and the related fines were invalid. Plaintiff, on behalf of the class, seeks refunds of fines paid under the Red Light Camera Program from August 2013 to present. In a decision issued on August 12, 2020, the Court declared that the certificate at issue in plaintiff’s case was invalid since it was not notarized; in the same decision, the court declined to certify a class of similarly situated vehicle owners that received red light camera tickets. Plaintiff has filed a motion to re-argue and a notice of appeal of the denial of class certification. The City expects to make filings opposing plaintiff’s motion and appeal with respect to class certification and is considering its options to appeal the Court’s ruling regarding the notarization of the certificates. 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.

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

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 \$1,124 and \$997 million at June 30, 2020 and June 30, 2019 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, recordkeeping and reporting for the final closure systems.

The liability for these activities as of June 30, 2020, which equates to the total estimated current cost, is \$1.21 billion. There are no costs remaining to be recognized. Cost estimates are based on current data including contracts awarded by the City, contract bids, and engineering studies. These estimates are subject to adjustment for inflation and to account for any changes in landfill conditions, regulatory requirements, technologies, or cost estimates. For government-wide financial statements, the liability for closure and postclosure care is based on total estimated current cost. For fund financial statements, expenditures are recognized using the modified accrual basis of accounting when the related liability is incurred and the payment is due.

Resource Conservation and Recovery Act Subtitle D Part 258, which became effective April, 1997, requires financial assurance regarding closure and postclosure care. This assurance was most recently provided, on March 10, 2017, by the City’s Chief Financial Officer placing in the Fresh Kills landfill operating record representations in satisfaction of the Local Government Financial Test. As of June 30, 2020, the financial assurance cost estimate for the Fresh Kills Landfill is \$904 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 2020, expenditures for landfill and inactive hazardous waste site closure and postclosure care costs totaled \$62.3 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>Amount</u> <u>(in thousands)</u>
Landfill	\$1,089,811
Hazardous waste sites	122,583
Total landfill and hazardous waste sites liability	<u>\$1,212,394</u>

Pollution Remediation Obligations

The pollution remediation obligations (PROs) at June 30, 2020 and June 30, 2019, summarized by obligating event and pollution type, respectively, are as follows:

<u>Obligating Event</u>	<u>Fiscal Year 2020</u>		<u>Fiscal Year 2019</u>	
	<u>Amount</u> <u>(in thousands)</u>	<u>Percentage</u>	<u>Amount</u> <u>(in thousands)</u>	<u>Percentage</u>
Imminent endangerment	\$ 17	0.01%	\$ —	—%
Named by regulator as a potentially responsible party	68,500	27.26	67,645	27.46
Voluntary commencement	182,733	72.73	178,675	72.54
Total	<u>\$251,250⁽¹⁾</u>	<u>100.00%</u>	<u>\$246,320⁽¹⁾</u>	<u>100.00%</u>

<u>Pollution Type</u>	<u>Fiscal Year 2020</u>		<u>Fiscal Year 2019</u>	
	<u>Amount</u> <u>(in thousands)</u>	<u>Percentage</u>	<u>Amount</u> <u>(in thousands)</u>	<u>Percentage</u>
Asbestos removal	\$111,044	44.20%	\$113,981	46.27%
Lead paint removal	36,226	14.42	30,753	12.49
Soil remediation.	34,510	13.74	32,072	13.02
Water remediation	57,815	23.01	57,810	23.47
Other	11,655	4.63	11,704	4.75
Total	<u>\$251,250⁽¹⁾</u>	<u>100.00%</u>	<u>\$246,320⁽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 32 cases involving hazardous substances, including spills from above and underground storage tanks, and other contamination on, or caused by facilities on City-owned property. 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, 2-6106-00002/00022, 2-6204-00007/00013, 2-6106-00002/00022, and 2-6102-00010/00013, 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, 2020, which equates to the total current closure cost, is \$1.04 million for North Shore, \$912 thousand for Hamilton Avenue, \$859 thousand for Southwest Brooklyn, \$993 thousand for East 91st Street, and \$225 thousand for West 59th Street. The cost estimates are based on current data and are representative of the cost that would be incurred by an independent party. The estimates are subject to adjustment for inflation and to account for changes in regulatory requirements or cost estimates. For government-wide financial statements, the liability for closures are based on total estimated current costs. For fund financial statements, expenditures are recognized using the modified accrual basis of accounting when the closure costs are incurred and the payment is due. The total liability equaling the total closure costs for the transfer stations of \$4.03 million is included under the Pollution Type “Other” in the table above.

On Monday, October 29, 2012, Super Storm hit the Mid-Atlantic East Coast. The storm caused widespread damage to the coastal and other low lying areas of the City and power failures in various parts of the City, including most of downtown Manhattan. On January 29, 2013, 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 Super Storm-related disaster recovery assistance services, benefiting impacted communities, businesses, homeowners and renters (Community Costs), which the City anticipates will be fully reimbursed by federal funds.

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 fully reimbursed by federal funds. The City expects reimbursements to come from two separate federal sources of funding, FEMA and HUD. The City has secured approximately \$10.7 billion in FEMA assistance and other federal emergency response grants (FEMA Funding). The maximum reimbursement rate from FEMA is 90% of total costs. Other federal emergency response grants may have larger local share percentages. The City expects to use \$720 million of Community Development Block Grant Disaster Recovery funding allocated by HUD to meet the local share requirements of the FEMA funding, as well as recovery work not funded by FEMA or other federal sources. This allocation would be available to fill gaps in such FEMA funding. As of June 30, 2020, the City, NYCHH and NYCHA have received \$3.9 billion in reimbursements from FEMA for the direct costs described above. In addition to the FEMA Funding described above, HUD has made available over \$4.6 billion for Community Costs, of which over \$3.4 billion has been received through June 30, 2020. 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.

The 2007 strategic plan PlaNYC, A Greener, Greater New York, recognized climate change as a new challenge facing the City cutting across all of the issues covered in the plan. The 2007 strategic plan described the City's climate change strategy as the sum of all the initiatives in the plan and announced initiation of a long-term effort to develop a comprehensive climate change adaptation strategy to prepare the City for the climate shifts that are unavoidable. Many actions undertaken by the City followed, including initiation of work with FEMA to ensure that City floodplain maps reflect the most current information and creation of the New York City Panel on Climate Change (NPCC). NPCC is a body of more than a dozen leading independent climate and social scientists appointed by the Mayor. Since 2008, NPCC has analyzed climate trends, developed projections, explored key impacts, and advised on response strategies for City planning. NPCC is required to make recommendations to the City regarding climate change projections at least every three years and produced its first report in 2010, with subsequent reports in 2015 and 2019 (collectively, the NPCC Reports). The NPCC has identified that the City is already experiencing the impacts of climate change and projects dramatic impacts from climate change on the City in the future.

A Greener, Greater New York was updated in 2011, in June 2013 by PlaNYC A Stronger, More Resilient New York, and expanded in April 2015 in One New York: the Plan for a Strong and Just City, and in April 2019 by OneNYC 2050 (the OneNYC Reports). NPCC projections form the basis for the City's climate resiliency planning and are reflected in the OneNYC Reports. Many of the resiliency and other undertakings included in the OneNYC Reports involve coordination and cooperation with multiple public and private stakeholders, and expansion of ongoing maintenance and development, as well as specific initiatives such as those described below.

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

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

Through ESCR, which is expected to break ground in fall of 2020, the City will construct an integrated coastal flood protection system for which it will seek FEMA accreditation, create resilient open spaces, and improve waterfront access on Manhattan's east side, from East 25th Street at the north to Montgomery Street at the south. The City anticipates the entire flood protection system will be in place and operational by the 2023 Atlantic hurricane season. The expected cost of ESCR is \$1.45 billion, with \$1.12 billion being paid for by the City and \$338 million being paid for with Community Development Block Grant Disaster Recovery funding allocated by HUD. Other projects in Lower Manhattan include flood walls and deployable flip-up barriers to protect the Two Bridges neighborhood, which lies south of Montgomery Street at the north to the Brooklyn Bridge at the south, developing a plan that contemplates extending the Manhattan shoreline from the Brooklyn Bridge to the Battery into the East River to protect the Seaport and Financial District area, and an elevated waterfront esplanade in the Battery and flood barriers in Battery Park City. On February 10, 2020, litigation was filed in New York Supreme Court challenging the project on the theory that the project constitutes alienation of parkland, and therefore would require State legislative approval. On August 20, 2020, the litigation was dismissed. On August 28, 2020, petitioners filed a notice of appeal.

The Staten Island Project, which is being designed and constructed by the U.S. Army Corps of Engineers (USACE), is expected to break ground in fall of 2020, and 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 \$615 million, with the City responsible for 10.5% of the project costs, and the remaining project costs to be paid for with federal and State funds.

The Rockaways Project, which is also being designed and constructed by USACE, consists of coastal protection elements on the Atlantic shorefront and on the Jamaica Bay side of the Rockaways. The project is expected to break ground in fall of 2020 and will be fully funded by the federal government, with an expected cost of approximately \$590 million.

The City expects that additional resiliency projects will be identified and implemented in the coming years, including projects inside and outside of the areas affected by Super Storm and addressing risks identified in the NPCC Reports including coastal storms, sea level rise, extreme heat and intense rainfall.

In 2015, FEMA issued preliminary updated flood insurance rate maps (FIRMs), 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 modelling 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. The 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.

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

Superfund Designations

On March 2, 2010, the United States Environmental Protection Agency (EPA) listed the Gowanus Canal (the Canal), a waterway located in the City, as a federal Superfund site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). EPA considers the City a potentially responsible party (PRP) under CERCLA, based on contaminants from currently and formerly City-owned and operated properties, as well as from the City's combined sewer overflows (CSOs). On September 30, 2013 EPA issued the Record of Decision (ROD) for the Canal, setting forth requirements for dredging contaminated sediment in the Canal and covering it with a cap as well as source control requirements. The ROD requires that two CSO retention tanks be constructed as part of the source control component of the remedy. EPA estimates that the costs of the tanks will be approximately \$85 million. The City estimates that the tanks will actually cost in excess of \$735 million, which is included in the City's capital plan. EPA also estimates the overall cleanup costs (to be allocated among potentially responsible parties) will be \$506 million. The City anticipates that the actual cleanup costs could substantially exceed EPA's cost estimate. On May 28, 2014, EPA issued a unilateral administrative order requiring the City to design major components of the remedy for the Canal, including the CSO retention tanks and other storm water control measures, and remediate the First Street basin (a currently filled-in portion of the Canal). As required under the Unilateral Order, the City submitted its siting recommendations for the CSO tanks to EPA on June 30, 2015. As set forth in a consent order which was fully executed on June 9, 2016, EPA agrees with the City's preferred

location for one of the tanks and, with respect to the other tank, EPA has directed the City to site the tank at the City's preferred location subject to certain milestones. An allocation process has been completed between the City and approximately 20 other parties to allocate costs of the design of the in-canal portion of the remediation, which includes dredging and capping the canal. Prior to completion of the allocation process, the City paid a portion of the design costs based on an estimate of the City's potential share of the costs. As a result of the agreed upon allocation process, the City will be required to provide additional funding over the next three years. Such additional funding for design costs is not expected to be a material cost.

On January 28, 2020, EPA issued a new Unilateral Order to the six largest PRPs, including the City and National Grid, requiring these parties to implement the in-Canal remedy (consisting of dredging and capping of sediments) in the upper reach of the Canal.

EPA estimates that the cost of this work, the first of the three phases, is \$125 million, an estimate that the City believes is low. The City's liability for the in-Canal work is unknown at this time, and may ultimately be determined through litigation.

On September 27, 2010, EPA listed Newtown Creek, the waterway on the border between Brooklyn and Queens, New York, as a Superfund site. On April 6, 2010, EPA notified the City that EPA considers the City a PRP under CERCLA for hazardous substances in Newtown Creek. In its Newtown Creek PRP notice letter, EPA identified historical City activities that filled former wetlands and low lying areas in and around Newtown Creek and releases from formerly City-owned and operated facilities, including municipal incinerators, as well as discharges from sewers and CSO outfalls, as potential sources of hazardous substances in Newtown Creek. In July, 2011, the City entered into an Administrative Settlement Agreement and Order on Consent with EPA and five other PRPs to conduct an investigation of conditions in Newtown Creek and evaluate feasible remedies. The investigation and feasibility study is expected to take approximately eleven years. The City's share will be determined in a future allocation proceeding. The 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.

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

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

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

6. Interfund Receivables, Payables, and Transfers

At June 30, 2020 and 2019, City and discretely presented component units receivable and payable balances and interfund transfers were as follows:

Governmental activities:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>2020</u>	<u>2019</u>
		(in thousands)	
General Fund	Capital Projects Fund	\$2,500,541 ⁽¹⁾	\$3,560,306 ⁽¹⁾
	TFA—Debt Service	343,958	155,738
Capital Projects Fund	TFA—Capital Projects Fund	183,645	227,514
	HYIC —Capital Projects Fund	255	623
HYDC—Capital Projects Fund	HYIC—Capital Projects Fund	122	125
HYIC—Debt Service Fund	HYIC—Capital Projects Fund	254	30
Total due from/to other funds		<u>\$3,028,775</u>	<u>\$3,944,336</u>

Component Units:

Due from/to City and Component Units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>2020</u>	<u>2019</u>
		(in thousands)	
City—General Fund	Component units—HDC	\$4,432,287	\$3,376,951
	NYC Health + Hospitals the System	382,780 —	300,587 19,905
		<u>4,815,067</u>	<u>3,697,443</u>
City—Capital Projects Fund	Component units—the System	567,644	695,328
	EDC	139,934	137,831
		<u>707,578</u>	<u>833,159</u>
Total due from Component Units		<u>\$5,522,645</u>	<u>\$4,530,602</u>
Component Unit—the System	City—General Fund	\$ 93,685	\$ —
Component Unit—BPL	City—General Fund	14,581	12,715
Component Unit—QBPL	City—General Fund	7,054	14,713
Total due to Component Units		<u>\$ 115,320</u>	<u>\$ 27,428</u>

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

Note: During Fiscal Years 2020 and 2019, 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 2020					
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total
Transfer from (to):						
General Fund	\$ —	\$ —	\$3,313,378	\$3,120,219	\$ —	\$ 6,433,597
General Debt Service Fund	(3,313,378)	—	—	—	—	(3,313,378)
Capital Projects Fund	—	—	—	(4,242,110)	—	(4,242,110)
Nonmajor Debt Service Funds	(3,632,205)	—	—	260,177	511,986	(2,860,042)
Nonmajor Capital Projects Funds	—	4,242,110	—	12,958	—	4,255,068
Nonmajor Special Revenue Funds	—	—	—	(273,135)	—	(273,135)
Total	<u>\$ (6,945,583)</u>	<u>\$ 4,242,110</u>	<u>\$3,313,378</u>	<u>\$ (1,121,891)</u>	<u>\$ 511,986</u>	<u>\$ —</u>

	Fiscal Year 2019					
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total
Transfer from (to):						
General Fund	\$ —	\$ —	\$3,432,260	\$2,844,739	\$ —	\$ 6,276,999
General Debt Service Fund	(3,432,260)	—	—	—	—	(3,432,260)
Capital Projects Fund	—	—	—	(5,814,290)	—	(5,814,290)
Nonmajor Debt Service Funds	(3,288,603)	—	—	(46,341)	443,864	(2,891,080)
Nonmajor Capital Projects Funds	—	5,814,290	—	108,014	—	5,922,304
Nonmajor Special Revenue Funds	—	—	—	(61,673)	—	(61,673)
Total	<u>\$ (6,720,863)</u>	<u>\$ 5,814,290</u>	<u>\$3,432,260</u>	<u>\$ (2,969,551)</u>	<u>\$ 443,864</u>	<u>\$ —</u>

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

In the Fiscal Year ended 2020, the City made the following transfer: A transfer of unrestricted grants from the General Fund in the amount of \$2.5 billion to TFA. The funds were used to fund debt service requirements for future tax secured debt during the Fiscal Year ending June 30, 2021.

In the Fiscal Year ended 2019, the City made the following transfer: A transfer of unrestricted grants from the General Fund in the amount of \$2.3 billion to TFA. The funds were used to fund debt service requirements for future tax secured debt during the Fiscal Year ending June 30, 2020.

7. Tax Abatements

<p><i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p>	<p>Programs Administered by NYC Housing Preservation & Development (HPD)</p>													
	<p>J51 Program</p>	<p>Commercial Conversion Programs 421-a, 421-b and 421-g</p>												
<p>1) Purpose of program.</p>	<p>Encourages the renovation of residential properties to owners of residential real property who perform rehabilitation work.</p>	<p>Designed to encourage the new construction of multiple dwellings (421-a), new construction or conversion or reconstruction of owner-occupied one- and two-family homes (421-b), and the construction and conversion of commercial buildings to residential apartment buildings (421-g) by providing real property tax benefits for eligible parcels.</p>												
<p>2) Tax being abated.</p>	<p>Real Property Tax</p>	<p>Real Property Tax</p>												
<p>3) Authority under which abatement agreements are entered into.</p>	<p>New York State (NYS) Real Property Tax Law (RPTL): Article 4, Title 2, Section 489 and the NYC Administrative Code, Title 11, Chapter 2, Subchapter 2, Parts 1, 11-242, 11-243, 11-244 and 11-245.8.</p>	<p>NYS RPTL: Article 4, Title 2, Sections 421-a, 421-b, and 421-g.</p>												
<p>4) Criteria to be eligible to receive abatement.</p>	<p>The projects may be government-assisted or privately financed for moderate and gut rehabilitation of multiple dwellings. The projects may also be for major capital improvements, conversions of lofts and non-residential buildings into multiple dwellings, and for certain cooperative/condominium and conversions to residential property projects.</p>	<p>a) 421-a Program: The buildings must receive governmental assistance, contain 20% affordable units, or the owner must participate in an affordable housing production program. b) 421-b Program: The homes must be owner-occupied and may not include commercial or other non-residential space. c) 421-g Program: The conversions must have an alteration Type 1 permit dated before June 30, 2006. All of the programs have eligible abatement zones.</p>												
<p>5) How recipients' taxes are reduced.</p>	<p>Through both a reduction of the property's assessed value and as a credit to the amount of taxes owed.</p>	<p>421-a and 421-b: Through a reduction of the property's assessed value; 421-g: Through both a reduction of the property's assessed value and as a credit to the amount of taxes owed.</p>												
<p>6) How amount of abatement is determined.</p>	<p>The amount of the direct reduction to the remaining billable amount due is based on the calculated "Certified Reasonable Cost"; a percentage is applied to that figure to determine the Lifetime Abatement Amount or Abatement Pool.</p>	<p>a) 421-a Program: 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) 421-b Program: The building assessment is exempt during the construction period and for an additional two years; the benefit then declines until the ninth year. c) 421-g Program: There is a construction period abatement from the increase in real estate taxes resulting from the work, and a 14 year abatement (ten years full and four year phase out) based on the existing real estate taxes in year one of the benefit term.</p>												
<p>7) Provisions for recapturing abated taxes.</p>	<p>N/A</p>	<p>N/A</p>												
<p>8) Types of commitments made by the City other than to reduce taxes.</p>	<p>Commitments, other than reducing taxes, may only be applicable with 34-year government-assisted construction projects. In these instances the City supports Participants in the associated construction costs.</p>	<p>N/A</p>												
<p>9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.</p>	<table border="1"> <thead> <tr> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(in thousands)</td> <td style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: right;">\$301,100</td> <td style="text-align: right;">\$297,900</td> </tr> </tbody> </table>	2020	2019	(in thousands)	(in thousands)	\$301,100	\$297,900	<table border="1"> <thead> <tr> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(in thousands)</td> <td style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: right;">\$1,600,700</td> <td style="text-align: right;">\$1,651,100</td> </tr> </tbody> </table>	2020	2019	(in thousands)	(in thousands)	\$1,600,700	\$1,651,100
2020	2019													
(in thousands)	(in thousands)													
\$301,100	\$297,900													
2020	2019													
(in thousands)	(in thousands)													
\$1,600,700	\$1,651,100													

Programs Administered by NYC Housing Preservation & Development (HPD)					
Division of Alternative Management Programs (DAMP)		Urban Development Action Area Programs (UDAAP)		Low Income Housing Program 420-C	
DAMP encourages community growth by returning City-owned buildings to responsible private owners. DAMP offers incentive programs that select alternative managers for residential properties foreclosed by the City for nonpayment of taxes, with the goal of returning these properties to the tax roll.		UDAAP offers incentive programs for rehabilitating housing or building new housing.		To encourage upgrades to existing housing by providing a tax incentive for buildings developed by not-for-profit entities which were financed with the Federal Low Income Tax Credit program.	
Real Property Tax		Real Property Tax		Real Property Tax	
Housing Finance Law: Article XI: Section 577.		General Municipal Law 696: Article 16.		NYS RPTL: Article 4, Title 2, Section 420c.	
The benefits are limited to residential properties that were foreclosed on by the City for nonpayment of taxes.		The housing must be designated by the City Council as an area in need of urban renewal.		The property must provide housing accommodations to persons and families of low income, participates or has participated in the Federal Low-Income Housing Tax Credit (LIHTC) program, and is subject to a regulatory agreement with HPD.	
Through a reduction of the property's assessed value.		Through a reduction of the property's assessed value.		Through a reduction of the property's assessed value.	
The benefit is equal to the assessed value times an eligible percentage less the DAMP ceiling, which sets a limit on the maximum taxable assessment that can be placed on a property.		The UDAAP benefit is equal to the delta between the building Assessed Value (AV) in the base year and the building AV in the benefit year, up to 20 years.		The benefit provides a 100% reduction from real estate taxes for the term of the regulatory agreement up to a maximum of 60 years.	
N/A		N/A		Previously abated taxes are not recaptured unless there is a direct demand from HPD to do so.	
N/A		N/A		N/A	
<u>2020</u> <u>2019</u> (in thousands)		<u>2020</u> <u>2019</u> (in thousands)		<u>2020</u> <u>2019</u> (in thousands)	
\$46,800 \$48,600		\$22,000 \$21,200		\$285,800 \$273,300	

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 provides a real property tax reduction in lower Manhattan by encouraging owners to invest in building improvements for offices, retail or elementary or secondary schools. The CEP provides a real property tax reduction for space that has been leased for commercial offices, industrial/manufacturing spaces, retail or elementary or secondary schools in the outer boroughs or Manhattan above 96th street and the Garment District.	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.	The CRP is governed by the NYS RPTL: Title 4; the CEP is governed by the NYS RPTL: Title 4a.	NYS RPTL: Article 4, Title 2F, Section 489; aaaaaa-kkkkkk the NYC Administrative Code: Title 11, Chapter 2, Subchapter 2, Part 5.												
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 border="0"> <tr> <td style="text-align: center;"><u>2020</u></td> <td style="text-align: center;"><u>2019</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$14,200</td> <td style="text-align: center;">\$15,200</td> </tr> </table>	<u>2020</u>	<u>2019</u>	(in thousands)		\$14,200	\$15,200	<table border="0"> <tr> <td style="text-align: center;"><u>2020</u></td> <td style="text-align: center;"><u>2019</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$840,000</td> <td style="text-align: center;">\$794,500</td> </tr> </table>	<u>2020</u>	<u>2019</u>	(in thousands)		\$840,000	\$794,500
<u>2020</u>	<u>2019</u>													
(in thousands)														
\$14,200	\$15,200													
<u>2020</u>	<u>2019</u>													
(in thousands)														
\$840,000	\$794,500													

Programs Administered by NYC Department of Finance (DOF)

Relocation and Assistance Programs—(REAP), Lower Manhattan Relocation and Employment Assistance Program for Eligible Benefits (LMREAP-EB) and Lower Manhattan Relocation and Employment Assistance Program for Special Eligible Benefits (LMREAP-SEB)	Sports Arena Used by the NHL and NBA	Major Capital Improvement (MCI) Program
Offers business income tax credits for relocating jobs outside of the City to designated locations within the City.	Ensure the viability of a major league sports facility in the City.	To help compensate landlords of rent-regulated buildings for economic losses resulting from the lengthening of the period for amortizing major capital improvement costs.
The credits may be taken against the City’s general corporation tax, banking corporation tax, unincorporated business tax, and/or utility tax.	Real Property Tax	Real Property Tax
NYC Administrative Code: Title 11, Chapter 6, Subchapter 3, Part 4, Section 11-643.9, 11-1105.211-1105.3.	NYS RPTL: Section 429.	NYS RPTL Laws of 2015, Chapter 20 (Part A, §65).
For REAP, LMREAP-EB, and LMREAP-SEB, eligible businesses must have conducted substantial business operations outside of the City for at least 24 consecutive months before relocating; most retail and hotel services do not qualify. The eligibility requirements are that the premises must be nonresidential; have been improved by construction or renovation; the lease term must be at least three years; and expenditures for improvements must be more than \$25 per square foot. For LMREAP-SEB, eligible businesses must move at least 250 employees or increase its payroll by 25%.	For Madison Square Garden	The benefits are provided to building owners of rent regulated class 2 properties (residential property with more than 3 units including cooperatives and condominiums).
As a credit to the amount of taxes owed.	Through a reduction of the property’s assessed value.	As a credit to the amount of taxes owed.
For REAP, LMREAP-EB and LMREAP-SEB, eligible business receives a \$3,000 annual credit, per eligible employee, up to 12 years. REAP allows an additional credit of \$1,000 per share for relocating to parts of the eligible area that are not revitalization areas.	100% reduction of the property tax.	The abatement equals 50% of the economic loss attributable to the extended amortization period. The economic loss is determined by multiplying the approved cost of the MCI by a fraction. The numerator is the increase in months in the new amortization period; the denominator is the total number of months in the new amortization period.
N/A	N/A	N/A
N/A	N/A	N/A
<u>2020</u> (in thousands)	<u>2020</u> <u>2019</u> (in thousands)	<u>2020</u> <u>2019</u> (in thousands)
\$31,000	\$42,500 \$43,100	\$16,600 \$11,700

NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Program Administered by NYC Department of Buildings (DOB)	Programs Administered by NYC Industrial Development Agency (IDA)	Program Administered by Build NYC Resource Corporation ³
	Solar Electric Generating System (SEGS) Abatement Program	Commercial Growth and Industrial Incentive Programs	Build NYC Tax Abatement Program
1) Purpose of program.	The program provides tax benefits to properties that use solar power. This process allows for a reliable alternative energy source to be available during peak hours and power outages. Additionally, less energy being produced by traditional combustion of fossil fuels means less air pollution and cleaner air, and solar energy does not emit greenhouse gas emissions.	Designed to encourage economic development in the City. The Commercial Growth ⁽¹⁾ and Industrial Incentive ⁽²⁾ programs retain, expand, and attract commercial and industrial businesses, and the related economic benefits and job creation and retention associated with them.	As a conduit bond issuer, the primary goal is to facilitate access to private activity tax-exempt bond financing for qualified projects.
2) Tax being abated.	Real Property Tax	a) Real Property Tax (via a PILOT); b) State and Local Sales Tax (ST); and c) Mortgage Recording Tax (MRT).	Mortgage Recording Tax (MRT)
3) Authority under which abatement agreements are entered into.	RPTL: Title 4C (499 aaaa - 499 gggg) parcel.	Industrial Development Act of 1969 as governed by Article 18-A of the General Municipal Law ⁽³⁾ .	Section 411 of the New York Not-for-profit Law.
4) Criteria to be eligible to receive abatement.	The abatement is applied to the property for a four-year period starting on July 1, following DOB approval. Class 1, 2, and 4 properties are eligible; however, if you receive ICAP, 421-a, 421-b, 421-g, or pay payments in-lieu-of-tax (PILOTs), your property is NOT eligible for the Solar Electric Generating System Tax Abatement.	All applicants must satisfy eligibility requirements and must demonstrate a need for assistance. Applicants are selected based on an analysis of the economic benefit of the proposed project in compliance with the uniform Tax Exemption Policy of IDA. Stores that benefit from the Fresh Project Program must be located in an eligible area.	The projects must have been undertaken by Build NYC, as mortgagee, who records a mortgage, for the furtherance of its mission. Build NYC assists qualified projects in obtaining tax-exempt bond financing as a conduit bond issuer.
5) How recipients' taxes are reduced	Through both a reduction of the property's assessed value and as a credit to the amount of taxes owed.	The projects are tax exempt but businesses receiving such benefits typically make PILOTs. PILOT payments are a stepped-down percentage of full real estate tax rates.	Build NYC has authorization to exempt MRT due upon the recording of a mortgage associated with Build NYC issued bond transactions.
6) How amount of abatement is determined.	Depending on the date the system was placed in service, the benefit is the lesser of 2.5%-8.75% of the installation costs limited to the property tax for the year, or \$62,500.	a) PILOT tax abatements are typically granted for a 21 year period followed by a 4 year "phase in" period during which the tax rates paid by the PILOT recipient are increased each year by 20% of the abated amount until the full rate is reached at the end of year 25. b) The MRT abatement is a singular benefit received at closing only for projects that recorded a mortgage, and c) The ST abatements apply for eligible purchases to be used at project facilities. The Yankee and Mets stadium projects coincide with the underlying debt service related to the construction of the stadiums and the length of the abatements cover a 36-40 year period.	100% reduction of the MRT.
7) Provisions for recapturing abated taxes.	N/A	Program participants are required to adhere to various lease provisions as a prerequisite to receive abatement benefits. The lease provisions authorize benefit recapture in the case of non-compliance.	A change in the utilization of the facility that compromises the tax exempt status of the underlying tax exempt debt, the sale of the property, absent specific preauthorization, that includes the maintenance of the original tax exempt utilization of the property and/or the bankruptcy or cessation of operations of the facility/entity. Projects are subject to a benefit recapture period of ten years.
8) Types of commitments made by the City other than to reduce taxes.	N/A	N/A	N/A
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.	<u>2020</u> <u>2019</u> (in thousands)	<u>2020</u> <u>2019</u> (in thousands)	<u>2020</u> <u>2019</u> (in thousands)
	\$20,400 \$15,400	Commercial Growth Programs: a) PILOT \$130,142 \$77,165 b) ST \$7,051 \$3,031 c) MRT \$2,268 — Industrial Incentive Programs: a) PILOT \$37,788 \$33,135 b) ST \$750 \$725 c) MRT \$937 \$267	\$1,023 \$5,136

NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Programs Administered by the State of New York			
	Battery Park City Authority (The Authority)		Urban Development Corporation (currently known as Empire State Development Corporation [ESDC])	
1) Purpose of program.	The Authority was created for the benefit of the people of the State of New York, the county of New York, and the City, and is a public purpose, regarded as performing a governmental function in the exercise of the powers conferred upon it, and shall be required to pay no taxes upon any of the properties acquired by it or under its jurisdiction or control or supervision or upon its activities.		The acquisition, construction, reconstruction, rehabilitation, or improvement of such industrial, manufacturing, and commercial facilities, and of such cultural, educational, and recreational facilities including but not limited to facilities identified as projects are public uses and public purposes for which public money be loaned and private property may be acquired and tax exemption granted, and that the powers and duties of the Urban Development Corporation as hereinafter prescribed are necessary and proper for the purpose of achieving the ends here recited.	
2) Tax being abated.	Real Property Tax		Real Property Tax	
3) Authority under which abatement agreements are entered into.	Public Authority Law: Section 1981.		McKinney's Unconsolidated Laws of NY: Section 6252.	
4) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.	2020 (in thousands)	2019 (in thousands)	2020 (in thousands)	2019 (in thousands)
	\$138,200	\$162,200	\$314,000	\$325,700

- (1) Stadia transactions are a unique subset within the Commercial Growth portfolio. There are only two such transactions and they relate to the construction of the Yankee and Mets baseball stadiums in the Bronx and Queens, respectively. These transactions are unique in that the related PILOT payments coincide with the underlying debt service related to the construction of the stadiums. As such, the length of these abatements related to the Yankee and Mets stadiums cover a 36 and 40 year period, respectively.
- (2) These businesses include Warehousing, Distribution Centers and Logistics. The FRESH projects are a subset of the Industrial Incentive Transactions and target food distribution companies.
- (3) City Charter 1301(1) (b) requires NYCEDC, NYCIDA and Build NYC to report on projects undertaken for the purposes of the creation or retention of jobs if, in connection with such projects, Financial Assistance was provided in the form of loans, grants or tax benefits. In compliance with this requirement, a detailed report is prepared annually and posted on the NYCEDC web site that lists both summary and transaction level detail for all active projects. This report can be accessed at www.nycedc.com/about-nycedc/financial-public-documents.

Note: There were no amounts received or receivable from other governments; there were no government made commitments other than to reduce taxes; there were no abatements disclosed separately, and no information was omitted if required by GASB Statement No. 77.

8. COVID-19

Government Assistance

The outbreak of the coronavirus disease (COVID-19), referred to herein as “COVID-19,” has been declared a pandemic by the World Health Organization. The Governor declared a state of emergency in the State on March 7, 2020 and the Mayor declared a state of emergency in the City on March 12, 2020, each of which is still in effect. On March 20, 2020, the Governor ordered the shut-down of all non-essential businesses and mandated that all employees, other than essential workers, remain at home. Although COVID-19 cases and deaths declined significantly following the period from March 22 to April 11, 2020, they have shown an increase in recent weeks. COVID-19 infections and positive test rates will likely fluctuate in the future and there can be no assurance that COVID-19 cases and deaths in the City will not increase above current levels or that business closures will not be reinstated during the course of the pandemic.

The COVID-19 pandemic and economic disruption resulting from measures to contain it have resulted in reductions in the City’s fiscal year 2020 and projected revenues. However, the ultimate impact of the COVID-19 pandemic on the amount and timing of collections of City revenues cannot be determined at this time. No assurance can be provided that the COVID-19 pandemic and resulting economic disruption will not result in revenues to the City that are lower than projected.

As of June 2020, The City has received approximately \$1.45 billion in funding from the CARES Act Coronavirus Relief Fund, of which approximately \$1.2 billion of eligible expenses were incurred in fiscal year 2020. The balance will be applied to fiscal year 2021 eligible expenses. In addition, subsequent to the fiscal year end, The City received approximately \$199.6 million in funding from the Federal Emergency Management Agency.

E. OTHER INFORMATION

1. Audit Responsibility

In Fiscal Years 2020 and 2019, 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 TSASC, Inc., New York City School Construction Authority, New York City Housing Development Corporation, New York City Industrial Development Agency, New York City Economic Development Corporation, New York City Business Assistance Corporation, Brooklyn Navy Yard Development Corporation, The City of New York Deferred Compensation Plan, WTC Captive Insurance Company, Inc., New York City Educational Construction Fund, Sales Tax Asset Receivable Corporation, Fiscal Year 2005 Securitization Corporation, New York City Tax Lien Trusts, New York City Housing Authority, Hudson Yards Infrastructure Corporation, Hudson Yards Development Corporation, Brooklyn Bridge Park Corporation, The Trust for Governors Island, Build NYC Resource Corporation, New York City Land Development Corporation, New York City Neighborhood Capital Corporation, New York City Transitional Finance Authority, New York City Water and Sewer System*, the Brooklyn Public Library, the Queens Borough Public Library and Affiliate, New York City School Support Services, The Mayor’s Fund to Advance New York City, Public Realm Improvement Fund Governing Group, Inc., New York City Employees’ Retirement System*, Teachers’ Retirement System of The City of New York*, New York City Board of Education Retirement System*, New York City Police Pension Funds*, New York City Fire Pension Funds*, and the New York City Other Postemployment Benefits Plan*.

* Entity was audited by auditors other than Grant Thornton, LLP for Fiscal Year 2019.

	Government-wide						Fund-based			
	Governmental Activities		Business-Type Activities		Component Units		Nonmajor Governmental Funds		Fiduciary Funds	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total Assets	7%	7%	100%	100%	45%	90%	100%	100%	8%	99%
Revenues, other financing sources and net position held in trust . . .	5%	5%	100%	100%	30%	58%	100%	100%	9%	100%

2. Subsequent Events

On October 1, 2020, Moody's downgraded the City's GO bonds to Aa2, downgraded TFA BARBs to Aa3, downgraded STAR debt to Aa2, downgraded HYIC First and Second Indenture bonds to Aa3, and downgraded ECF bonds to Aa3.

Subsequent to June 30, 2020, TFA, the City, and the Water Authority completed the following long-term financings:

<i>TFA Debt</i>	<p>On September 1, 2020, the New York City Transitional Finance Authority issued \$1,623,495,000 of Fiscal 2021 Series A and B Future Tax Secured bonds for capital purposes.</p> <p>On September 24, 2020, the New York City Transitional Finance Authority issued \$1,073,000,000 of Fiscal 2021 Series C Future Tax Secured bonds to refund a portion of its outstanding bonds at lower interest rates and reoffered \$199,685,000 of Fiscal 2021 Series 1 and 2 Future Tax Secured bonds to convert a portion of its outstanding variable rate bonds to fixed rate.</p> <p>On October 20, 2020, the New York City Transitional Finance Authority reoffered \$107,175,000 of Fiscal 2003 Series 21-A and \$23,775,000 of Fiscal 2003 Series 21-B Recovery bonds to convert a portion of its outstanding variable rate bonds to fixed rate.</p> <p>On October 22, 2020, the New York City Transitional Finance Authority issued \$200,000,000 of Fiscal 2021 Series S-1 Building Aid Revenue Bonds for capital purposes.</p>
<i>City Debt</i>	<p>On September 9, 2020, The City of New York issued \$1,388,060,000 of Fiscal 2021 Series A and B General Obligation bonds to refund a portion of its outstanding bonds at lower interest rates.</p> <p>On October 15, 2020, The City of New York issued \$900,000,000 of Fiscal 2021 Series C General Obligation bonds for capital purposes and reoffered \$80,485,000 of Fiscal 2006 Subseries I-A, \$25,305,000 of Fiscal 2008 Subseries J-5, \$41,245,000 of Fiscal 2008 Subseries J-6, \$54,255,000 of Fiscal 2008 Subseries J-10, and \$21,735,000 of Fiscal 2012 Subseries A-3 General Obligation bonds to convert a portion of its outstanding variable rate bonds to fixed rate.</p>
<i>Water Authority</i>	<p>On September 30, 2020, the New York City Municipal Water Finance Authority issued \$650,000,000 of Fiscal 2021 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>

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, 2020, the City paid \$2.1 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 2020</u> <u>(at 6/30/19)</u>	<u>FY 2019</u> <u>(at 6/30/18)</u>
Active plan members	300,500	298,123
Active plan members off payroll who may become eligible to receive benefits	35,048	26,626
Inactive plan members entitled to but not yet receiving benefits	20,611	21,893
Inactive plan members or beneficiaries currently receiving benefits	<u>240,522</u>	<u>237,003</u>
Total	<u>596,681</u>	<u>583,645</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 2020 OPEB valuation, the Actuarial Present Value (APV) of Benefits (APVB) of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The employer portion of this APVB allocated to a valuation year is the Employer Normal Cost. The portion of this APVB not provided for at a valuation date by the APV of Future Employer Normal Costs is the Total OPEB Liability.

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

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

Changes in Net OPEB Liability. Changes in the City's net OPEB liability for the Fiscal Years ended June 30, 2020 and June 30, 2019 are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2018	\$ 103,262,015,433	\$ 4,765,799,215	\$ 98,496,216,218
2. Changes for the Year:			
a. Service Cost	5,726,465,371	—	5,726,465,371
b. Interest	3,238,121,016	—	3,238,121,016
c. Differences b/t Expected and Actual Experience	9,363,503,239	—	9,363,503,239
d. Changes in Assumptions	(6,280,596,177)	—	(6,280,596,177)
e. Contributions-Employer	—	2,653,131,741	(2,653,131,741)
f. Contributions-Employee	—	—	—
g. Net Investment Income	—	100,740,410	(100,740,410)
h. Actual Benefit Payments	(2,839,899,082)	(2,839,899,082)	—
i. Administrative Expenses	—	(46,110)	46,110
j. Other Changes	—	(175,000)	175,000
k. Net Changes	\$ 9,207,594,367	\$ (86,248,041)	\$ 9,293,842,408
3. Balances at June 30, 2019	\$ 112,469,609,800	\$ 4,679,551,174	\$ 107,790,058,626
4. Changes for the Year:			
b. Service Cost	5,293,736,382	—	5,293,736,382
b. Interest	3,278,703,940	—	3,278,703,940
c. Differences b/t Expected and Actual Experience	(5,819,834,778)	—	(5,819,834,778)
d. Changes in Assumptions	2,507,951,510	—	2,507,951,510
e. Contributions-Employer	—	2,059,853,571	(2,059,853,571)
f. Contributions-Employee	—	—	—
g. Net Investment Income	—	76,119,735	(76,119,735)
h. Actual Benefit Payments	(3,014,860,319)	(3,014,860,319)	—
i. Administrative Expenses	—	—	—
j. Other Changes	(1,457,899,183)	(175,000)	(1,457,724,183)
k. Net Changes	\$ 787,797,552	\$ (879,062,013)	\$ 1,666,859,565
5. Balances at June 30, 2020	\$ 113,257,407,352	\$ 3,800,489,161	\$ 109,456,918,191

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

	Fiscal Year 2020			Fiscal Year 2019		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	\$129,758,404,245	\$109,456,918,191	\$93,574,356,163	\$127,420,519,011	\$107,790,058,626	\$92,364,519,297
	Discount Rate					
City	1.68%	2.68%	3.68%	1.82%	2.82%	3.82%
Component Units	1.66%	2.66%	3.66%	1.79%	2.79%	3.79%

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

	Fiscal Year 2020			Fiscal Year 2019		
	1% Decrease	Current Trend Rate	1% Increase	1% Decrease	Current Trend Rate	1% Increase
	\$90,336,348,549	\$109,456,918,191	\$134,787,893,140	\$88,159,361,813	\$107,790,058,626	\$135,452,822,068
	Pre-Medicare Trend Rate					
Initial	6.0%	7.0%	8.0%	6.0%	7.0%	8.0%
Ultimate	3.5%	4.5%	5.5%	3.5%	4.5%	5.5%
	Medicare Trend Rate					
Initial	4.0%	5.0%	6.0%	4.0%	5.0%	6.0%
Ultimate	3.5%	4.5%	5.5%	3.5%	4.5%	5.5%

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, 2020 and June 30, 2019 are \$6.2 and \$8.5 billion, respectively.

Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2020 and June 30, 2019 are as follows:

	Fiscal Year 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience Changes of Assumptions	\$8,229,474,164	\$ 5,039,192,042
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	3,572,055,730	9,038,603,560
	211,511,518	—
Total	<u>\$12,013,041,412</u>	<u>\$14,077,795,602</u>
	Fiscal Year 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience Changes of Assumptions	\$ 9,961,291,937	\$ 50,174,278
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,780,754,778	11,536,472,019
	238,753,961	—
Total	<u>\$11,980,800,676</u>	<u>\$11,586,646,297</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 Years ended June30	Amount
2021	\$ (786,059,641)
2022	(813,048,658)
2023	(534,544,450)
2024	593,754,532
2025	(27,448,311)
Thereafter	(497,407,662)

Funded Status and Funding Progress. As of June 30, 2020, the most recent actuarial measurement date, the funded status was 3.4%. The total OPEB liability for benefits was \$113.3 billion, and the plan fiduciary net position was \$3.8 billion, resulting in a net OPEB

liability of \$109.5 billion. The covered employee payroll (annual payroll of active employees covered) was \$28.2 billion, and the ratio of the net OPEB liability to the covered employee payroll was 388.1%. 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 2020 and 2019.

Actuarial Methods and Assumptions. The actuarial assumptions used in the Fiscal Years 2020 and 2019 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 2020 OPEB valuation have not changed from the prior valuation, with the only exception being the discount rate. For Fiscal Year 2019, the Office of the Actuary (OA) conducted a full review of the actuarial assumptions and methods used to fund the NYCRS. These reviews led to formalized recommendations titled "Proposed Changes in Actuarial Assumptions and Methods Used in Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2018 for [NYCRS]," and were adopted by all five of the NYCRS Boards. These are available on the Reports page of the OA website (www.nyc.gov/actuary). Chapter 3 of the Laws of 2013 enacted those actuarial assumptions and methods that require New York State Legislation.

The OPEB-specific actuarial assumptions used in the Fiscal Year 2020 OPEB valuation of the Plan are as follows:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Discount Rate	2.68% ⁽¹⁾ for benefits provided by the City, 2.66% for benefits provided by Component Units. Results as of the June 30, 2019 Measurement Date are presented at 2.82% for benefits provided by the City, and 2.79% for Component Units.

The projection of cash flows used to determine the discount rate assumed that the City will contribute at a rate equal to the pay-as-you-go amounts plus the average of contributions made over the most recent five-year period in excess of the pay-as-you-go amounts. 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. 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.
Per-Capita Claims Costs	EBCBS and GHI plans are insured via a Minimum Premium arrangement while the HIP and many of the Other HMOs are community rated. Costs reflect age-adjusted premiums for all plans.

⁽¹⁾ As required under GASB 75 this is a weighted blend of the 4.00% return on assets for OPEB plan investments and the S&P Municipal Bond 20 Year High Grade Index yield as of June 30, 2020 of 2.66%.

Initial monthly premium rates used in valuation are shown below:

Plan	Monthly Health Insurance Costs
	FY 2020
HIP HMO	
Non-Medicare Single	\$ 753.40
Non-Medicare Family	1,845.83
Medicare	174.52
GHI/EBCBS	
Non-Medicare Single	710.74
Non-Medicare Family	1,866.41
Medicare	188.20
Others ⁽¹⁾	
Non-Medicare Single	1,102.40
Non-Medicare Family	2,521.20
Medicare Single	307.58
Medicare Family	607.20

⁽¹⁾ Other HMO premiums represent the total premium for medical (not prescription drug) coverage, including retiree contributions.

Additionally, the individual monthly rates at age 65 used in the valuation are shown below:

Plan	Monthly Costs @ Age 65
	FY 2020
HIP HMO	
Non-Medicare	\$1,697.18
Medicare	\$ 174.52
GHI/EBCBS	
Non-Medicare	\$1,631.78
Medicare	\$ 185.90
Other HMOs	Varies by system

Welfare Funds The Welfare Fund contribution reported as of the valuation date, June 30, 2019, (including any reported retroactive amounts) was used as the per capita cost for valuation purposes.

The calculations reflect an additional one-time \$100 contribution for Fiscal Years 2019 in July 2018 and Fiscal Year 2020 in July 2019.

Reported annual contribution amounts for the last three years are shown in the Fiscal Year 2020 GASB 74/75 report in Section VII, Tables VII-h to VII-1. 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.

NYCERS	\$1,897
TRS	1,824
BERS	1,934
POLICE	1,732
FIRE	1,781

Medicare Part B Premiums	Calendar Year	Monthly Premium
		2013-15
	2016	109.97
	2017	113.63
	2018	125.85
	2019	134.43
	2020	143.21

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2020. Due to limited cost-of-living adjustment in Social Security benefits for Calendar Years 2018, 2019, and 2020 some Medicare Part B participants will not be charged the Medicare Part B premium originally projected or ultimately announced for those years. Thus, the valuation uses a blended estimate as a better representation of future Part B premium costs.

For the Fiscal Year 2020 OPEB valuation the annual premium used was \$1,665.84, which is equal to 12 times an average of the Calendar Year 2019 and 2020 monthly premiums shown.

For Calendar Year 2020, the monthly premium of \$143.21 was determined as follows:

- 3.5% of the basic \$104.90 monthly hold-harmless amount, assuming that there would be no claims made for the slight increase in Part B premiums for continuing retirees, and
- 96.5% of the announced premium of \$144.60 for Calendar Year 2020, representing the proportion of the Medicare population that will pay the announced amount.

The Calendar Year 2019 premium of \$134.43 was determined similarly, using 3.5% of the \$104.90 hold-harmless and 96.5% of the \$135.50 rate that was in effect for Calendar Year 2019.

Overall Medicare Part B Premium amounts are assumed to increase by the following percentages to reflect the income-related increases in Medicare Part B Premiums for high income individuals.

<u>Fiscal Year</u>	<u>Income-related Medicare Part B Increase</u>
2020	5.2
2021	5.3
2022	5.4
2023	5.5
2024	5.6
2025	5.8
2026	5.9
2027 and later	6.0

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

Health Care Cost Trend Rate (HCCTR) No changes were made to the Medicare Part B premium, Welfare Fund contributions, or medical trends for the Fiscal Year 2020 valuation.

<u>Year Ending</u>	<u>Pre-Medicare Plans</u>	<u>Medicare Plans</u>	<u>Medicare Part B Premium</u>	<u>Welfare Fund Contributions</u>
2020	7.00%	5.00%	5.74% ⁽¹⁾	3.50%
2021	6.75	4.90	5.00	3.50
2022	6.50	4.90	5.00	3.50
2023	6.25	4.80	5.00	3.50
2024	6.00	4.80	5.00	3.50
2025	5.75	4.70	5.00	3.50
2026	5.50	4.70	5.00	3.50
2027	5.25	4.60	5.00	3.50
2028	5.00	4.60	5.00	3.50
2029	4.75	4.50	5.00	3.50
2030 and Later	4.50	4.50	5.00	3.50

⁽¹⁾ Medicare Part B premium trend reflects actual calendar year premium for the first 6 months of FY21 (July 2020 to December 2020) and 5.0% trend for the remaining 6 months.

The pre-Medicare and Medicare plan trends were developed for FY 2020 using health trend information from various sources, including City premium trend experience for HIP HMO and GHI/EBCBS, public sector benchmark survey for other large plan sponsors, the Medicare Trustees' Report, and the Society of Actuaries' Getzen model.

In recent years Medicare Part B premium increases have averaged between 5% 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 2021, beyond that point they expect the increases to average 5.4% out to 2029. 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 around 3% 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 HMO participants. 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	0.170	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 4.0% reduction in the GHI portion of the monthly premium (with the GHI portion representing \$334.14 out of \$710.74 for single coverage, and \$887.27 out of \$1,866.41 for family coverage for Fiscal Year 2020 rates) and a 2.5% reduction in the EBCBS portion of the premium (with the EBCBS portion representing the remainder of the premiums) for the estimated margin anticipated to be returned.

Participation Rates

Based on recent experience.

Actual elections are used for current retirees. Some current retirees not eligible for Medicare are assumed to change elections upon attaining age 65 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.

NYCERS	10%
TRS	6%
BERS	12%
POLICE	1%
FIRE	2%
TIAA	0%

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

Detailed assumptions for future Program retirees are presented below.

PLAN PARTICIPATION ASSUMPTIONS

<u>Benefits</u>	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TIAA</u>
<u>Pre-Medicare</u>						
-GHI/EBCBS	72%	80%	70%	85%	80%	90%
-HIP HMO	20	8	16	9	12	6
-Other HMO	4	2	2	4	6	4
-Waiver	4	10	12	2	2	—
<u>Medicare</u>						
-GHI	72	90	78	85	80	90
-HIP HMO	20	6	16	9	12	6
-Other HMO	4	2	2	4	6	4
-Waiver	4	2	4	2	2	—
<u>Post-Medicare Migration</u>						
-Other HMO to GHI	—	—	—	—	—	—
-HIP HMO to GHI	—	25	—	—	—	—
-Pre-Med. Waiver						
To GHI @ 65	—	40	67	—	—	—
To HIP @ 65	—	40	—	—	—	—

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 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 employees, husbands are assumed to be two years older than their wives.

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

Children are assumed to be covered for eight years after retirement plus an additional five years for service retirements of POLICE, FIRE, and NYCERS retirees who were eligible to retire based only on service and no minimum age.

Dependent allocation assumptions are shown below and are based on recent experience.

<u>Group</u>	<u>Dependent Coverage Assumptions</u>					
	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TIAA</u>
Male						
-Single Coverage	35%	50%	45%	15%	10%	55%
-Spouse	35	30	45	10	20	40
-Child/No Spouse	5	5	2	10	5	2.5
-Spouse and Child	25	15	8	65	65	2.5
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Female						
-Single Coverage	70%	60%	60%	45%	10%	55%
-Spouse	20	30	35	10	20	40
-Child/No Spouse	5	5	2.5	25	5	2.5
-Spouse and Child	5	5	2.5	20	65	2.5
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Note: For accidental death, 70% of POLICE and 80% of FIRE members are assumed to have family coverage.

Demographic Assumption The actuarial assumptions used in the Fiscal Year 2020 and the Fiscal Year 2019 OPEB valuations are a combination of those used in the NYCERS pension actuarial valuations and those specific to the OPEB valuations.

For Fiscal Year 2019, the OA conducted a full review of the actuarial assumptions and methods used to fund the NYCERS. These reviews led to formalized recommendations titled “Proposed Changes in Actuarial Assumptions and Methods Used in Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2018 for [NYCERS],” and were adopted by all five of the NYCERS Boards. These are available on the Reports page of the OA website (www.nyc.gov/actuary).

COBRA Benefits There is no cost to the City for COBRA beneficiaries who enroll in community-rated HMO’s, including HIP, since these individuals pay their full community rate. However, there is a cost under the experience rated GHI/EBCBS coverage.

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 \$1,250 was assumed for terminations during Fiscal Year 2020. This amount is increased by the Pre-Medicare HCCTR for future years but is not adjusted for age-related morbidity.

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).

Cadillac Tax The Cadillac tax was repealed in December 2019 and therefore is not included in the liabilities as of June 30, 2020.

Active Off Payroll (AOP) Liabilities 40% of the measured liability of the AOP population, which is roughly equivalent to assuming 60% of the AOP members will terminate membership prior to vesting and not receive OPEB.

Stabilization Fund A 0.4% load is applied on all City GASB 75 obligations to reflect certain benefits paid for retirees directly from the Stabilization Fund which is unchanged from the Fiscal Year 2019 OPEB valuation. The load is not applicable to Component Units.

This amount is based on the historical five-year average allocation between active and retired participants in the Fiscal Years 2016 through 2020 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.

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.

Educational Construction Fund The actuarial assumptions used for determining GASB 75 obligations for ECF are shown starting on page 134 of the Fiscal Year 2020 GASB 74/75 Report dated September 11, 2020. 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).

CUNY TIAA The actuarial assumptions used for determining obligations for CUNY TIAA are shown starting on page 136 of the Fiscal Year 2020 GASB 74/75 Report dated September 11, 2020. 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).

5. Pensions

Plan Descriptions

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

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

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

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

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

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

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

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

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

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

As of June 30, 2019 and June 30, 2018, 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, 2019						
Retirees and Beneficiaries Receiving Benefits	157,153	88,507	18,502	50,727	16,628	331,517
Terminated Vested Members Not Yet						
Receiving Benefits	21,788	13,410	2,019	497	67	37,781
Other Inactives	31,273	8,174	11,422	1,640	28	52,537
Active Members	<u>191,501</u>	<u>123,336</u>	<u>25,825</u>	<u>36,401</u>	<u>11,244</u>	<u>388,307</u>
Total QPP Membership	<u>401,715</u>	<u>233,427</u>	<u>57,768</u>	<u>89,265</u>	<u>27,967</u>	<u>810,142</u>

	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>Total</u>
QPP Membership at June 30, 2018						
Retirees and Beneficiaries Receiving Benefits	154,116	86,295	18,041	50,124	16,593	325,169
Terminated Vested Members Not Yet						
Receiving Benefits	21,389	16,433	1,934	491	68	40,315
Other Inactives	28,483	9,416	10,525	1,940	35	50,399
Active Members	<u>190,572</u>	<u>121,764</u>	<u>25,864</u>	<u>36,562</u>	<u>11,237</u>	<u>385,999</u>
Total QPP Membership	<u>394,560</u>	<u>233,908</u>	<u>56,364</u>	<u>89,117</u>	<u>27,933</u>	<u>801,882</u>

As of June 30, 2019 and June 30, 2018, 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, 2019						
Retirees Receiving or Eligible to Receive Benefits . . .	282	229	141	209	8,257	9,118
Active Members	—	—	—	—	<u>10,022</u>	<u>10,022</u>
Total Membership	<u>282</u>	<u>229</u>	<u>141</u>	<u>209</u>	<u>18,279</u>	<u>19,140</u>

	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>COVSF</u>	<u>Total</u>
Membership at June 30, 2018						
Retirees Receiving or Eligible to Receive Benefits . . .	294	238	149	212	7,971	8,864
Active Members	—	—	—	—	<u>10,384</u>	<u>10,384</u>
Total Membership	<u>294</u>	<u>238</u>	<u>149</u>	<u>212</u>	<u>18,355</u>	<u>19,248</u>

As of June 30, 2019 and 2018, 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, 2019						
Retirees Receiving or Eligible to Receive Benefits . . .	19,424	12,800	32,224	1,522	3,305	4,827
Active Members	<u>12,692</u>	<u>23,709</u>	<u>36,401</u>	<u>2,623</u>	<u>8,621</u>	<u>11,244</u>
Total Membership	<u>32,116</u>	<u>36,509</u>	<u>68,625</u>	<u>4,145</u>	<u>11,926</u>	<u>16,071</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, 2018						
Retirees Receiving or Eligible to Receive Benefits . . .	19,005	12,675	31,680	1,532	3,386	4,918
Active Members	<u>12,721</u>	<u>23,841</u>	<u>36,562</u>	<u>2,610</u>	<u>8,627</u>	<u>11,237</u>
Total Membership	<u>31,726</u>	<u>36,516</u>	<u>68,242</u>	<u>4,142</u>	<u>12,013</u>	<u>16,155</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 or 10 years of service, generally depending on tier. 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. The Tier II Plan ended as of June 30, 2009. This affects 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) and District Attorney Investigators who become new members of the NYCERS QPP from July 1, 2009 to March 31, 2012. 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 market 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.

In accordance with ACNY, VSFs are not pension funds or retirement systems. 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. 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.

A member making a hardship withdrawal may not contribute to the TDA Program for a period of six months following the withdrawal.

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, 2020 and 2019 were \$27.7 billion and \$25.6 billion, respectively, and interest paid on TDA Program fixed return funds by the TRS QPP for the years then ended were \$1.8 billion and \$1.7 billion, respectively. The balance of TDA Program fixed return funds held by the BERS QPP as of June 30, 2020 and 2019 are \$1,959.4 million and \$1,756.5 million, respectively, and interest paid on TDA Program fixed return funds by the BERS QPP for the years then ended were \$155.7 million and \$141.7 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, 2018 actuarial valuation was used for determining the Fiscal Year 2020 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 2020 and 2019 and the amount of the City's Statutory and Actual contribution to each QPP for such fiscal years are as follows (in millions):

<u>QPP</u>	<u>Fiscal</u> <u>Year 2020</u> <u>Aggregate</u> <u>Statutory</u> <u>Contribution</u>	<u>Fiscal</u> <u>Year 2020</u> <u>City</u> <u>Statutory/Actual</u> <u>Contribution</u>	<u>Fiscal</u> <u>Year 2019</u> <u>Aggregate</u> <u>Statutory</u> <u>Contribution</u>	<u>Fiscal</u> <u>Year 2019</u> <u>City</u> <u>Statutory/Actual</u> <u>Contribution</u>
	(in millions)			
NYCERS	\$ 3,727	\$2,087	\$ 3,694	\$2,049
TRS	3,591	3,487	3,697	3,594
BERS	258	257	270	270
POLICE	2,459	2,459	2,558	2,558
FIRE	1,419	1,419	1,399	1,399
Total	<u>\$11,454</u>	<u>\$9,709</u>	<u>\$11,618</u>	<u>\$9,870</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 members of the NYCERS make additional member contributions.

VSFs

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

In addition to the transfer of Excess Earnings, under Chapter 3 of the Laws of 2013, should the assets of the POVVSF or the PSOVVSF be insufficient to pay annual benefits, the POLICE QPP is required to transfer amounts sufficient to make such benefit payments. Similarly, under Chapter 3 of the Laws of 2013, should the assets of the COVSF be insufficient to pay annual benefits, 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, TPOVSF, HPOVSF and HPSOVVSF sufficient to meet their annual benefit payments.

For Fiscal Year 2020, Excess Earnings on equity investments, inclusive of prior year's cumulative deficiencies, exceeded zero, for POLICE QPP and FIRE QPP, and therefore, transfers of assets from the POLICE QPP and FIRE QPP to their respective VSFs were potentially required. As of the date of this report, the amounts of such transfers due for Fiscal Year 2020 from the POLICE QPP to POVVSF and PSOVVSF are estimated to be \$143 million and \$141 million, respectively. As a result of the unfunded accumulated benefit obligation limit, the amounts of such transfers due for Fiscal Year 2020 from the FIRE QPP to FFVSF and FOVSF are estimated to be \$0. For Fiscal Year 2020, there were no Excess Earnings on equity investments for NYCERS and therefore there was no such transfer estimated to be due from the NYCERS QPP to the COVSF. Additionally, in Fiscal Year 2020, the NYCERS QPP made required transfers of \$3.3 million, \$2.7 million, \$1.7 million, and \$2.4 million to TPOVSF, TPOVSF, HPOVSF, and HPSOVVSF, respectively, to fund annual benefits.

For Fiscal Year 2019, Excess Earnings on equity investments, inclusive of prior year's cumulative deficiencies, exceeded zero, and therefore, transfers of assets from the QPPs to their respective VSFs were potentially required. As of the date of this report, the amount of such transfer due for Fiscal Year 2019 from the NYCERS QPP to COVSF is estimated to be \$75 million. The amounts of such transfers due for Fiscal Year 2019 from the POLICE QPP to POVVSF and PSOVVSF are estimated to be \$108 million and \$311 million, respectively. As a result of the unfunded accumulated benefit obligation limit, the amounts of such transfers due for Fiscal Year 2019 from the FIRE QPP to FFVSF and FOVSF are estimated to be \$0. Additionally, in Fiscal Year 2019, the NYCERS QPP made required transfers of \$3.4 million, \$2.8 million, \$1.7 million, and \$2.5 million to TPOVSF, TPOVSF, HPOVSF, and HPSOVVSF, respectively, to fund annual 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, 2020 and 2019 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, 2019 and June 30, 2018, 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, 2019 and June 30, 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2019	June 30, 2018
<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.</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019.</i>
<i>Active Service: Withdrawal, Death, Disability, Retirement</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019.</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019.</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 Tiers I, II, IV, and certain Tier III and Tier VI retirees. 2.5% per annum for certain Tier III and Tier VI retirees.</i>	<i>1.5% per annum for Tiers I, II, IV and certain Tier III and Tier VI retirees. 2.5% per annum for certain Tier III and Tier VI retirees.</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 October 2015 the independent actuarial auditor, Gabriel, Roeder, Smith & Company (GRS), issued a report on their NYC Charter-mandated actuarial experience studies for the four-year and ten-year periods ended June 30, 2013 (the GRS Report).

Based, in part, on the GRS Report, on published studies of mortality improvement, and on input from the City's outside consultants, the Actuary proposed, and the Boards of Trustees of the NYCERS adopted, new post-retirement mortality tables including the application of Mortality Improvement Scale MP-2015 for use in determining employer contributions beginning in Fiscal Year 2016. Scale MP-2015 replaced Mortality Improvement Scale AA.

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.

The long-term expected rate of return for each of the pension funds is 7.0% per annum. This is based upon weighted expected real rates of return (RROR) ranging from 4.6% to 6.5% 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%	7.6%
Developed Public Market Equities	12.0	7.7%
Emerging Public Market Equities	5.0	10.6%
Fixed Income	30.5	3.1%
Private Equity	8.0	11.2%
Private Real Estate	7.5	7.0%
Infrastructure	4.0	6.8%
Opportunistic Fixed Income	6.0	6.5%
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%	5.7%
Developed Public Market Equities	10.0	7.5%
Emerging Public Market Equities	9.5	10.2%
Fixed Income	32.5	1.6%
Private Equity	7.0	10.6%
Private Real Estate	7.0	6.7%
Infrastructure	4.0	5.1%
Opportunistic Fixed Income	5.0	6.3%
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	7.2%
Emerging Public Market Equities	6.0	9.1%
Fixed Income	27.0	1.6%
Private Equity	9.0	10.4%
Private Real Estate	8.0	4.8%
Infrastructure	4.0	6.0%
Opportunistic Fixed Income	5.0	7.3%
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%	6.3%
Developed Public Market Equities	8.0	6.7%
Emerging Public Market Equities	5.0	8.1%
Fixed Income	28.0	1.5%
Private Equity	8.0	10.8%
Private Real Estate	7.0	7.8%
Infrastructure	3.0	8.9%
Hedge Funds	6.0	4.0%
Opportunistic Fixed Income	5.0	3.9%
Total	100.0%	

<u>Asset Class</u>	<u>FIRE</u>	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities	27.0%	5.4%
Developed Public Market Equities	9.0%	6.1%
Emerging Public Market Equities	6.0%	9.6%
Fixed Income	31.0%	1.6%
Private Equity	8.0%	8.8%
Private Real Estate	7.0%	5.2%
Infrastructure	3.0%	4.7%
Hedge Funds	5.0%	3.5%
Opportunistic Fixed Income	4.0%	3.0%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability of each QPP as of June 30, 2020 and June 30, 2019 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, 2020 and June 30, 2019 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, 2018	\$54,156	\$42,799	\$11,357	\$21,992	\$14,173	\$ 7,819
Changes for the Year 2019:						
Service Cost	1,499	—	1,499	485	—	485
Interest	3,782	—	3,782	1,523	—	1,523
Changes of Benefit Terms	—	—	—	—	—	—
Differences b/t Expected and Actual Experience	(819)	—	(819)	141	—	141
Changes of Assumptions	(342)	—	(342)	572	—	572
Contributions—Employer	—	2,558	(2,558)	—	1,399	(1,399)
Contributions—Employee	—	278	(278)	—	108	(108)
Net Investment Income	—	2,862	(2,862)	—	982	(982)
Benefit Payments	(3,279)	(3,279)	—	(1,446)	(1,446)	—
Administrative Expenses	—	(29)	29	—	(10)	10
Other Changes	—	4	(4)	—	2	(2)
Net Changes	<u>841</u>	<u>2,394</u>	<u>(1,553)</u>	<u>1,275</u>	<u>1,035</u>	<u>240</u>
Balances at June 30, 2019	<u>\$54,997</u>	<u>\$45,193</u>	<u>\$ 9,804</u>	<u>\$23,267</u>	<u>\$15,208</u>	<u>\$ 8,059</u>
Changes for the Year 2020:						
Service Cost	\$ 1,483	\$ —	\$ 1,483	\$ 573	\$ —	\$ 573
Interest	3,833	—	3,833	1,616	—	1,616
Changes of Benefit Terms	—	—	—	—	—	—
Differences b/t Expected and Actual Experience	442	—	442	144	—	144
Changes of Assumptions	—	—	—	—	—	—
Contributions—Employer	—	2,459	(2,459)	—	1,419	(1,419)
Contributions—Employee	—	280	(280)	—	107	(107)
Net Investment Income	—	2,038	(2,038)	—	719	(719)
Benefit Payments	(3,487)	(3,487)	—	(1,518)	(1,518)	—
Administrative Expenses	—	(27)	27	—	(9)	9
Other Changes	—	6	(6)	—	3	(3)
Net Changes	<u>2,271</u>	<u>1,269</u>	<u>1,002</u>	<u>815</u>	<u>721</u>	<u>94</u>
Balances at June 30, 2020	<u>\$57,268</u>	<u>\$46,462</u>	<u>\$10,806</u>	<u>\$24,082</u>	<u>\$15,929</u>	<u>\$ 8,153</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 2020			Fiscal Year 2019		
	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	\$17,294	\$10,806	\$5,403	\$16,038	\$9,804	\$4,615
FIRE	10,807	8,153	5,922	10,635	8,059	5,894

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, 2020 and June 30, 2019, and the proportion percentage of the aggregate net pension liability allocated to the City:

	Fiscal Year 2020			Fiscal Year 2019		
	NYCERS	TRS	BERS	NYCERS	TRS	BERS
	(in millions, except for %)					
City's Proportion of the Net Pension Liability	55.98%	97.12%	99.95%	55.47%	97.22%	99.98%
City's Proportionate Share of the Net Pension Liability	\$11,799	\$15,342	\$277	\$10,274	\$14,929	\$274

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 2020			Fiscal Year 2019		
	Current			Current		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
	(in millions)					
NYCERS	\$ 17,640	\$ 11,799	\$ 6,870	\$ 15,848	\$ 10,274	\$ 5,568
TRS	23,689	15,342	8,354	22,973	14,929	8,192
BERS	942	277	(281)	928	274	(275)

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, 2020 and June 30, 2019 related to the NYCERS are as follows:

NYCRS	2020	2019
	(in millions)	
NYCERS	\$1,749	\$1,736
TRS (Excluding TDA)	2,367	3,529
BERS (Excluding TDA)	83	70
POLICE	1,644	1,709
FIRE	1,249	1,143
TOTAL	<u>\$7,092</u>	<u>\$8,187</u>

NOTES TO FINANCIAL STATEMENTS, Continued

Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2020 and June 30, 2019 for each NYCERS are as follows:

	Fiscal Year 2020											
	NYCERS		TRS		BERS		POLICE		FIRE		TOTAL	
	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	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)											
Differences between expected and actual experience	\$1,188,470	\$532,226	\$435,204	\$2,227,162	\$105,211	\$117,957	\$353,675	\$540,059	\$273,339	\$	\$2,355,899	\$3,417,404
Changes of assumptions	4,971	349,492	—	598,960	—	208,142	—	206,528	362,712	—	367,683	1,363,122
Net difference between projected and actual earnings on pension plan investments	560,380	—	—	3,169,983	—	304,641	\$96,024	—	35,790	—	692,194	3,474,624
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	173,493	1,075	(14,791)	5,793	(301)	(51)	—	—	—	—	158,401	6,817
Total	\$1,927,314	\$882,793	\$420,413	\$6,001,898	\$104,910	\$630,689	\$449,699	\$746,587	\$671,841	\$	\$3,574,177	\$8,261,967
Fiscal Year 2019												
	NYCERS		TRS		BERS		POLICE		FIRE		TOTAL	
	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	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)											
Differences between expected and actual experience	\$859,134	\$713,710	\$571,767	\$2,625,220	\$134,804	\$108,301	\$	\$882,860	\$235,994	\$	\$1,801,699	\$4,330,091
Changes of assumptions	6,563	430,815	—	701,687	—	261,336	—	274,465	467,240	—	473,803	1,668,303
Net difference between projected and actual earnings on pension plan investments	—	637,518	—	4,424,038	—	467,923	—	955,524	—	296,085	—	6,781,088
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans)	88,860	(9,626)	12,993	9,050	(23)	(22)	—	—	—	—	101,830	(598)
Total	\$954,557	\$1,772,417	\$584,760	\$7,759,995	\$134,781	\$837,538	\$	\$2,112,849	\$703,234	\$296,085	\$2,377,332	\$12,778,884

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2020 will be recognized in pension expense as follows:

	NYCERS	TRS	BERS	(in thousands)		TOTAL
				POLICE	FIRE	
Year ending June 30.						
2021	\$ (144,855)	\$(2,193,994)	\$(262,034)	\$(540,340)	\$91,355	\$(3,049,868)
2022	221,819	(1,301,691)	(140,279)	(157,785)	183,127	(1,194,809)
2023	345,634	(813,945)	(81,570)	100,962	227,945	(220,974)
2024	489,208	(552,474)	(38,984)	298,516	156,586	352,852
2025	124,754	(490,756)	(2,905)	1,759	12,828	(354,320)
Thereafter	7,961	(228,625)	(7)	—	—	(220,671)
Total	<u>\$1,044,521</u>	<u>\$(5,581,485)</u>	<u>\$(525,779)</u>	<u>\$(296,888)</u>	<u>\$671,841</u>	<u>\$(4,687,790)</u>



The City of New York

Single Audit Report

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 Year Ended June 30, 2020

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,

	2020	2019	2018	2017	2016	2015	2014	2013
1. Total Pension Liability								
a. Service Cost	\$ 1,483,109,352	\$ 1,498,909,863	\$ 1,386,278,934	\$ 1,320,416,462	\$ 1,340,614,909	\$ 1,325,807,839	\$ 1,301,753,171	\$ 1,263,838,030
b. Interest	3,833,636,348	3,782,996,761	3,649,115,174	3,524,331,362	3,441,398,429	3,245,225,246	3,117,317,330	2,998,478,091
c. Changes of Benefit Terms	—	—	104,671,094	—	—	—	—	—
d. Differences b/t Expected and Actual Experience	441,654,144	(818,966,821)	(144,119,939)	(645,248,116)	233,461,664	(215,417,691)	—	—
e. Change of Assumptions	—	(342,401,789)	—	—	794,679,950	—	—	—
f. Benefit Payments	(3,487,402,000)	(3,278,745,000)	(3,193,553,000)	(2,987,000,000)	(2,878,451,000)	(2,746,784,000)	(2,682,223,000)	(2,525,475,000)
g. Net Changes	2,270,997,844	841,793,014	1,802,392,263	1,212,499,708	2,931,703,952	1,608,831,394	1,736,847,501	1,736,841,121
2. Total Pension Liability—Beginning	54,997,431,379	54,155,638,365	52,353,246,102	51,140,746,394	48,209,042,442	46,600,211,048	44,549,855,738	42,813,014,617
3. Total Pension Liability—Ending	57,268,429,223	54,997,431,379	54,155,638,365	52,353,246,102	51,140,746,394	48,209,042,442	46,286,703,239	44,549,855,738
4. Plan Fiduciary Net Position								
a. Contributions—Employer	2,458,907,000	2,558,256,000	2,415,153,000	2,293,840,000	2,393,940,000	2,309,619,000	2,320,910,000	2,424,690,000
b. Contributions—Employee	280,129,000	278,087,000	267,031,000	276,301,000	249,921,000	241,102,000	228,783,000	229,675,000
c. Net Investment Income	2,038,305,000	2,861,544,000	3,964,010,000	4,286,894,000	403,534,000	1,098,220,000	5,147,483,000	3,101,564,000
d. Benefit Payments	(3,487,402,000)	(3,278,745,000)	(3,193,553,000)	(2,987,000,000)	(2,878,451,000)	(2,746,784,000)	(2,682,223,000)	(2,525,475,000)
e. Administrative Expenses	(26,803,000)	(29,005,000)	(21,146,000)	(18,917,000)	(18,478,000)	(17,903,000)	(17,450,000)	(17,548,000)
f. Other Changes	6,541,000	4,183,000	3,465,000	10,507,000	6,756,000	4,616,000	6,911,000	6,118,000
g. Net Changes	1,269,677,000	2,394,320,000	3,434,960,000	3,861,625,000	157,222,000	888,870,000	5,004,414,000	3,219,024,000
5. Plan Fiduciary Net Position—Beginning	45,193,179,000	42,798,859,000	39,363,899,000	35,502,274,000	35,345,052,000	34,456,182,000	29,451,768,000	26,232,744,000
6. Plan Fiduciary Net Position—Ending	46,462,856,000	45,193,179,000	42,798,859,000	39,363,899,000	35,502,274,000	35,345,052,000	34,456,182,000	29,451,768,000
7. POLICE Net Pension Liability	\$10,805,573,223	\$ 9,804,252,379	\$11,356,779,365	\$12,989,347,102	\$15,638,472,394	\$12,863,990,442	\$11,830,521,239	\$15,098,087,738
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.1%	82.2%	79.0%	75.2%	69.4%	73.3%	74.4%	66.1%
9. Covered Payroll ¹	\$ 4,244,806,289	\$ 4,047,772,414	\$ 3,673,054,287	\$ 3,509,985,075	\$ 3,540,326,198	\$ 3,512,777,844	\$ 3,420,312,390	\$ 3,459,871,779
10. POLICE Net Pension Liability as a Percentage of Covered Payroll	254.6%	242.2%	309.2%	370.1%	441.7%	366.2%	345.9%	436.4%

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

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

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

	2020	2019	2018	2017	2016	2015	2014	2013
1. Total Pension Liability								
a. Service Cost	\$ 572,654,633	\$ 484,827,782	\$ 436,368,702	\$ 432,482,302	\$ 431,267,723	\$ 419,575,546	\$ 412,911,205	\$ 400,884,665
b. Interest	1,616,535,939	1,523,611,014	1,484,608,815	1,438,804,602	1,395,735,250	1,312,813,977	1,215,276,517	1,184,217,313
c. Changes of Benefit Terms	—	—	11,602,422	—	—	—	—	—
d. Differences b/t Expected and Actual Experience	143,725,611	140,780,365	124,635,710	134,478,099	323,609,267	171,347,136	—	—
e. Change of Assumptions	—	571,767,848	—	—	405,497,988	—	—	—
f. Benefit Payments	(1,517,723,000)	(1,446,114,000)	(1,379,533,000)	(1,335,343,000)	(1,359,095,000)	(1,220,441,000)	(1,171,998,000)	(1,135,469,000)
g. Net Changes	815,193,183	1,274,873,009	677,682,649	670,422,003	1,197,015,228	683,295,659	456,189,722	449,632,978
2. Total Pension Liability—Beginning	23,266,785,189	21,991,912,180	21,314,229,531	20,643,807,528	19,446,792,300	18,763,496,641	17,524,302,616	17,074,669,638
3. Total Pension Liability—Ending	24,081,978,372	23,266,785,189	21,991,912,180	21,314,229,531	20,643,807,528	19,446,792,300	17,980,492,338	17,524,302,616
4. Plan Fiduciary Net Position								
a. Contributions—Employer	1,419,270,000	1,398,565,000	1,200,417,000	1,061,170,000	1,054,478,000	988,784,000	969,956,000	962,173,000
b. Contribution—Employee	106,821,000	108,015,000	108,338,000	108,368,000	116,619,000	108,582,000	108,859,000	104,816,000
c. Net Investment Income	718,739,000	982,348,000	1,249,731,000	1,371,721,000	203,104,000	302,567,000	1,689,485,000	1,042,431,000
d. Benefit Payments	(1,517,723,000)	(1,446,114,000)	(1,379,533,000)	(1,335,343,000)	(1,359,095,000)	(1,220,441,000)	(1,171,998,000)	(1,135,469,000)
e. Administrative Expenses	(9,131,000)	(9,861,000)	(6,412,000)	—	—	—	—	—
f. Other Changes	2,842,000	2,057,000	9,411,000	47,284,000	43,673,000	41,201,000	39,980,000	38,965,000
g. Net Changes	720,818,000	1,035,010,000	1,181,952,000	1,253,200,000	58,779,000	220,693,000	1,636,282,000	1,012,916,000
5. Plan Fiduciary Net Position—Beginning	15,208,272,000	14,173,262,000	12,991,310,000	11,738,110,000	11,679,331,000	11,458,638,000	9,822,356,000	8,809,440,000
6. Plan Fiduciary Net Position—Ending	15,929,090,000	15,208,272,000	14,173,262,000	12,991,310,000	11,738,110,000	11,679,331,000	11,458,638,000	9,822,356,000
7. FIRE Net Pension Liability	\$ 8,152,888,372	\$ 8,058,513,189	\$ 7,818,650,180	\$ 8,322,919,531	\$ 8,905,697,528	\$ 7,767,461,300	\$ 6,521,854,338	\$ 7,701,946,616
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.1%	65.4%	64.4%	61.0%	56.9%	60.1%	63.7%	56.0%
9. Covered Payroll ¹	\$ 1,336,843,002	\$ 1,302,871,992	\$ 1,164,528,195	\$ 1,145,919,396	\$ 1,129,469,957	\$ 1,111,744,091	\$ 1,102,396,453	\$ 1,129,926,037
10. FIRE Net Pension Liability as a Percentage of Covered Payroll	609.9%	618.5%	671.4%	726.3%	788.5%	698.7%	591.6%	681.6%

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

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

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

	2020	2019	2018	2017	2016	2015	2014	2013
				(in millions except %)				
1. NYCERS								
a. City's Proportion of the Net Pension Liability	55.98%	55.47%	54.44%	54.33%	54.77%	55.64%	55.54%	55.54%
b. City's Proportion share of the Net Pension Liability ..	\$11,799.2	\$10,274.3	\$ 9,898.5	\$11,281.7	\$13,307.9	\$11,262.0	\$10,008.2	\$12,815.3
c. City's Covered Payroll	\$ 8,203.9	\$ 7,833.4	\$ 6,729.9	\$ 6,556.7	\$ 6,462.2	\$ 6,500.5	\$ 6,506.4	\$ 6,322.1
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	143.82%	131.16%	147.08%	172.06%	205.93%	173.25%	153.83%	202.71%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.93%	78.84%	74.32%	74.80%	69.57%	73.13%	75.32%	67.18%
2. TRS								
a. City's Proportion of the Net Pension Liability	97.12%	97.22%	97.19%	97.62%	97.07%	97.27%	97.28%	97.28%
b. City's Proportion share of the Net Pension Liability ..	\$15,342.1	\$14,929.0	\$18,184.9	\$22,674.0	\$25,599.9	\$20,219.1	\$17,331.1	\$23,010.2
c. City's Covered Payroll	\$10,572.4	\$10,107.6	\$ 8,961.5	\$ 8,612.8	\$ 8,039.3	\$ 7,869.8	\$ 7,772.8	\$ 7,683.5
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	145.11%	147.70%	202.92%	263.26%	318.43%	256.92%	222.97%	299.48%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.97%	79.06%	74.45%	68.32%	62.33%	68.04%	71.79%	61.01%
3. BERS								
a. City's Proportion of the Net Pension Liability	99.95%	99.98%	99.97%	99.96%	99.99%	99.98%	99.99%	99.99%
b. City's Proportion share of the Net Pension Liability ..	\$ 277.1	\$ 274.2	\$ 501.2	\$ 973.4	\$ 1,384.1	\$ 1,006.1	\$ 906.5	\$ 1,315.6
c. City's Covered Payroll	\$ 1,352.7	\$ 1,263.5	\$ 1,101.6	\$ 1,051.6	\$ 1,007.5	\$ 1,016.8	\$ 988.8	\$ 885.5
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	20.48%	21.70%	45.50%	92.56%	137.38%	98.95%	91.68%	148.57%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.92%	94.79%	90.31%	80.81%	71.17%	75.33%	78.60%	66.95%

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

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

	2020	2019	2018	2017	2016	2015	2014	2013	*2012	*2011
					(in thousands except %)					
NYCERS										
Contractually required contribution ..	\$ 2,086,530	\$ 2,049,222	\$ 1,838,554	\$ 1,808,067	\$ 1,843,323	\$ 1,758,378	\$ 1,729,616	\$ 1,692,278	\$ 3,017,004	\$ 2,387,216
Contributions in relation to the contractually required contributions ..	\$ 2,086,530	\$ 2,049,222	\$ 1,838,554	\$ 1,808,067	\$ 1,843,323	\$ 1,758,378	\$ 1,729,616	\$ 1,692,278	\$ 3,017,004	\$ 2,387,216
Contribution deficiency (excess) ..	\$ 8,203,879	\$ 7,833,362	\$ 6,729,880	\$ 6,556,720	\$ 6,462,231	\$ 6,500,475	\$ 6,506,353	\$ 6,322,125	\$ 11,812,858	\$ 11,465,975
Covered payroll ..	25.433%	26.160%	27.319%	27.576%	28.524%	27.050%	26.583%	26.768%	25.540%	20.820%
Contributions as a percentage of covered payroll ..										
TRS										
Contractually required contribution ..	\$ 3,487,400	\$ 3,593,742	\$ 3,779,638	\$ 3,795,657	\$ 3,594,301	\$ 3,180,865	\$ 2,917,129	\$ 2,777,966	\$ 2,673,078	\$ 2,468,973
Contributions in relation to the contractually required contributions ..	\$ 3,487,400	\$ 3,593,742	\$ 3,779,638	\$ 3,795,657	\$ 3,594,301	\$ 3,180,865	\$ 2,917,129	\$ 2,777,966	\$ 2,673,078	\$ 2,468,973
Contribution deficiency (excess) ..	\$ 10,572,449	\$ 10,107,561	\$ 8,961,509	\$ 8,612,809	\$ 8,039,326	\$ 7,869,774	\$ 7,772,827	\$ 7,683,465	\$ 7,920,935	\$ 7,935,248
Covered payroll ..	32.986%	35.555%	42.176%	44.070%	44.709%	40.419%	37.530%	36.155%	33.747%	31.114%
Contributions as a percentage of covered payroll ..										
BERS										
Contractually required contribution ..	\$ 257,367	\$ 269,594	\$ 318,540	\$ 288,116	\$ 265,497	\$ 258,055	\$ 214,574	\$ 196,231	\$ 213,651	\$ 180,191
Contributions in relation to the contractually required contributions ..	\$ 257,367	\$ 269,594	\$ 318,540	\$ 288,116	\$ 265,497	\$ 258,055	\$ 214,574	\$ 196,231	\$ 213,651	\$ 180,191
Contribution deficiency (excess) ..	\$ 1,352,676	\$ 1,263,450	\$ 1,101,553	\$ 1,051,567	\$ 1,007,499	\$ 1,016,277	\$ 988,757	\$ 885,491	\$ 879,476	\$ 880,656
Covered payroll ..	19.027%	21.338%	28.917%	27.399%	26.352%	25.392%	21.701%	22.161%	24.293%	20.461%
Contributions as a percentage of covered payroll ..										
POLICE										
Contractually required contribution ..	\$ 2,458,907	\$ 2,558,256	\$ 2,415,153	\$ 2,293,840	\$ 2,393,940	\$ 2,309,619	\$ 2,320,910	\$ 2,424,690	\$ 2,385,731	\$ 2,083,633
Contributions in relation to the contractually required contributions ..	\$ 2,458,907	\$ 2,558,256	\$ 2,415,153	\$ 2,293,840	\$ 2,393,940	\$ 2,309,619	\$ 2,320,910	\$ 2,424,690	\$ 2,385,731	\$ 2,083,633
Contribution deficiency (excess) ..	\$ 4,244,806	\$ 4,047,772	\$ 3,673,054	\$ 3,509,985	\$ 3,540,326	\$ 3,512,778	\$ 3,420,312	\$ 3,459,889	\$ 3,448,784	\$ 3,252,729
Covered payroll ..	57.927%	63.202%	65.753%	65.352%	67.619%	65.749%	67.857%	70.080%	69.176%	64.058%
Contributions as a percentage of covered payroll ..										
FIRE										
Contractually required contribution ..	\$ 1,419,270	\$ 1,398,565	\$ 1,200,417	\$ 1,061,170	\$ 1,054,478	\$ 988,784	\$ 969,956	\$ 962,173	\$ 976,895	\$ 890,706
Contributions in relation to the contractually required contributions ..	\$ 1,419,270	\$ 1,398,565	\$ 1,200,417	\$ 1,061,170	\$ 1,054,478	\$ 988,784	\$ 969,956	\$ 962,173	\$ 976,895	\$ 890,706
Contribution deficiency (excess) ..	\$ 1,336,843	\$ 1,302,872	\$ 1,164,528	\$ 1,145,919	\$ 1,129,470	\$ 1,111,744	\$ 1,102,396	\$ 1,129,921	\$ 1,149,423	\$ 1,057,243
Covered payroll ..	106.166%	107.345%	103.082%	92.604%	93.360%	88.940%	87.986%	85.154%	84.990%	84.248%
Contributions as a percentage of covered payroll ..										

* For City Fiscal Years 2012 and 2011, reported contributions and covered payroll amounts are those of each retirement system as a whole (i.e., the sums for all participating employers.) City-only covered payroll is not readily available for years prior to 2013; and due to methodological changes during the periods 2005 through 2012, the City-only employer contributions are not comparable over the ten year period.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

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 2021 contributions were determined using an actuarial valuation as of June 30, 2019). The methods and assumptions used to determine the actuarially determined and contractually required contributions are as follows:

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Valuation Dates	June 30, 2019 (Lag) Entry Age	June 30, 2018 (Lag) Entry Age	June 30, 2017 (Lag) Entry Age	June 30, 2016 (Lag) Entry Age	June 30, 2015 (Lag) Entry Age	June 30, 2014 (Lag) Entry Age	June 30, 2013 (Lag) Entry Age	June 30, 2012 (Lag) Entry Age	June 30, 2011 (Lag) Entry Age	June 30, 2010 (Lag) Entry Age
Actuarial cost method ¹	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments
Amortization method for Unfunded Accrued Liabilities (UAL):	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
Initial 2010 UAL	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	21 Years (Closed)	22 Years (Closed)
2010 ERI	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	1 Year (Closed)	2 Years (Closed)	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)	NA
2011 (G)/L	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2012 (G)/L	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2013 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2013 Transit Refunds	0 Years (Closed)	0 Years (Closed)	1 Years (Closed)	2 Years (Closed)	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)	NA	NA	NA
2014 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA
2014 Assumption Change	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA	NA
2015 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA	NA
2016 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA	NA	NA
2017 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA	NA	NA	NA
2017 Assumptions Change	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA	NA	NA	NA	NA
2017 Method Change	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA	NA	NA	NA	NA
2018 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA	NA	NA	NA	NA
2019 (G)/L	15 Years (Closed)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Actuarial Asset Valuation Method ² ...	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value
Actuarial assumptions:	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)	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	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2016	Tables adopted by Boards of Trustees during Fiscal Year 2016	Tables adopted by Boards of Trustees during Fiscal Year 2016	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

Notes to Schedule D:

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Active service: withdrawal, death, disability, service retirement	Tables adopted by Boards of Trustees during Fiscal Year 2019 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2019 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2019 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2012 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2012 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2012 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2012 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2012 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2012 In general, Merit and Promotion	Tables adopted by Boards of Trustees during Fiscal Year 2012 In general, Merit and Promotion
Salary Increases ³	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation
Cost-of-Living Adjustments ³	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	Increases plus assumed General Wage Increases of 3.0% per year 1.5% per annum for AutoCOLA. 2.5% per annum for Escalation

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, 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.

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

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

	2020	2019	2018	2017	2016
1. Total OPEB Liability					
a. Service Cost	\$ 5,293,736,382	\$ 5,726,465,371	\$ 4,861,692,657	\$ 4,522,135,121	\$ 5,113,884,783
b. Interest	3,278,703,940	3,238,121,016	3,131,933,077	2,899,170,607	2,669,589,440
c. Differences b/t Expected and Actual Experience	(5,819,834,778)	9,363,503,239	2,295,728,531	520,672,737	(120,159,155)
d. Changes of Assumptions	2,507,951,510	(6,280,596,177)	2,513,755,510	(10,978,714,816)	—
e. Benefit Payments	(3,014,860,319)	(2,839,899,082)	(2,617,669,829)	(2,425,375,364)	(2,278,055,136)
f. Other Changes	(1,457,899,183)	—	—	—	—
g. Net Changes in Total OPEB Liability	\$ 787,797,552	\$ 9,207,594,367	\$ 10,185,439,946	\$ (5,462,111,715)	\$ 5,385,259,932
2. Total OPEB Liability – Beginning	\$ 112,469,609,800	\$ 103,262,015,433	\$ 93,076,575,487	\$ 98,538,687,202	\$ 93,153,427,270
3. Total OPEB Liability – Ending	\$ 113,257,407,352	\$ 112,469,609,800	\$ 103,262,015,433	\$ 93,076,575,487	\$ 98,538,687,202
4. Plan Fiduciary Net Position					
a. Contributions – Employer	\$2,059,853,571	\$2,653,131,741	\$2,681,645,593	\$3,021,551,454	\$2,897,668,434
b. Contributions – Employee	—	—	—	—	—
c. Net Investment Income	76,119,735	100,740,410	48,093,613	21,515,588	20,565,435
d. Benefit Payments	(3,014,860,319)	(2,839,899,082)	(2,617,669,829)	(2,425,375,364)	(2,278,055,136)
e. Administrative Expenses	—	(46,110)	(43,105)	(41,100)	(40,000)
f. Other Changes	(175,000)	(175,000)	(130,323)	(78,516)	(331,067)
g. Net Changes in Plan Fiduciary Net Position	\$ (879,062,013)	\$ (86,248,041)	\$ 111,895,949	\$ 617,572,062	\$ 639,807,666
5. Plan Fiduciary Net Position – Beginning	\$ 4,679,551,174	\$ 4,765,799,215	\$ 4,653,903,266	\$ 4,036,331,204	\$ 3,396,523,538
6. Plan Fiduciary Net Position – Ending	\$ 3,800,489,161	\$ 4,679,551,174	\$ 4,765,799,215	\$ 4,653,903,266	\$ 4,036,331,204
7. Net OPEB Liability	\$109,456,918,191	\$107,790,058,626	\$98,496,216,218	\$88,422,672,221	\$94,502,355,998
8. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	3.4%	4.2%	4.6%	5.0%	4.1%
9. Covered Employee Payroll	\$ 28,201,101,945	\$ 27,760,352,747	\$26,303,995,573	\$25,180,497,465	\$24,266,021,759
10. Net OPEB Liability as a Percentage of Covered Employee Payroll	388.1%	388.3%	374.5%	351.2%	389.4%

Notes to Schedule E

- **Benefit changes:** The Cadillac Tax was repealed as of December 2019.
- **Assumption changes:** The discount rate used to measure liabilities was updated to reflect the S&P Municipal Bond 20-Year High Grade Index yield as of June 30, 2020 as per GASB74/75 guidance. Certain per capita claims costs were updated based on recent experience.
- **Methods and Assumptions:** The methods and assumptions used to determine the actuarially determined contributions are as follows:

Fiscal Year	2019		2018		2017		2016	
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2016	Entry age normal	
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2016	Entry age normal	2.75% - City
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2016	Entry age normal	2.71% - Component Units
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Same as those used in the NYCERS pension actuarial valuation
Discount Rate	2.68% - City	2.82% - City	3.01% - City	3.17% - City	3.13% - Component Units	3.17% - City	3.17% - City	2.75% - City
Post-retirement mortality	2.66% - Component Units	2.79% - Component Units	2.98% - Component Units	3.13% - Component Units	3.13% - Component Units	3.13% - Component Units	3.13% - Component Units	2.71% - Component Units
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	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%	4.0%	4.0%	4.0%	4.0%
General Wage Increases	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Consumer Price Index	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

All additional actuarial assumptions used for determining the net OPEB liability are shown starting on page 119 of the Fiscal Year 2020 GASB 74/75 Report dated September 11, 2020. 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).

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THE CITY OF NEW YORK
CAFR Related Combining Schedule of Financial Information and Other
Supplementary Information
For the year ended June 30, 2020

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 Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ended June 30, 2020. The City’s CAFR, 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, 2020

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Agriculture						
Agriculture and Food Research Initiative (AFRI)	10.310	NYU School of Medicine	16-A1-00-007087-01	\$ 140	\$ —	\$ —
Food Insecurity Nutrition Incentive Grants Program	10.331	FPHNY	82957	370	—	—
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	NYS ED	N/A	68,509	—	—
National School Lunch Program	10.555	NYS ED	N/A	246,796	—	37,697
Summer Food Service Program for Children	10.559	NYS ED	N/A	25,489	—	—
	10.559	NYS DOH	C032609	105	—	—
COVID-19 Summer Food Service Program for Children	10.559	NYS ED	N/A	73,117	—	—
<i>Total Child Nutrition Cluster</i>				414,016	—	37,697
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	NYS DOH	C-30380GG, C-30428GG, C-30450GG, C-30431GG, C-30444GG, C-30423GG, C-30445GG, C-30402GG, C-30458GG; C-30413GG, C-30430GG	21,381	—	45,989
Child and Adult Care Food Program	10.558	NYS DOH	CACFP4316, 6499	30,453	—	—
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Direct Federal		3,701	—	—
	10.561	NYS DOH	C-33039GG & C-33659GG	1,615	—	—
	10.561	NYS OTDA	1000036076	237,596	—	—
<i>Total SNAP Cluster</i>				242,912	—	—
<i>Food Distribution Cluster - Commodity Supplemental Food Program</i>	10.565	NYS DOH	C-34842GG	667	—	—
Farm to School Grant Program	10.575	Direct Federal		23	—	—
Child Nutrition Discretionary Grants Limited Availability	10.579	NYS ED	9R1458A 01	41	—	—
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580	Direct Federal		807	—	—
Fresh Fruit and Vegetable Program	10.582	NYS ED	0R1458B 01	1,287	—	—
Cooperative Forestry Assistance	10.664	Direct Federal		639	—	—
Emergency Watershed Protection Program	10.923	Direct Federal		1,428	—	—
Total U.S. Department of Agriculture				714,164	—	83,686
U.S. Department of Commerce						
<i>Economic Development Cluster - Economic Adjustment Assistance</i>	11.307	Direct Federal		1,219	1,219	—
Coastal Zone Management Administration Awards	11.419	CUNY	CM00000564-00	27	—	—
Total U.S. Department of Commerce				1,246	1,219	—
U.S. Department of Defense						
Procurement Technical Assistance for Business Firms	12.002	Direct Federal		382	—	—
Troops to Teachers Grant Program	12.620	Direct Federal		260	—	—
Language Grant Program	12.900	Direct Federal		156	—	—
Total U.S. Department of Defense				798	—	—
U.S. Department of Housing and Urban Development						
<i>CDBG - Entitlement Grants Cluster - Community Development Block Grants/Entitlement Grants</i>	14.218	Direct Federal		376,035	37,490	—

** 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, 2020
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	SRA 10220, SRA 3742, SRA 4345, 12011, 6791, 11036, 3962, N/A	\$ 17,165	\$ 8,277	\$ —
Emergency Shelter Grants Program	14.231	Direct Federal		10,514	119	—
Supportive Housing Program	14.235	Direct Federal		1,221	—	—
HOME Investment Partnerships Program	14.239	Direct Federal		50,871	—	—
Housing Opportunities for Persons with AIDS	14.241	Direct Federal		41,798	18,124	—
<i>Section 8 Project-Based Cluster:</i>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Direct Federal		8,592	—	—
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	Direct Federal		5,611	—	—
<i>Total Section 8 Project-Based Cluster</i>				14,203	—	—
Continuum of Care Program	14.267	Direct Federal		41,073	—	—
<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		226,299	26,162	—
	14.269	NYS DOT	N/A	3,328	—	—
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>				229,627	26,162	—
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers	14.871	Direct Federal		496,235	—	—
Mainstream Vouchers	14.879	Direct Federal		376	—	—
<i>Total Housing Voucher Cluster</i>				496,611	—	—
Family Self-Sufficiency Program	14.896	Direct Federal		1,263	—	—
Lead Hazard Reduction Demonstration Grant Program	14.905	Direct Federal		706	—	—
Total U.S. Department of Housing and Urban Development				1,281,087	90,172	—
U.S. Department of the Interior						
Hurricane Sandy Disaster Relief - Coastal Resiliency Grants	15.153	Direct Federal		4,060	3,719	—
Cultural Resources Management	15.946	Direct Federal		44	—	—
Total U.S. Department of the Interior				4,104	3,719	—
U.S. Department of Justice						
Law Enforcement Assistance Narcotics and Dangerous Drugs Training	16.004	Direct Federal		4,725	—	—
Coronavirus Emergency Supplemental Funding Program	16.034	Direct Federal		1,628	—	—
Law Enforcement Assistance-National Crime Information Center	16.304	Direct Federal		7	—	—
Services for Trafficking Victims	16.320	Direct Federal		174	—	—
Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	BFL	2015-FW-AX-K007	5	—	—
Missing Children's Assistance	16.543	Direct Federal		297	—	—
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Direct Federal		595	—	—
Crime Victim Assistance	16.575	NYS OVS	C10758GG, C100069, C100412, OVS01-C11014GG-1080200C-11009GG, C-100487, C-11010GG, C-11011GG, C-11012GG, C-11013GG	1,907	—	—
	16.575	NYS DCJS	C662141	31	—	—
Crime Victim Assistance/Discretionary Grants	16.582	Direct Federal		169	19	—
	16.582	NAVAA	CAP20-0153	5	—	—

** 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, 2020
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Violence Against Women Formula Grants	16.588	NYS DCJS	C652054, C652106, C652075, C652065, C652098, C652099	\$ 383	\$ 13	\$ —
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	Direct Federal		654	—	—
	16.590	NYS DCJS	C652073	62	—	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Federal		4,702	—	—
	16.738	NYS DCJS	C632871, C632870, T637503, T632872	625	—	—
Forensic DNA Backlog Reduction Program	16.741	Direct Federal		979	—	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Direct Federal		176	—	—
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	Direct Federal		264	91	—
Second Chance Act Prisoner Reentry Initiative**	16.812	Direct Federal		89	48	—
Smart Prosecution Initiative	16.825	Direct Federal		63	40	—
National Sexual Assault Kit Initiative	16.833	Direct Federal		978	—	—
Comprehensive Opioid Abuse Site-Based Program	16.838	Direct Federal		254	179	—
Equitable Sharing Program	16.922	Direct Federal		23,785	—	—
Total U.S. Department of Justice				42,557	390	—
U.S. Department of Labor						
Senior Community Service Employment Program	17.235	Direct Federal		1,266	—	—
	17.235	NYS OFA	C18014GG	3,238	—	—
Trade Adjustment Assistance	17.245	Direct Federal		389	—	—
<i>WIOA Cluster:</i>						
WIOA Adult Program	17.258	NYS DOL	AA321301855A36, AA322471955A36	24,324	15,596	—
WIOA Youth Activities	17.259	NYS DOL	N/A	22,601	16,416	—
WIOA Dislocated Workers Formula Grants	17.278	NYS DOL	AA321301855A36, AA322471955A36	10,385	4,098	—
<i>Total WIOA Cluster</i>				57,310	36,110	—
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	Direct Federal		40	—	—
Total U.S. Department of Labor				62,243	36,110	—
U.S. Department of Transportation						
Highway Research and Development Program	20.200	FHWA	N/A	5,118	—	—

** 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, 2020
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
<i>Highway Planning and Construction Cluster:</i>						
Highway Planning and Construction	20.205	Direct Federal		\$ 11,220	\$ —	—
	20.205	NYS DOT	X770.77, X773.10, X550.43, X550.74, X027.08, X501.34, X550.45, D035910D, D035837, D385862, D035836, D035863, D017542, D035975, D034196, D040010, D032186, D035072, D036005, D035634, D035365, D035837, D033845, D033930, D036036, D034772, D030296, D034977, D030259, D030260, D035328, D040009, D040011, D035990, D035887, D040046, D032746, D035872, D033860, D035085, D035367, D036204, D035961, D034639, D036090, D033396, D035897, D033946, D035024, D035025, D034645, D034010, D034772, D035358, D033720, D035778, D035779, D035260, D035853, D035854, D035775, D035362, DA33665, D033930, D032186, D033988, D035074, D035273, D034925, D034788, D035023, D033946, D035029, D035319, D035021, D032178, D034250, D033722, D034926, D034194, D035466, D034211, D035469, D034787, D034250, D031808, D033646, D035372, D033935, D033484, D035590, D036282, D035466, D034925, D035260, D035767, D036031, D035846, D035847, D034209, D035714, D035975, D032516, D032515, D040109, D034983, D017910, D035767	274,180	4,821	—
Recreational Trails Program	20.205	NYMTC	D000641	1,132	—	—
	20.219	NYS DOT	X770.91.321	1,959	1,959	—
<i>Total Highway Planning and Construction Cluster</i>				<u>288,491</u>	<u>6,780</u>	<u>—</u>
<i>Federal Transit Cluster:</i>						
Federal Transit - Capital Investment Grants	20.500	Direct Federal		1,255	—	—
Federal Transit - Formula Grants	20.507	Direct Federal		8,269	—	—
COVID-19 Federal Transit - Formula Grants	20.507	Direct Federal		5,069	—	—
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Direct Federal		19	—	—
<i>Total Federal Transit Cluster</i>				<u>14,612</u>	<u>—</u>	<u>—</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Direct Federal		2,297	—	—
	20.505	NYMTC	D000641, C033467	2,921	—	—
	20.505	NYS DOT	D034016, X77217	109	5	—
<i>Transit Services Programs Cluster:</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Direct Federal		933	—	—
Job Access and Reverse Commute Program	20.516	Direct Federal		343	—	—
New Freedom Program	20.521	Direct Federal		218	—	—
<i>Total Transit Services Programs Cluster</i>				<u>1,494</u>	<u>—</u>	<u>—</u>
Paul S. Sarbanes Transit in the Parks	20.520	Direct Federal		26	—	—
Public Transportation Emergency Relief Program	20.527	Direct Federal		35,459	—	—
<i>Highway Safety Cluster:</i>						
State and Community Highway Safety	20.600	NYS GTSC	N/A	626	—	—
National Priority Safety Programs	20.616	NYS DMV	C002340	12	—	—
<i>Total Highway Safety Cluster</i>				<u>638</u>	<u>—</u>	<u>—</u>
Technical Assistance Grants	20.710	Direct Federal		13	—	—
National Infrastructure Investments	20.933	Direct Federal		5,137	—	—
Total U.S. Department of Transportation				<u>356,315</u>	<u>6,785</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, 2020
(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Treasury						
Equitable Sharing	21.016	Direct Federal		\$ 2,513	\$ —	\$ —
COVID-19 Coronavirus Relief Fund	21.019	Direct Federal		729,778	—	—
Total U.S. Treasury				732,291	—	—
National Endowment For The Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		22	—	—
Total National Endowment For The Arts				22	—	—
U.S. Department of Veterans Affairs						
VA Homeless Providers Grant and Per Diem Program	64.024	Direct Federal		2,048	—	—
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	Direct Federal		4	—	—
Total U.S. Department of Veterans Affairs				2,052	—	—
U.S. Environmental Protection Agency						
Congressionally Mandated Projects	66.202	Direct Federal		485	485	—
Long Island Sound Program	66.437	Direct Federal		36	—	—
<i>Clean Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Clean Water State Revolving Fund	66.458	NYS EFC	CS - 36000116	171,044	—	—
Regional Wetland Program Development Grants	66.461	Direct Federal		3	—	—
<i>Drinking Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Drinking Water State Revolving Fund	66.468	NYS EFC	FS - 99290516	37,748	—	—
Beach Monitoring and Notification Program Implementation Grants	66.472	NYS DOH	C029641	41	—	—
Brownfield Assessment and Cleanup Cooperative Agreements	66.818	Direct Federal		59	—	—
Total U.S. Environmental Protection Agency				209,416	485	—
U.S. Department of Energy						
Conservation Research and Development	81.086	Direct Federal		1	—	—
Total U.S. Department of Energy				1	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Consolidated Schedule of Expenditures of Federal Awards
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(In Thousands)

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Education						
Title I Grants to Local Educational Agencies	84.010	NYS ED	0R4507L 01, 0R4507N 01, 0R4507P 01, 0R4508H 01, 0R4509K 01, 0R4510K 01, 0R4510L 01, 0R4510M 01, 0R4511L 01, 0R4511M 01, 0R4512H 01, 0R4513J 01, 0R4513K 01, 0R4516K 01, 0R4517J 01, 0R4519E 01, 0R4519F 01, 0R4523H 01, 0R4525K 01, 0R4527B 01, 0R4527L 01, 0R4528L 01, 0R4530K 01, 0R4532L 01, 0R4551E 01, 0R4551H 01, 0R4551J 01, 8R4551J 01, 9R4501S 01, 9R4502S 01, 9R4503H 01, 9R4510S 01, 9R4513S 01, 9R4515S 01, 9R4522S 01, 9R4524S 01, 9R4527S 01, 9R4528S 01, 9R4531S 01, 9R4551J 01, 0R1235A 01, 0R1240A 01, 0R1251A 01, 0R1251B 01, 0R1251D 01, 0R1251H 01, 0R1251J 01, 0R1251K 01, 0R1251L 01, 0R1251N 01, 0R1264A 01, 9R1235A 01, 9R1240A 01, 9R1251C 01, 9R1251K 01, 9R1251L 01, 9R1251N 01, 9R1264A 01	\$ 627,529	\$ —	\$ —
<i>Special Education Cluster:</i>						
Special Education - Grants to States	84.027	NYS ED	0032-20-0474	293,018	—	—
Special Education - Preschool Grants	84.173	NYS ED	0032-20-0474	8,539	—	—
<i>Total Special Education Cluster</i>				301,557	—	—
Impact Aid	84.041	Direct Federal		5,250	—	—
<i>TRIO Cluster</i> - TRIO - Student Support Services	84.042	CUNY	N/A	423	—	—
Career and Technical Education - Basic Grants to States	84.048	NYS ED	0R0551A 01, 0R0579A 01	11,576	—	—
Magnet Schools Assistance	84.165	Direct Federal		15,744	—	—
Special Education - Grants for Infants and Families	84.181	NYS DOH	C31645GG	4,045	—	—
Education for Homeless Children and Youth	84.196	NYS ED	0R3660A 01	1,627	—	—
Twenty-First Century Community Learning Centers	84.287	NYS ED	0R3901A 01, 0R3902A 01, 0R3903A 01, 0R3904A 01, 0R3905A 01, 0R3906A 01, 0R3907A 01, 0R3910A 01, 0R3911A 01, 0R3912A 01, 0R3913A 01, 0R3914A 01, 0R3915A 01, 0R3916A 01, 0R3918A 01, 0R3919A 01, 0R3920A 01, 0R3921A 01, 0R3922A 01, 0R3923A 01, 0R3925A 01, 0R3930A 01, 0R3931A 01	23,952	—	—
Arts in Education	84.351	Direct Federal		1,501	—	—
English Language Acquisition Grants	84.365	NYS ED	0R4142A 01, 0R4151A 01, 0R4151C 01, 0R4164A 01, 0R4102B 01, 0R4108B 01, 0R4110B 01, 0R4111B 01, 0R4112B 01, 0R4113B 01, 0R4114B 01, 0R4117B 01, 0R4118B 01, 0R4119B 01, 0R4120B 01, 0R4121B 01, 0R4122B 01, 0R4125B 01, 0R4127B 01, 0R4128B 01, 0R4129B 01, 0R4131B 01, 0R4142A 01, 0R4151A 01, 0R4164A 01	24,981	—	—
Supporting Effective Instruction State Grants	84.367	NYS ED	0R2640A 01, 0R2651A 01, 0R2651B 01, 0R2651C 01, 0R2664A 01, 9R2640A 01, 9R2664A 01	71,501	—	—
Teacher and School Leader Incentive Grants	84.374	Direct Federal		12,764	—	—
Promoting Readiness of Minors in Supplemental Security Income	84.418	NYS ED	5R1497A 01	12	—	—
Preschool Development Grants	84.419	NYS ED	0R1751A 01	488	—	—
Performance Partnership Pilots for Disconnected Youth	84.420	Direct Federal		105	—	—
Student Support and Academic Enrichment Program	84.424	NYS ED	9R2840A 01, 9R2851A 01, 9R2851B 01, 9R2864A 01, 0R1951A 01, 0R1951B 01, 0R1964A 01	30,436	—	—
Disaster Recovery Assistance for Education	84.938	NYS ED	9R1451A 01	111	—	—
Total U.S. Department of Education				1,133,602	—	—

** Denotes programs with R&D Cluster expenditures

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Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Election Assistance Commission						
COVID-19 HAVA Election Security Grants	90.404	NYS	COO4228	\$ 4,991	\$ —	\$ —
Total U.S. Election Assistance Commission				<u>4,991</u>	<u>—</u>	<u>—</u>
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	456	456	—
<i>Aging Cluster:</i>						
Special Programs for the Aging - Title III, Part B -- Grants for Supportive Services and Senior Centers	93.044	NYS OFA	N/A	9,928	4,723	—
COVID-19 Special Programs for the Aging - Title III, Part B -- Grants for Supportive Services and Senior Centers	93.044	NYS OFA	N/A	1,639	—	—
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	21,699	21,649	—
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	19,099	6,367	—
Nutrition Services Incentive Program	93.053	NYS OFA	N/A	8,413	8,413	—
<i>Total Aging Cluster</i>				<u>60,778</u>	<u>41,152</u>	<u>—</u>
COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	NYS OFA	N/A	373	—	—
National Family Caregiver Support - Title III Part E	93.052	NYS OFA	N/A	4,319	4,319	—
Training in General, Pediatric, and Public Health Dentistry	93.059	Direct Federal		529	—	—
Public Health Emergency Preparedness	93.069	PHS	19-DOHMH-01_AMD_1, 19-BHC-01	13,276	—	—
Environmental Public Health and Emergency Response	93.070	FPHNY	83171, 83090	1,258	—	—
Medicare Enrollment Assistance Program	93.071	NYS OFA	N/A	281	—	—
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073	Direct Federal		31	—	—
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	Direct Federal		77	—	—
Guardianship Assistance	93.090	NYS OCFS	1501NYGARD; 1601NYGARD; 1701NYGARD; 1801NYGARD; 1901NYGARD; 2001NYGARD	8,623	—	—
Food and Drug Administration Research	93.103	Direct Federal		322	—	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Direct Federal		4,362	—	—
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	Direct Federal		367	187	—
Injury Prevention and Control Research, State and Community Based Programs	93.136	HRI	4874-05	187	—	—
Projects for Assistance in Transition from Homelessness (PATH)	93.150	NYS OMH	N/A	2,659	2,260	—
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	Direct Federal		886	—	—
	93.153	Montefiore Medical Center	H12HA24849	470	—	—
	93.153	NYU School of Medicine	17-A0-00-008205	265	—	—
Graduate Psychology Education	93.191	Direct Federal		233	—	—
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Direct Federal		457	—	—
Family Planning-Services	93.217	NYS DOH	C-32124GG, C-32125GG, C-027055, C-027034, C-027035, C-027067, C-027037, C-027036, C-027027, C-027038, C-027039, C-027040	509	—	—
<i>Health Center Program Cluster - Health Center Program</i>						
Mental Health Research Grants**	93.224	Direct Federal		768	—	—
	93.242	CUNY	CM00000911, CM0001625	376	25	—
	93.242	Columbia University	147607, 147608, R21 MH112421-02	122	—	—
	93.242	AECOM	311088	9	—	—

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Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		\$ 3,428	\$ —	\$ —
Poison Center Support and Enhancement Grant	93.253	Direct Federal		779	—	—
Occupational Safety and Health Program**	93.262	Direct Federal		7,780	—	—
	93.262	Icahn School	0254-5003-4609	116	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		10,298	—	132,372
Viral Hepatitis Prevention and Control	93.270	Direct Federal		350	—	—
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	M190185373, 17-A0-00-1000021-01	293	—	—
	93.279	Columbia University	GG015428	6	—	—
Teenage Pregnancy Prevention Program	93.297	FPHNY	83154	1,627	—	—
Minority Health and Health Disparities Research**	93.307	University of Rochester	417528G	15	—	—
	93.307	Boston University	5105521-1	172	—	—
Trans-NIH Research Support**	93.310	Columbia University	I(GG012298-04)	932	—	—
Public Health Preparedness and Response Science, Research, and Practice	93.316	FPHNY	83524	332	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	56401-200-200-02, 56401-200-943-20-21, 56401-200-944-20-06/NU600E000103	31	—	—
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		6,782	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		42,288	—	—
National Center for Advancing Translational Sciences	93.350	NYU School of Medicine	15-A0-00-004185, 16-A0-00-007000-01	261	—	—
Public Health Emergency Response - Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	PHS	5980	2	—	—
Sickle Cell Treatment Demonstration Program	93.365	John Hopkins University	UIEMC27864-04-00	106	—	—
Activities to Support State, Tribal, Local and Territorial (STLT)						
Health Department Response to Public Health or Healthcare Crises	93.391	NACCHO	2019-020702	40	—	—
Cancer Detection and Diagnosis Research**	93.394	Duke University	203-5705	70	—	—
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	NACCHO	2019-052205	36	—	—
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	PHS	83714	18	—	—
COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured	93.461	Direct Federal		8,886	—	—
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	HRI	6214-01	67	—	—
The Affordable Care Act: Building Epidemiology, Laboratory & Health Information Systems Capacity in the Epidemiology & Laboratory Capacity for Infectious Disease and Emerging Infections Program Cooperative Agreements	93.521	Direct Federal		11	—	—
Promoting Safe and Stable Families	93.556	NYS OCFS	1801NYFPSS; 1801NYCWSS	16,907	—	—
TANF Cluster - Temporary Assistance for Needy Families	93.558	Direct Federal		24,338	—	—
	93.558	NYS OTDA	1000036076	1,491,274	—	—
<i>Total TANF Cluster</i>				<u>1,515,612</u>	<u>—</u>	<u>—</u>
Child Support Enforcement	93.563	Direct Federal		821	—	—
	93.563	NYS OTDA	N/A	79,580	—	—
Low-Income Home Energy Assistance	93.568	Direct Federal		36	—	—
	93.568	NYS OTDA	N/A	38,498	—	—
Community Services Block Grant	93.569	NYS DOS	C1000769	34,551	22,823	—
CCDF Cluster - Child Care and Development Block Grant	93.575	Direct Federal		177	—	—
	93.575	NYS OCFS	1000036076, C027222, C028700	412,042	—	—
<i>Total CCDF Cluster</i>				<u>412,219</u>	<u>—</u>	<u>—</u>

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Refugee and Entrant Assistance - Discretionary Grants	93.576	Direct Federal		\$ 18	\$ —	\$ —
	93.576	NYS OTDA	N/A	2,666	—	—
<i>Head Start Cluster - Head Start</i>	93.600	Direct Federal		69,071	1,138	—
Assistance for Torture Victims	93.604	Direct Federal		1,182	—	—
Family Connection Grants	93.605	Direct Federal		160	160	—
Foster Care - Title IV - E	93.658	Direct Federal		3,611	—	—
	93.658	NYS OCFS	1801NYFOST; 1901NYFOST; 2001NYFOST	228,581	—	—
Adoption Assistance	93.659	Direct Federal		5	—	—
	93.659	NYS OCFS	1501NYADPT; 1601NYADPT; 1701NYADPT; 1801NYADPT; 1901NYADPT; 2001NYADPT	88,411	—	—
Social Services Block Grant	93.667	NYS OCFS	1000036076	204,773	18,036	—
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	NYS OCFS	1000036076	4,928	—	—
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	Direct Federal		834	—	—
Mental and Behavioral Health Education and Training Grants	93.732	Direct Federal		182	—	—
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	Direct Federal		102	—	—
State Children's Health Insurance Program (CHIP)	93.767	NYS DOH	C-022805	42,770	—	—
<i>Medicaid Cluster:</i>						
Medical Assistance Program (Medicaid)	93.778	Direct Federal		11,611	—	—
	93.778	NYS DOH	N/A	15,860,338	—	—
	93.778	NYS OFA	N/A	2,994	1,961	—
	93.778	NYS OMH	N/A	5,361	—	—
	93.778	NYS OTDA	N/A	3,322	—	—
<i>Total Medicaid Cluster</i>				15,883,626	1,961	—
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	NYS OFA	N/A	562	—	—
Opioid State Targeted Response	93.788	NYS OASAS	143214	228	—	—
Organized Approaches to Increase Colorectal Cancer Screening	93.800	HRI	5130-05	132	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	Direct Federal		295	—	—
	93.817	PHS	15-BHC-01, 15-BHC-02	533	—	—
National Ebola Training and Education Center (NETEC)	93.825	Direct Federal		107	—	—
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	Direct Federal		1,143	—	—
Cardiovascular Diseases Research**	93.837	University of Buffalo	7R01HL13755803	27	—	—
	93.837	AECOM	640388	38	—	—
	93.837	NYU School of Medicine	1230, 1229, 1338, 1244, 10-01073	11	—	—
	93.837	Mount Sinai	1R01HL131418-03	18	—	—
Lung Diseases Research	93.838	Mount Sinai	1R01HL142749-01A1	18	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	RF SUNY	85485	7	—	—
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	RF SUNY	73268, 63405	32	—	—
Allergy, Immunology and Transplantation Research**	93.855	AECOM	311411, 311632	33	—	—
	93.855	Columbia University	1(GG005890-01), 1(GG007614-24), 1(GG007614-30)	116	—	—
	93.855	UCLA	7UM1AI068636-13	72	—	—
Child Health and Human Development Extramural Research**	93.865	Harvard University	114205-1444-5096792	60	—	—
	93.865	PhenoSolve	1R43HD094628-01A1	61	—	—
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C-33494GG	2,149	2,149	—
Grants for Primary Care Training and Enhancement	93.884	Direct Federal		274	—	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-DOHMH-02_AMD_2, 19-HHC-01, 19-JMC-01	1,902	—	—

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HIV Emergency Relief Project Grants	93.914	Direct Federal		\$ 80,055	\$ 70,954	\$ —
	93.914	PHS	19-CCR-573, 18-CCR-583, 19-CCR-360, 16-HRM-567, 16-HRM-361, 16-MHV-505, 16-MHV-150	3,588	—	—
COVID-19 HIV Emergency Relief Project Grants	93.914	Direct Federal		4	—	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Direct Federal		2,091	—	—
	93.918	NYU School of Medicine	17-A0-00-1000300	79	—	—
Ryan White HIV/AIDS Dental Reimbursements Community-Based Dental Partnership	93.924	Direct Federal		1,034	—	—
<i>Student Financial Assistance Cluster</i> - Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	Emory University	A242405 / DHHS# U3REP170552	1,058	—	—
Healthy Start Initiative	93.926	FPHNY	83457	415	—	—
Special Projects of National Significance	93.928	Direct Federal		236	—	—
HIV Prevention Activities - Non-Governmental Organization Based	93.939	Direct Federal		546	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		40,279	13,328	—
	93.940	PHS	18-NCT-573, 18-NCT-583, 18-NCT-360, 18-NCT-563, 18-NCT-115	1,088	—	—
Human Immunodeficiency Virus/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	Direct Federal		1,922	572	—
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	Direct Federal		159	—	—
Block Grants for Community Mental Health Services	93.958	RFMH	C020842/27045/140415, C020842/27045/140750, C020842/27045/140401	1,380	—	—
	93.958	NYS OMH	N/A	18,445	12,835	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	C004062	16,692	—	—
PPHF Geriatric Education Centers	93.969	MSKCC	BD518928C	54	—	—
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	Direct Federal		4,389	—	—
Preventive Health and Health Services Block Grant	93.991	NYS DOH	C030509, C-028948	506	—	—
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	C-32672GG, DOH01-C30933GG-3450000, C-32355GG, C-32124GG, C-32125GG, C-35218GG, C-35209GG, C-35210GG, C-35211GG, C-35213GG, C-35212GG, C-35214GG, C-35215GG, C-35216GG, C-35217GG, C-32388GG, C-32403GG, C-32412GG	3,465	—	—
Total U.S. Department of Health and Human Services				19,001,166	192,355	132,372
Corporation for National and Community Services						
AmeriCorps State and National	94.006	Direct Federal		162	—	—
<i>Foster Grandparent/Senior Companion Cluster</i> - Foster Grandparent Program	94.011	Direct Federal		1,557	—	—
Total Corporation for National and Community Services				1,719	—	—
Social Security Administration						
<i>Disability Insurance/SSI Cluster</i> - Supplemental Security Income	96.006	Direct Federal		173	—	—
Total Social Security Administration				173	—	—
U.S. Department of Homeland Security						
Emergency Food and Shelter National Board Program	97.024	NYS OTDA	N/A	93	—	—
National Urban Search and Rescue (US&R) Response System	97.025	Direct Federal		3,255	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	264,476	—	—
Hazard Mitigation Grant	97.039	NYS DHSES	N/A	583	—	—
Emergency Management Performance Grants	97.042	NYS DHSES	C833985, C833295	3,254	—	—

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Assistance to Firefighters Grant	97.044	Direct Federal		\$ 1,189	\$ —	\$ —
Cooperating Technical Partners	97.045	Direct Federal		62	—	—
Port Security Grant Program	97.056	Direct Federal		11,084	—	—
Homeland Security Grant Program	97.067	Direct Federal		383	—	—
	97.067	NYS DHSES	C971863, C159473, C833283, WM-17-159473, WM-18-833283, C977879, C971863, C971860, C159473, C971870, C833283, C971880, C159493, C971890, C833261, C159469, T833269, C159470, WM-17-833279, C971882, T159479, C159480, C159473, C833283, C971863, C159473, C971863, C159473	174,663	—	—
Rail and Transit Security Grant Program	97.075	MTA	EMW-2017-RA-00024, EMW-2018-RA-00017	6,782	—	—
Homeland Security Biowatch Program	97.091	Direct Federal		2,479	—	—
Securing the Cities	97.106	Direct Federal		2,993	—	—
National Incident Management System (NIMS)	97.107	Direct Federal		17	—	—
Presidential Residence Protection Security Grant	97.134	Direct Federal		35,396	—	—
Total U.S. Department of Homeland Security				506,709	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 24,054,656	\$ 331,235	\$ 216,058
TOTAL R&D CLUSTER EXPENDITURES				\$ 10,416	\$ 73	\$ —

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

THE CITY OF NEW YORK
SINGLE AUDIT REPORT
Notes to Consolidated Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

1. BASIS OF PRESENTATION

- (a) **Reporting Entity** - For purposes of complying with the Federal Single Audit Act of 1984, as amended by Title 2 *U.S. Code of Federal Regulations* (“CFR”) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”), The City of New York (“The City”) consists of the primary government, including the Department of Education (“DOE”) as defined in Note A.1 to the basic financial statements, except as follows: 1) the accounts and transactions of the community colleges of The City University of New York are excluded; and 2) all other separately administered component unit organizations identified in Note A.1 to the basic financial statements are also excluded. However, The New York City Health and Hospitals Corporation (“HHC”), New York City Economic Development Corporation (“EDC”), and New York City Municipal Water Finance Authority (“Water Authority”) are included. Therefore, the expenditures of Federal awards, if any, of the community colleges of The City University of New York and the excluded separately administered component unit organizations are not included in the accompanying Consolidated Schedule of Expenditures of Federal Awards (“Consolidated SEFA”).
- (b) **Pass-Through Programs** - When The City receives Federal funds from a not-for-profit organization or government entity other than the Federal government (“pass-through grantor”) such funds are aggregated based upon the Federal Assistance Listing (“FAL”) number provided by the pass-through grantor.
- (c) **Noncash Federal Assistance** - The City is the recipient of Federal financial assistance programs that do not result in cash receipts or disbursements, termed “Noncash Assistance.” Noncash Assistance received by The City is included in the Consolidated SEFA.
- (d) **New York City Municipal Water Finance Authority (“Water Authority”)** - The New York State Environmental Facilities Corporation (“EFC”) provides financial assistance under the Clean Water State Revolving Fund (“CWSRF”) and Drinking Water State Revolving Fund (“DWSRF”) through: 1) long-term leveraged financings, 2) short-term and long-term direct financings, 3) grants and principal forgiveness, and 4) loan guarantees.

In providing awards to the Water Authority, EFC utilizes Federal grants along with a 20 percent State match, as well as proceeds from bonds that EFC periodically issues in the bond market on behalf of its recipients. EFC utilizes such bond proceeds and or program equity to fund subsidized loans directly made to its borrowers. Borrowers then issue bonds to EFC to secure their financial obligations to EFC. EFC utilizes program assets to provide subsidized financing to borrowers which lowers their interest costs. As of June 30, 2020, the Water Authority's bonds outstanding under the CWSRF and DWSRF programs were \$4.9 billion and \$1.2 billion, respectively.

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During the year ended June 30, 2020, the Water Authority issued \$204.0 million of bonds to EFC under the DWSRF program and \$573.0 million under the CWSRF program. The Water Authority retired \$62.6 million and \$240.0 million and refunded \$50.5 million and \$366.0 million under the DWSRF and CWSRF programs, respectively. In addition, the Water Authority defeased with revenues \$15.9 million and \$65.3 million of the DWSRF and CWSRF bonds, respectively.

Under its short-term financing program, EFC provides for the cash flow needs of borrowers through notes which are usually paid off with proceeds of long-term financing. During the year ended June 30, 2020, the Water Authority drew-down from the CWSRF and DWSRF short-term financing programs \$286.0 million and \$181.0 million and retired \$286.0 million and \$179.0 million, respectively. In addition, \$30.0 million of CWSRF short-term note principal was forgiven by NYSEFC in accordance with the terms of the note. As of June 30, 2020, the Water Authority does not have any outstanding notes under the CWSRF and DWSRF.

During the year ended June 30, 2020, EFC did not provide funding to the Water Authority under its grant and principal forgiveness program or guarantees on the Water Authority's outstanding obligations.

During the year ended June 30, 2020, the Water Authority expended \$171.0 million and \$37.7 million on project expenditures under the CWSRF and DWSRF programs, respectively, which are included in the Consolidated SEFA for the year ended June 30, 2020.

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 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 1a, 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 Obama signed a major disaster declaration authorizing the Federal Emergency Management Agency ("FEMA") to provide Public Assistance grants ("PA") to governmental entities for

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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, 2020, 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 2020, The City had \$264 million of expenditures correlating to obligations through June 30, 2020. Any potential changes to this amount are predicated on adjustments to existing 2020 obligations and enhanced visibility of grant expenditure association.

Approximately \$42 million of the amount obligated in Fiscal Year 2020 corresponds to eligible expenditures incurred by The City in prior fiscal years and were recognized in The City’s Basic Financial Statements in Fiscal Years 2013 - 2019, but are included in the Fiscal Year 2020 Consolidated SEFA.

A reconciliation of The City’s Basic Financial Statements to the Federal Expenditures reported in The City’s Fiscal Year 2020 Consolidated SEFA, follows:

	<u>(in thousands)</u>
Total Fiscal Year 2020 Disaster Grant related expenditures as reported in The City’s Basic Financial Statements	\$ 221,855
Add: Disaster Grant expenditures incurred prior to Fiscal Year 2020 for which obligations were made during Fiscal Year 2020	<u>42,461</u>
Fiscal Year 2020 Disaster Grant expenditures included in the Consolidated SEFA	<u>\$ 264,316</u>

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.

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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, 2020, regardless of which of The City's fiscal year(s) the expenditures were actually incurred. Because FEMA obligations occurred subsequent to June 30, 2020, The City reported \$1.8 billion of FEMA PA funded expenditures in its Fiscal Year 2020 Basic Financial Statements and \$0 of expenditures in its Fiscal Year 2020 Consolidated SEFA.

Reconciliation of Federal Expenditures related to Coronavirus Relief Fund FAL # 21.019; reported in the Consolidated SEFA to The City's Basic Financial Statements

In response to the COVID-19 pandemic, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was subsequently signed into law by former President Trump. As part of the CARES Act, The City received assistance through the Coronavirus Relief Fund ("CRF"). The CRF funds cover expenditures incurred due to COVID-19 during the period between March 1, 2020 and December 31, 2021.

The City originally allocated \$451.5 million of its CRF funding in Fiscal Year 2020 to pay for the 25% non-FEMA share of eligible costs. However, as noted previously, subsequent to The City's issuance of its Fiscal Year 2020 Basic Financial Statements, President Biden ordered FEMA to reimburse eligible costs at a 100% rate. As a result, the CRF funds are no longer allocated to pay for the 25% cost share. The City therefore reported \$729.8 million expenditures in its Fiscal Year 2020 Consolidated SEFA, while \$1.2 billion of CRF funded expenditures were reported in its Fiscal Year 2020 Basic Financial Statements.

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.

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 minimis indirect cost rate as provided by Uniform Guidance Section 200.414, Indirect (F&A) Costs.

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6. REVOLVING LOAN FUNDS

The accompanying Consolidated SEFA includes \$1,219,000, the composition of which is indicated below, related to the Revolving Loan Funds (“RLF”) created through the Economic Adjustment Assistance program of the U.S. Department of Commerce. Both the BOC Capital Corporation and Tru Fund Financial Services are Community Development Financial Institutions (CDFIs) engaged by the New York City Economic Development Corporation to deploy Revolving Loan Fund amounts.

	<u>Tru Fund</u>	<u>BOC</u>	<u>Total FAL # 11.307</u>
	(in thousands)		
Balance of RLF loans outstanding at June 30, 2020	\$ 407	\$ 1,885	\$ 2,292
Cash and investment balance in the RLF at June 30, 2020	1,023	56	1,079
Administrative expenses paid out of RLF income during the fiscal year	-	49	49
The unpaid principal of all loans written off of during the recipient's fiscal year	228	-	228
Federal share of the RLF	<u>33.50%</u>	<u>33.33%</u>	<u>0.00%</u>
Total fiscal 2020 RLF expended	<u>\$ 555</u>	<u>\$ 663</u>	<u>\$ 1,219</u>

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7. GLOSSARY OF PASS-THROUGH GRANTORS

The following is a glossary of pass-through grantor acronyms and names, which may have been used in the Consolidated SEFA and/or related Exhibits:

AECOM	Albert Einstein College of Medicine
APHL	Association of Public Health Laboratories
BFL	Barrier Free Living
Columbia University	Columbia University in the City of New York
CUNY	City University of New York
FHWA	Federal Highway Administration
FPHNY	Fund for Public Health - New York Inc.
HRI	Health Research, Inc.
LMDC	Lower Manhattan Development Corporation
MSKCC	Memorial Sloan Kettering Cancer Center
MTA	Metropolitan Transportation Authority
NACCHO	National Association of County and City Health Officials
NAVAA	National Association of VOCA Assistance Administrators
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 DMV	New York State Department of Motor Vehicle
NYS DOH	New York State Department of Health
NYS DOL	New York State Department of Labor
NYS DOS	New York State Department of State
NYS DOT	New York State Department of Transportation
NYS ED	New York State Education Department
NYS EFC	New York State Environmental Facilities Corporation
NYS GTSC	New York State Governor's Traffic Safety Committee
NYS OASAS	New York State Office of Alcohol and Substance Abuse Services
NYS OCFS	New York State Office of Children and Family Services
NYS OFA	New York State Office for the Aging
NYS OMH	New York State Office of Mental Health
NYS OTDA	New York State Office of Temporary and Disability Services
NYS OVS	New York State Office of Victim Services
PHS	Public Health Solutions
RF SUNY	The Research Foundation for the State University of New York
RFMH	Research Foundation for Mental Hygiene
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, 2020

The accompanying Exhibits to the Consolidated Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis with respect to The City, The City of New York Health and Hospitals Corporation, The City of New York Department of Education, the New York City Economic Development Corporation and the New York City Municipal Water Finance Authority 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, 2020.

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Agriculture						
Food Insecurity Nutrition Incentive Grants Program	10.331	FPHNY	82957	\$ 370	\$ —	\$ —
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	NYS ED	N/A	112	—	—
National School Lunch Program	10.555	NYS ED	N/A	167	—	—
Summer Food Service Program for Children	10.559	NYS DOH	C032609	105	—	—
<i>Total Child Nutrition Cluster</i>				384	—	—
Child and Adult Care Food Program	10.558	NYS DOH	CACFP4316, 6499	2,673	—	—
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Direct Federal		3,701	—	—
	10.561	NYS DOH	C-33039GG & C-33659GG	1,615	—	—
	10.561	NYS OTDA	1000036076	237,596	—	—
<i>Total SNAP Cluster</i>				242,912	—	—
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580	Direct Federal		807	—	—
Cooperative Forestry Assistance	10.664	Direct Federal		639	—	—
Emergency Watershed Protection Program	10.923	Direct Federal		1,428	—	—
<i>Total U.S. Department of Agriculture</i>				249,213	—	—
U.S. Department of Commerce						
Coastal Zone Management Administration Awards	11.419	CUNY	CM00000564-00	27	—	—
<i>Total U.S. Department of Commerce</i>				27	—	—
U.S. Department of Defense						
Procurement Technical Assistance for Business Firms	12.002	Direct Federal		382	—	—
<i>Total U.S. Department of Defense</i>				382	—	—
U.S. Department of Housing and Urban Development						
<i>CDBG - Entitlement Grants Cluster</i> - Community Development Block Grants/Entitlement Grants	14.218	Direct Federal		376,035	37,490	—
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	SRA 10220, SRA 3742, SRA 4345, 12011, 6791, 11036, 3962	10,186	8,277	—
Emergency Shelter Grants Program	14.231	Direct Federal		10,514	119	—
Supportive Housing Program	14.235	Direct Federal		1,221	—	—
HOME Investment Partnerships Program	14.239	Direct Federal		50,871	—	—
Housing Opportunities for Persons with AIDS	14.241	Direct Federal		41,798	18,124	—
<i>Section 8 Project-Based Cluster:</i>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Direct Federal		8,592	—	—
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	Direct Federal		5,611	—	—
<i>Total Section 8 Project-Based Cluster</i>				14,203	—	—
Continuum of Care Program	14.267	Direct Federal		41,073	—	—

** Denotes programs with R&D Cluster expenditures

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Sub-Schedule of Expenditures of Federal Awards
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(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
<i>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		\$ 218,979	\$ 26,162	\$ —
	14.269	NYS DOT	N/A	3,328	—	—
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>				<u>222,307</u>	<u>26,162</u>	<u>—</u>
<i>Housing Voucher Cluster :</i>						
Section 8 Housing Choice Vouchers	14.871	Direct Federal		496,235	—	—
Mainstream Vouchers	14.879	Direct Federal		376	—	—
<i>Total Housing Voucher Cluster</i>				<u>496,611</u>	<u>—</u>	<u>—</u>
Family Self-Sufficiency Program	14.896	Direct Federal		1,263	—	—
Lead Hazard Reduction Demonstration Grant Program	14.905	Direct Federal		706	—	—
<i>Total U.S. Department of Housing and Urban Development</i>				<u>1,266,788</u>	<u>90,172</u>	<u>—</u>
U.S. Department of the Interior						
Hurricane Sandy Disaster Relief - Costal Resiliency Grants	15.153	Direct Federal		4,060	3,719	—
Cultural Resources Management	15.946	Direct Federal		44	—	—
<i>Total U.S. Department of the Interior</i>				<u>4,104</u>	<u>3,719</u>	<u>—</u>
U.S. Department of Justice						
Law Enforcement Assistance-Narcotics and Dangerous-Drugs Training	16.004	Direct Federal		4,725	—	—
Coronavirus Emergency Supplemental Funding Program	16.034	Direct Federal		1,628	—	—
Law Enforcement Assistance-National Crime Information Center	16.304	Direct Federal		7	—	—
Services for Trafficking Victims	16.320	Direct Federal		174	—	—
Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	BFL	2015-FW-AX-K007	5	—	—
Missing Children's Assistance	16.543	Direct Federal		297	—	—
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Direct Federal		595	—	—
Crime Victim Assistance	16.575	NYS OVS	C10758GG, C100069, C100412, OVS01-C11014GG-1080200	844	—	—
Crime Victim Assistance/Discretionary Grants	16.582	Direct Federal		169	19	—
	16.582	NAVAA	CAP20-0153	5	—	—
Violence Against Women Formula Grants	16.588	NYS DCJS	C652054, C652106, C652075, C652065, C652098, C652099	383	13	—
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	Direct Federal		654	—	—
	16.590	NYS DCJS	C652073	62	—	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Federal		4,702	—	—
	16.738	NYS DCJS	C632871, C632870, T637503, T632872	625	—	—
Forensic DNA Backlog Reduction Program	16.741	Direct Federal		979	—	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Direct Federal		176	—	—
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	Direct Federal		264	91	—
Second Chance Act Prisoner Reentry Initiative**	16.812	Direct Federal		89	48	—
Smart Prosecution Initiative	16.825	Direct Federal		63	40	—
National Sexual Assault Kit Initiative	16.833	Direct Federal		978	—	—
Comprehensive Opioid Abuse Site-Based Program	16.838	Direct Federal		254	179	—
Equitable Sharing Program	16.922	Direct Federal		23,785	—	—
<i>Total U.S. Department of Justice</i>				<u>41,463</u>	<u>390</u>	<u>—</u>

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
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(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Labor						
Senior Community Service Employment Program	17.235	Direct Federal		\$ 1,266	\$ —	\$ —
	17.235	NYS OFA	C18014GG	3,238	—	—
Trade Adjustment Assistance	17.245	Direct Federal		389	—	—
<i>WIOA Cluster:</i>						
WIOA Adult Program	17.258	NYS DOL	AA321301855A36, AA322471955A36	24,324	15,596	—
WIOA Youth Activities	17.259	NYS DOL	N/A	22,601	16,416	—
WIOA Dislocated Workers Formula Grants	17.278	NYS DOL	AA321301855A36, AA322471955A36	10,385	4,098	—
<i>Total WIOA Cluster</i>				57,310	36,110	—
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	Direct Federal		40	—	—
Total U.S. Department of Labor				62,243	36,110	—
U.S. Department of Transportation						
Highway Research and Development Program	20.200	FHWA	N/A	5,118	—	—
<i>Highway Planning and Construction Cluster:</i>						
Highway Planning and Construction	20.205	Direct Federal		9,134	—	—
	20.205	NYS DOT	X770.77, X773.10, X550.43, X550.74, X027.08, X501.34, X550.45, D035910D, D035837, D385862, D035836, D035863, D017542, D035975, D034196, D040010, D032186, D035072, D036005, D035634, D035365, D035837, D033845, D033930, D036036, D034772, D030296, D034977, D030259, D030260, D035328, D040009, D040011, D035990, D035887, D040046, D032746, D035872, D033860, D035085, D035367, D036204, D035961, D034639, D036090, D033396, D035897, D033946, D035024, D035025, D034645, D034010, D034772, D035358, D033720, D035778, D035779, D035260, D035853, D035854, D035775, D035362, DA33665, D033930, D032186, D033988, D035074, D035273, D034925, D034788, D035023, D033946, D035029, D035319, D035021, D032178, D034250, D033722, D034926, D034194, D035466, D034211, D035469, D034787, D034250, D031808, D033646, D035372, D033935, D033484, D035590, D036282, D035466, D034925, D035260, D035767, D036031, D035846, D035847, D034209, D035714, D035975, D032516, D032515, D040109, D034983, D017910, D035767	274,180	4,821	—
Recreational Trails Program	20.205	NYMTC	D000641	1,132	—	—
<i>Total Highway Planning and Construction Cluster</i>	20.219	NYS DOT	X770.91.321	1,959	1,959	—
				286,405	6,780	—

** Denotes programs with R&D Cluster expenditures

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(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
<i>Federal Transit Cluster:</i>						
Federal Transit - Capital Investment Grants	20.500	Direct Federal		\$ 1,255	\$ —	\$ —
Federal Transit - Formula Grants	20.507	Direct Federal		8,164	—	—
COVID-19 Federal Transit - Formula Grants	20.507	Direct Federal		5,069	—	—
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	Direct Federal		19	—	—
<i>Total Federal Transit Cluster</i>				14,507	—	—
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research						
	20.505	NYMTC	D000641, C033467	2,921	—	—
	20.505	NYS DOT	D034016, X77217	109	5	—
<i>Transit Services Programs Cluster:</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Direct Federal		933	—	—
Job Access and Reverse Commute Program	20.516	Direct Federal		343	—	—
New Freedom Program	20.521	Direct Federal		218	—	—
<i>Total Transit Services Programs Cluster</i>				1,494	—	—
Paul S. Sarbanes Transit in the Parks						
	20.520	Direct Federal		26	—	—
Public Transportation Emergency Relief Program						
	20.527	Direct Federal		35,356	—	—
<i>Highway Safety Cluster:</i>						
State and Community Highway Safety	20.600	NYS GTSC	N/A	626	—	—
National Infrastructure Investments	20.933	Direct Federal		3,222	—	—
<i>Total Highway Safety Cluster</i>				3,848	—	—
Technical Assistance Grants						
	20.710	Direct Federal		13	—	—
Total U.S. Department of Transportation				349,797	6,785	—
U.S. Treasury						
Equitable Sharing	21.016	Direct Federal		2,513	—	—
COVID-19 Coronavirus Relief Fund	21.019	Direct Federal		685,111	—	—
Total U.S. Treasury				687,624	—	—
National Endowment For The Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		22	—	—
Total National Endowment For The Arts				22	—	—
U.S. Department of Veterans Affairs						
VA Homeless Providers Grant and Per Diem Program	64.024	Direct Federal		2,048	—	—
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	Direct Federal		4	—	—
Total U.S. Department of Veterans Affairs				2,052	—	—
U.S. Environmental Protection Agency						
Congressionally Mandated Projects	66.202	Direct Federal		485	485	—
Long Island Sound Program	66.437	Direct Federal		36	—	—
Regional Wetland Program Development Grants	66.461	Direct Federal		3	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Beach Monitoring and Notification Program Implementation Grants	66.472	NYS DOH	C029641	\$ 41	\$ —	\$ —
Brownfield Assessment and Cleanup Cooperative Agreements	66.818	Direct Federal		59	—	—
Total U.S. Environmental Protection Agency				624	485	—
U.S. Department of Energy						
Conservation Research and Development	81.086	Direct Federal		1	—	—
Total U.S. Department of Energy				1	—	—
U.S. Department of Education						
<i>TRIO Cluster</i> - TRIO - Student Support Services	84.042	CUNY	N/A	423	—	—
Special Education - Grants for Infants and Families	84.181	NYS DOH	C31645GG	4,045	—	—
Performance Partnership Pilots for Disconnected Youth	84.420	Direct Federal		105	—	—
Total U.S. Department of Education				4,573	—	—
U.S. Election Assistance Commission						
COVID-19 HAVA Election Security Grants	90.404	NYS	COO4228	4,991	—	—
Total U.S. Election Assistance Commission				4,991	—	—
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	456	456	—
<i>Aging Cluster:</i>						
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	NYS OFA	N/A	9,928	4,723	—
COVID-19 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	NYS OFA	N/A	1,639	—	—
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	21,699	21,649	—
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	19,099	6,367	—
Nutrition Services Incentive Program	93.053	NYS OFA	N/A	8,413	8,413	—
<i>Total Aging Cluster</i>				60,778	41,152	—
COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	NYS OFA	N/A	373	—	—
National Family Caregiver Support - Title III, Part E	93.052	NYS OFA	N/A	4,319	4,319	—
Public Health Emergency Preparedness	93.069	PHS	19-DOHMH-01_AMD_1	13,236	—	—
Environmental Public Health and Emergency Response	93.070	FPHNY	83171, 83090	1,258	—	—
Medicare Enrollment Assistance Program	93.071	NYS OFA	N/A	281	—	—
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073	Direct Federal		31	—	—
Guardianship Assistance	93.090	NYS OCFS	1501NYGARD; 1601NYGARD; 1701NYGARD; 1801NYGARD; 1901NYGARD; 2001NYGARD	8,623	—	—
Food and Drug Administration Research	93.103	Direct Federal		322	—	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Direct Federal		4,362	—	—
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	Direct Federal		367	187	—
Injury Prevention and Control Research, State and Community-Based Programs	93.136	HRI	4874-05	187	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Projects for Assistance in Transition from Homelessness (PATH)	93.150	NYS OMH	N/A	\$ 2,619	\$ 2,260	\$ —
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Direct Federal		457	—	—
Mental Health Research Grants**	93.242	CUNY	CM00000911, CM0001625	376	25	—
	93.242	Columbia University	147607, 147608, R21 MH112421-02	122	—	—
	93.242	AECOM	311088	9	—	—
Substance Abuse and Mental Health Services - Projects of						
Regional and National Significance	93.243	Direct Federal		25	—	—
Occupational Safety and Health Program**	93.262	Direct Federal		7,780	—	—
	93.262	Icahn School	0254-5003-4609	116	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		10,273	—	115,250
Viral Hepatitis Prevention and Control	93.270	Direct Federal		350	—	—
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	M190185373	208	—	—
	93.279	Columbia University	GG015428	6	—	—
Teenage Pregnancy Prevention Program	93.297	FPHNY	83154	1,627	—	—
Minority Health and Health Disparities Research**	93.307	University of Rochester	417528G	15	—	—
Public Health Preparedness and Response Science, Research, and Practice	93.316	FPHNY	83524	332	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	56401-200-943-20-21, 56401-200-200-02, 56401-200-944-20-06	14	—	—
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		6,782	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		2,902	—	—
Public Health Emergency Response -						
Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	PHS	5980	2	—	—
Activities to Support State, Tribal, Local and Territorial (STLT)						
Health Department Response to Public Health or Healthcare Crises	93.391	NACCHO	2019-020702	40	—	—
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	NACCHO	2019-052205	36	—	—
Improving the Health of Americans through Prevention and Management of						
Diabetes and Heart Disease and Stroke	93.426	FPH	83714	18	—	—
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	HRI	6214-01	67	—	—
The Affordable Care Act: Building Epidemiology, Laboratory & Health						
Information Systems Capacity in the Epidemiology & Laboratory						
Capacity for Infectious Disease and Emerging Infections Program	93.521	Direct Federal		11	—	—
Promoting Safe and Stable Families	93.556	NYS OCFS	1801NYFPSS; 1801NYCWSS	16,907	—	—
TANF Cluster - Temporary Assistance for Needy Families	93.558	Direct Federal		24,338	—	—
	93.558	NYS OTDA	1000036076	1,491,274	—	—
<i>Total TANF Cluster</i>				1,515,612	—	—
Child Support Enforcement	93.563	Direct Federal		821	—	—
	93.563	NYS OTDA	N/A	79,580	—	—
Low-Income Home Energy Assistance	93.568	Direct Federal		36	—	—
	93.568	NYS OTDA	N/A	38,498	—	—
Community Services Block Grant	93.569	NYS DOS	C1000769	34,551	22,823	—
CCDF Cluster - Child Care and Development Block Grant	93.575	Direct Federal		177	—	—
	93.575	NYS OCFS	1000036076, C027222	411,742	—	—
<i>Total CCDF Cluster</i>				411,919	—	—
Refugee and Entrant Assistance -- Discretionary Grants	93.576	Direct Federal		18	—	—
	93.576	NYS OTDA	N/A	2,666	—	—
Head Start Cluster - Head Start	93.600	Direct Federal		1,271	1,138	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Family Connection Grants	93.605	Direct Federal		\$ 160	\$ 160	\$ —
Foster Care - Title IV - E	93.658	Direct Federal		3,611	—	—
	93.658	NYS OCFS	1801NYFOST; 1901NYFOST; 2001NYFOST	228,581	—	—
Adoption Assistance	93.659	Direct Federal		5	—	—
	93.659	NYS OCFS	1501NYADPT; 1601NYADPT; 1701NYADPT; 1801NYADPT; 1901NYADPT; 2001NYADPT	88,411	—	—
Social Services Block Grant	93.667	NYS OCFS	1000036076	204,773	18,036	—
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	NYS OCFS	1000036076	4,928	—	—
Ending the HIV Epidemic: A Plan for America-Ryan White HIV/AIDS Program Parts A and B	93.686	Direct Federal		834	—	—
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	Direct Federal		102	—	—
<i>Medicaid Cluster:</i>						
Medical Assistance Program (Medicaid)	93.778	Direct Federal		11,611	—	—
	93.778	NYS DOH	N/A	15,786,838	—	—
	93.778	NYS OFA	N/A	2,994	1,961	—
	93.778	NYS OMH	N/A	5,361	—	—
	93.778	NYS OTDA	N/A	3,322	—	—
<i>Total Medicaid Cluster</i>				15,810,126	1,961	—
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	NYS OFA	N/A	562	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	Direct Federal		295	—	—
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	Direct Federal		1,143	—	—
Allergy, Immunology and Transplantation Research**	93.855	AECOM	311411, 311632	33	—	—
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C-33494GG	2,149	2,149	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-DOHMH-02_AMD_2	1,117	—	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		77,260	70,954	—
COVID-19 HIV Emergency Relief Project Grants	93.914	Direct Federal		4	—	—
Healthy Start Initiative	93.926	FPHNY	83457	415	—	—
Special Projects of National Significance	93.928	Direct Federal		236	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		39,086	13,328	—
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	Direct Federal		1,922	572	—
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	Direct Federal		159	—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	N/A	17,372	12,835	—
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	Direct Federal		4,389	—	—
Preventative Health and Health Services Block Grant	93.991	NYS DOH	C030509	343	—	—
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	C-32672GG, DOH01-C30933GG-3450000	2,800	—	—
<i>Total U.S. Department of Health and Human Services</i>				18,721,475	192,355	115,250
Corporation for National and Community Services						
AmeriCorps State and National	94.006	Direct Federal		162	—	—
<i>Foster Grandparent/Senior Companion Cluster - Foster Grandparent Program</i>	94.011	Direct Federal		1,557	—	—
<i>Total Corporation for National and Community Service</i>				1,719	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 1

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Social Security Administration						
Disability Insurance/SSI Cluster - Supplemental Security Income	96.006	Direct Federal		\$ 173	\$ —	\$ —
Total Social Security Administration				173	—	—
U.S. Department of Homeland Security						
Emergency Food and Shelter National Board Program	97.024	NYS OTDA	N/A	93	—	—
National Urban Search and Rescue (US&R) Response System	97.025	Direct Federal		3,255	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	84,703	—	—
Hazard Mitigation Grant	97.039	NYS DHSES	N/A	583	—	—
Emergency Management Performance Grants	97.042	NYS DHSES	C833985, C833295	3,254	—	—
Assistance to Firefighters Grant	97.044	Direct Federal		1,189	—	—
Cooperating Technical Partners	97.045	Direct Federal		62	—	—
Port Security Grant Program	97.056	Direct Federal		11,084	—	—
Homeland Security Grant Program	97.067	Direct Federal		125	—	—
	97.067	NYS DHSES	C971863, C159473, C833283, WM-17-159473, WM-18-833283, C977879, C971863, C971860, C159473, C971870, C833283, C971880, C159493, C971890, C833261, C159469, T833269, C159470, WM-17-833279, C971882, T159479, C159480, C159473, C8333283, C971863, C159473, C971863, C159473	174,663	—	—
Presidential Residence Protection Security Grant	97.134	Direct Federal		35,396	—	—
Rail and Transit Security Grant Program	97.075	MTA	EMW-2017-RA-00024, EMW-2018-RA-00017	6,782	—	—
Homeland Security Biowatch Program	97.091	Direct Federal		2,479	—	—
Securing the Cities	97.106	Direct Federal		2,993	—	—
National Incident Management System (NIMS)	97.107	Direct Federal		17	—	—
Total U.S. Department of Homeland Security				326,678	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 21,723,949	\$ 330,016	\$ 115,250
TOTAL R&D CLUSTER EXPENDITURES				8,754	73	—

**THE CITY OF NEW YORK
HEALTH AND HOSPITALS CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)**

Exhibit 2

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Agriculture						
Agriculture and Food Research Initiative (AFRI)	10.310	NYU School of Medicine	16-A1-00-007087-01	\$ 140	\$ —	\$ —
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	NYS DOH	C-30380GG, C-30428GG, C-30450GG, C-30431GG, C-30444GG, C-30423GG, C-30445GG, C-30402GG, C-30458GG; C-30413GG, C-30430GG	21,381	—	45,989
<i>Food Distribution Cluster - Commodity Supplemental Food Program</i>	10.565	NYS DOH	C-34842GG	667	—	—
Total U.S. Department of Agriculture				22,188	—	45,989
U.S. Department of Housing and Urban Development						
<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		2,893	—	—
Total U.S. Department of Housing and Urban Development				2,893	—	—
U.S. Department of Justice						
Crime Victim Assistance	16.575	NYS OVS	C-11009GG, C-100487, C-11010GG, C-11011GG; C-11012GG, C-11013GG	1,063	—	—
	16.575	NYS DCJS	C662141	31	—	—
Total U.S. Department of Justice				1,094	—	—
U.S. Department of Transportation						
National Priority Safety Programs	20.616	NYS DMV	C002340	12	—	—
Total U.S. Department of Transportation				12	—	—
U.S. Department of Health and Human Services						
Training in General, Pediatric, and Public Health Dentistry	93.059	Direct Federal		529	—	—
Public Health Emergency Preparedness	93.069	PHS	19-BHC-01	40	—	—
Projects for Assistance in Transition from Homelessness (PATH)	93.150	NYS OMH	N/A	40	—	—
Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	Direct Federal		886	—	—
	93.153	Montefiore Medical Center	H12HA24849	470	—	—
	93.153	NYU School of Medicine	17-A0-00-008205	265	—	—
Graduate Psychology Education	93.191	Direct Federal		233	—	—
Family Planning-Services	93.217	NYS DOH	C-32124GG, C-32125GG, C-027055, C-027034, C-027035, C-027067, C-027037, C-027036, C-027027, C-027038, C-027039, C-027040	509	—	—
<i>Health Center Program Cluster - Health Center Program</i>	93.224	Direct Federal		768	—	—
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		153	—	—
Poison Center Support and Enhancement Grant	93.253	Direct Federal		779	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		25	—	17,122
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	17-A0-00-1000021-01	85	—	—

** Denotes programs with R&D Cluster expenditures

**THE CITY OF NEW YORK
HEALTH AND HOSPITALS CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)**

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Minority Health and Health Disparities Research**	93.307	Boston University	5105521-1	\$ 172	\$ —	\$ —
Trans-NIH Research Support**	93.310	Columbia University	1(GG012298-04)	932	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	56401-200-200-20-02, 56401-200-943-20-21, 56401-200-944-20-06/ NU600E000103	17	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		39,386	—	—
National Center for Advancing Translational Sciences	93.350	NYU School of Medicine	15-A0-00-004185, 16-A0-00-007000-01	261	—	—
Sickle Cell Treatment Demonstration Program	93.365	John Hopkins University	UIEMC27864-04-00	106	—	—
Cancer Detection and Diagnosis Research**	93.394	Duke University	203-5705	70	—	—
COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured	93.461	Direct Federal		8,886	—	—
CCDF Cluster - Child Care and Development Block Grant	93.575	NYS OCFS	C028700	300	—	—
Assistance for Torture Victims	93.604	Direct Federal		1,182	—	—
Mental and Behavioral Health Education and Training Grants	93.732	Direct Federal		182	—	—
State Children's Health Insurance Program	93.767	NYS DOH	C-022805	42,770	—	—
Opioid State Targeted Response	93.788	NYS OASAS	143214	228	—	—
Organized Approaches to Increase Colorectal Cancer Screening	93.800	HRI	5130-05	132	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	PHS	15-BHC-01, 15-BHC-02	533	—	—
National Ebola Training and Education Center (NETEC)	93.825	Direct Federal		107	—	—
Cardiovascular Diseases Research**	93.837	University of Buffalo	7R01HL13755803	27	—	—
	93.837	AECOM	640388	38	—	—
	93.837	NYU School of Medicine	1230, 1229, 1338, 1244, 10-01073	11	—	—
	93.837	Mount Sinai	1R01HL131418-03	18	—	—
Lung Diseases Research	93.838	Mount Sinai	1R01HL142749-01A1	18	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	RF SUNY	85485	7	—	—
	93.853	RF SUNY	73268, 63405	32	—	—
Allergy, Immunology and Transplantation Research**	93.855	Columbia University	1(GG005890-01), 1(GG007614-24), 1(GG007614-30)	116	—	—
	93.855	UCLA	7UM1AI068636-13	72	—	—
Child Health and Human Development Extramural Research**	93.865	Harvard University	114205-1444-5096792	60	—	—
	93.865	PhenoSolve	1R43HD094628-01A1	61	—	—
Grants for Primary Care Training and Enhancement	93.884	Direct Federal		274	—	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-HHC-01, 19-JMC-01	785	—	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		2,795	—	—
	93.914	PHS	19-CCR-573, 18-CCR-583, 19-CCR-360, 16-HRM-567, 16-HRM-361, 16-MHV-505, 16-MHV-150	3,588	—	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	Direct Federal		2,091	—	—
	93.918	NYU School of Medicine	17-A0-00-1000300	79	—	—
Ryan White HIV/AIDS Dental Reimbursements Community-Based Dental Partnership	93.924	Direct Federal		1,034	—	—
Student Financial Assistance Cluster - Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	Emory University	A242405 / DHHS# U3REP170552	1,058	—	—
HIV Prevention Activities - Non-Governmental Organization Based	93.939	Direct Federal		546	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		1,193	—	—
	93.940	PHS	18-NCT-573, 18-NCT-583, 18-NCT-360, 18-NCT-563, 18-NCT-115	1,088	—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	N/A	1,073	—	—
	93.958	RFMH	C020842/27045/140415, C020842/27045/140750, C020842/27045/140401	1,380	—	—

** Denotes programs with R&D Cluster expenditures

THE CITY OF NEW YORK
HEALTH AND HOSPITALS CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 2

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
PPHF Geriatric Education Centers	93.969	MSKCC	BD518928C	\$ 54	\$ —	\$ —
Preventive Health and Health Services Block Grant	93.991	NYS DOH	C-028948	163	—	—
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	C-32355GG, C-32124GG, C-32125GG, C-35218GG, C-35209GG, C-35210GG, C-35211GG, C-35213GG, C-35212GG, C-35214GG, C-35215GG, C-35216GG, C-35217GG, C-32388GG, C-32403GG, C-32412GG	665	—	—
Total U.S. Department of Health and Human Services				118,372	—	17,122
U.S. Department of Homeland Security						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	7,123	—	—
Homeland Security Grant Program	97.067	Direct Federal		258	—	—
Total U.S. Department of Homeland Security				7,381	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 151,940	\$ —	\$ 63,111
TOTAL R&D CLUSTER EXPENDITURES				\$ 1,662	\$ —	\$ —

THE CITY OF NEW YORK
DEPARTMENT OF EDUCATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 3

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Agriculture						
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	NYS ED	N/A	\$ 68,397	\$ —	\$ —
National School Lunch Program	10.555	NYS ED	N/A	246,629	—	37,697
Summer Food Service Program for Children	10.559	NYS ED	N/A	25,489	—	—
COVID-19 Summer Food Service Program for Children	10.559	NYS ED	N/A	73,117	—	—
<i>Total Child Nutrition Cluster</i>				413,632	—	37,697
Child and Adult Care Food Program	10.558	NYS DOH	N/A	27,780	—	—
Farm to School Grant Program	10.575	Direct Federal		23	—	—
Child Nutrition Discretionary Grants Limited Availability	10.579	NYS ED	9R1458A 01	41	—	—
Fresh Fruit and Vegetable Program	10.582	NYS ED	0R1458B 01	1,287	—	—
Total U.S. Department of Agriculture				442,763	—	37,697
U.S. Department of Defense						
Troops to Teachers Grant Program	12.620	Direct Federal		260	—	—
Language Grant Program	12.900	Direct Federal		156	—	—
Total U.S. Department of Defense				416	—	—
U.S. Department of Education						
Title I Grants to Local Educational Agencies	84.010	NYS ED	0R4507L 01, 0R4507N 01, 0R4507P 01, 0R4508H 01, 0R4509K 01, 0R4510K 01, 0R4510L 01, 0R4510M 01, 0R4511L 01, 0R4511M 01, 0R4512H 01, 0R4513J 01, 0R4513K 01, 0R4516K 01, 0R4517J 01, 0R4519E 01, 0R4519F 01, 0R4523H 01, 0R4525K 01, 0R4527B 01, 0R4527L 01, 0R4528L 01, 0R4530K 01, 0R4532L 01, 0R4551E 01, 0R4551H 01, 0R4551J 01, 8R4551J 01, 9R4501S 01, 9R4502S 01, 9R4503H 01, 9R4510S 01, 9R4513S 01, 9R4515S 01, 9R4522S 01, 9R4524S 01, 9R4527S 01, 9R4528S 01, 9R4531S 01, 9R4551J 01, 0R1235A 01, 0R1240A 01, 0R1251A 01, 0R1251B 01, 0R1251D 01, 0R1251H 01, 0R1251J 01, 0R1251K 01, 0R1251L 01, 0R1251N 01, 0R1264A 01, 9R1235A 01, 9R1240A 01, 9R1251C 01, 9R1251K 01, 9R1251L 01, 9R1251N 01, 9R1264A 01	627,529	—	—
<i>Special Education Cluster:</i>						
Special Education - Grants to States	84.027	NYS ED	0032-20-0474	293,018	—	—
Special Education - Preschool Grants	84.173	NYS ED	0032-20-0474	8,539	—	—
<i>Total Special Education Cluster</i>				301,557	—	—
Impact Aid	84.041	Direct Federal		5,250	—	—
Career and Technical Education - Basic Grants to States	84.048	NYS ED	0R0551A 01, 0R0579A 01	11,576	—	—
Magnet Schools Assistance	84.165	Direct Federal		15,744	—	—
Education for Homeless Children and Youth	84.196	NYS ED	0R3660A 01	1,627	—	—

THE CITY OF NEW YORK
DEPARTMENT OF EDUCATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 3

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
Twenty-First Century Community Learning Centers	84.287	NYS ED	0R3901A 01, 0R3902A 01, 0R3903A 01, 0R3904A 01, 0R3905A 01, 0R3906A 01, 0R3907A 01, 0R3910A 01, 0R3911A 01, 0R3912A 01, 0R3913A 01, 0R3914A 01, 0R3915A 01, 0R3916A 01, 0R3918A 01, 0R3919A 01, 0R3920A 01, 0R3921A 01, 0R3922A 01, 0R3923A 01, 0R3925A 01, 0R3930A 01, 0R3931A 01	\$ 23,952	\$ —	\$ —
Arts in Education	84.351	Direct Federal		1,501	—	—
English Language Acquisition Grants	84.365	NYS ED	0R4142A 01, 0R4151A 01, 0R4151C 01, 0R4164A 01, 0R4102B 01, 0R4108B 01, 0R4110B 01, 0R4111B 01, 0R4112B 01, 0R4113B 01, 0R4114B 01, 0R4117B 01, 0R4118B 01, 0R4119B 01, 0R4120B 01, 0R4121B 01, 0R4122B 01, 0R4125B 01, 0R4127B 01, 0R4128B 01, 0R4129B 01, 0R4131B 01, 0R4142A 01, 0R4151A 01, 0R4164A 01	24,981	—	—
Supporting Effective Instruction State Grants	84.367	NYS ED	0R2640A 01, 0R2651A 01, 0R2651B 01, 0R2651C 01, 0R2664A 01, 9R2640A 01, 9R2664A 01	71,501	—	—
Teacher and School Leader Incentive Grants	84.374	Direct Federal		12,764	—	—
Promoting Readiness of Minors in Supplemental Security Income	84.418	NYS ED	5R1497A 01	12	—	—
Preschool Development Grants	84.419	NYS ED	0R1751A 01	488	—	—
Student Support and Academic Enrichment Program	84.424	NYS ED	9R2840A 01, 9R2851A 01, 9R2851B 01, 9R2864A 01, 0R1951A 01, 0R1951B 01, 0R1964A 01	30,436	—	—
Disaster Recovery Assistance for Education	84.938	NYS ED	9R1451A 01	111	—	—
Total U.S. Department of Education				1,129,029	—	—
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		77	—	—
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		3,250	—	—
Head Start Cluster - Head Start	93.600	Direct Federal		67,800	—	—
Medicaid Cluster - Medical Assistance Program (New Medicaid)	93.778	NYS DOH	N/A	73,500	—	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	C004062	16,692	—	—
Total U.S. Department of Health & Human Services				161,319	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 1,733,527	\$ —	\$ 37,697

THE CITY OF NEW YORK
ECONOMIC DEVELOPMENT CORPORATION
Sub-Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020
(In Thousands)

Exhibit 4

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Department of Commerce						
<i>Economic Development Cluster - Economic Adjustment Assistance</i>	11.307	Direct Federal		\$ 1,219	\$ 1,219	\$ —
Total U.S. Department of Commerce				<u>1,219</u>	<u>1,219</u>	<u>—</u>
U.S. Department of Housing and Urban Development						
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	N/A	6,979	—	—
<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		4,427	—	—
Total U.S. Department of Housing and Urban Development				<u>11,406</u>	<u>—</u>	<u>—</u>
U.S. Department of Transportation						
<i>Highway Planning and Construction Cluster - Highway Planning and Construction</i>	20.205	Direct Federal		2,086	—	—
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Direct Federal		2,297	—	—
<i>Federal Transit Cluster - Federal Transit - Formula Grants</i>	20.507	Direct Federal		105	—	—
Public Transportation Emergency Relief Program	20.527	Direct Federal		103	—	—
National Infrastructure Investments	20.933	Direct Federal		1,915	—	—
Total U.S. Department of Transportation				<u>6,506</u>	<u>—</u>	<u>—</u>
U.S. Department of Treasury						
COVID-19 Coronavirus Relief Fund	21.019	Direct Federal		44,667	—	—
Total U.S. Department of Treasury				<u>44,667</u>	<u>—</u>	<u>—</u>
U.S. Department of Homeland Security						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	172,650	—	—
Total U.S. Department of Homeland Security				<u>172,650</u>	<u>—</u>	<u>—</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 236,448</u>	<u>\$ 1,219</u>	<u>\$ —</u>

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, 2020
(In Thousands)

Exhibit 5

Federal Agency/Program Title	Federal Assistance Listing Number	Pass-Through Grantor (Note 7)	Identifying Number Assigned by Pass-Through Grantor	Expenditures	Subrecipient's Share of Total Expenditures	Noncash Assistance
U.S. Environmental Protection Agency						
<i>Clean Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Clean Water State Revolving Fund	66.458	NYS EFC	CS - 36000116	\$ 171,044	\$ —	\$ —
<i>Drinking Water State Revolving Fund Cluster:</i>						
Capitalization Grants For Drinking Water State Revolving Fund	66.468	NYS EFC	FS - 99290516	37,748	—	—
Total U.S. Environmental Protection Agency				208,792	—	—
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 208,792	\$ —	\$ —

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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****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, 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, 2020, and the related notes to the financial statements, which collectively comprise The City's basic financial statements, and have issued our report thereon dated October 30, 2020.

Our report includes a reference to other auditors who audited the financial statements of those entities disclosed in Note E.1 to the financial statements, as described in our report on The City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Further, the financial statements of the Hudson Yards Development Corporation, Brooklyn Public Library, New York City School Construction Authority, New York City Housing Authority, New York City Housing Development Corporation, Queens Borough Public Library, Brooklyn Bridge Park Corporation, Fiscal Year 2005 Securitization Corporation, Governors Island Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Support Services, Inc., New York City Transitional Finance Authority, Sales Tax Asset Receivable Corporation, TSASC, Inc. and Brooklyn Navy Yard Development Corporation were not audited in accordance with *Government Auditing Standards*.

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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 The City's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Intended purpose

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 30, 2020, except for the consolidated schedule of expenditures of Federal awards, which is as of August 4, 2021

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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

The People of The City of New York:

Report on compliance for each major federal program

We have audited the compliance of The City of New York (“The City”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. 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.

Our audit of, and opinion on, The City’s compliance for each major federal program includes the major programs of The City of New York Health and Hospitals Corporation, The City of New York Department of Education, the New York City Economic Development Corporation, and New York City Municipal Water Finance Authority, and does not include the major programs associated with federal award expenditures, if any, of those entities listed in Note E.1 to The City’s financial statements, other than as listed above. Those entities that may have expended federal awards for the year ended June 30, 2020 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.

Management’s responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to The City’s federal programs.

Auditor’s responsibility

Our responsibility is to express an opinion on compliance for each of The City’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (“CFR”) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on The City’s compliance for each major federal program. However, our audit does not provide a legal determination of The City’s compliance.

Opinion on each major federal program

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 federal programs for the year ended June 30, 2020.

Other matters

The results of our audit procedures disclosed instances of noncompliance, described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, 2020-004, 2020-005, 2020-006 and 2020-007 that are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the 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

Management of The City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The City's internal control over compliance.

As described in our Report on Compliance for Each Major Federal Program above, this Report on Internal Control Over Compliance does not include the results of the other auditors' testing of internal control over compliance that is reported on separately by those auditors.

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 first paragraph of this section 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. We did not identify any deficiencies in internal

control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-003, 2020-006, and 2020-007 that we consider to be significant deficiencies in The City's internal control over compliance.

The City's response to the findings on internal control over compliance identified in our audit, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the 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
August 4, 2021

**CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

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 X no
- Significant deficiencies identified that are not considered to be material weakness(es)? ___ yes X none reported
- Noncompliance material to consolidated financial statements noted? ___ yes X no

Federal Awards:

Internal control over each major program:

- Material weakness(es) identified? ___ yes X no
- Significant deficiencies identified that are not considered to be material weakness(es)? X 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 Subpart F, section 200.516(a) of the Uniform Guidance? X yes ___ no

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

IDENTIFICATION OF MAJOR FEDERAL PROGRAMS:

Federal Grantor/Program Title	Federal Assistance Listing Number
Department of Housing and Urban Development:	
<i>CDBG - Entitlement Grants Cluster - Community Development</i>	
Block Grants/Entitlement Grants	14.218
<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	14.269
<i>Housing Voucher Cluster:</i>	
Section 8 Housing Choice Vouchers	14.871
Mainstream Vouchers	14.879
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
Treasury:	
Coronavirus Relief Fund	21.019

**CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

Federal Grantor/Program Title	Federal Assistance Listing Number
Environmental Protection Agency:	
<i>Clean Water State Resolving Fund Cluster</i> - Capitalization Grants for Clean Water State Revolving	66.458
<i>Drinking Water State Revolving Fund Cluster</i> - Capitalization Grants for Drinking Water State Revolving Funds	66.468
Department of Education:	
Title I Grants to Local Educational Agencies	84.010
Teacher Incentive Fund	84.374
Department of Health and Human Services	
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323
Child Support Enforcement	93.563
Foster Care Title IV-E	93.658
Adoption Assistance	93.659
State Children's 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
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:	<u>\$36,406,071</u>
Auditee qualified as low-risk auditee?	<u>X</u> yes __ no

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

**CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

New York City Department of Education (“DOE”)

Finding #: 2020-001

Funding Year(s): 9/1/2018-8/30/2019; 9/1/2019-8/30/2020

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

Contract Numbers: 9R1251L01, 9R1251C01, 9R1264A01

Preschool Development Grants (FAL #84.419)

Contract Number: 9R1751A01

Career & Technical Education - Basic Grants to States (FAL #84.048)

Contract Numbers: 9R0551A01, 9R0579A01

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

Contract Numbers: 9R3901A01, 9R3907A01, 9R3910A01, 9R3911A01, 9R3913A01, 9R3916A01, 9R3920A01, 9R3931A01

English Language Acquisition Grants (FAL #84.365)

Contract Number: 9R4151A01

School Improvement Grants (FAL #84.377)

Contract Number: 9R4502A01

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”) along with other reports, as appropriate, within 90 days following the end of the grant award period.

Condition/Context:

Of the FS-10F reports submitted by the DOE during fiscal year 2020, we selected a sample of thirty-seven (37) FS-10F reports and found that sixteen (16) 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 eight (8) FS-10F reports tested, three (3) were submitted between 59 and 96 days late.
- Preschool Development Grants (FAL #84.419): of the one (1) FS-10F report tested, such report was submitted 31 days late.
- Career & Technical Education - Basic Grants to States (FAL #84.048): of the two (2) FS-10F reports tested, each of the two (2) was submitted between 25 and 59 days late.
- Twenty-First Century Community Learning Center (FAL #84.287): of the eight (8) FS-10F reports tested, each of the eight (8) was submitted between 59 and 104 days late.
- English Language Acquisition Grants (FAL #84.365): of the nine (9) FS-10F reports tested, one (1) was submitted 12 days late.
- School Improvement Grants (FAL #84.377): of the nine (9) FS-10F reports tested, one (1) was submitted 46 days late.

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Cause/Effect:

We were informed that due to open encumbrances which had not been fully liquidated by the FS-10F due date, the DOE was unable to complete and submit the FS-10F financial reports within the stipulated 90-day period, thus resulting in late-filed reports.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This finding is similar to finding #2019-002, included on pages 199 through 201 of the Fiscal 2019 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, a new report listing encumbrances open in excess of 29 days was developed by the Division of Financial Operations (DFO), System Development and Support, in conjunction with the Office of Revenue Operations (ORO), and contains separate tabs reflecting whether a good or service has received, partially received, certified or received in full. This report has been placed on the Cognos menu of each of Field Support Centers to assist in identifying bottlenecks and obstacles that need to be addressed. It is anticipated that as more individuals become familiar with this report, the more proactive and effective they will be in addressing open items.

Additionally, the DOE reviews programs/schools throughout the award and re-enforces established reporting guidelines to facilitate timely submission of expenditure reports. Further, 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.

Further, the DOE has incorporated applicable deadlines related to encumbrances and payment certifications into the Fiscal 2021 close calendar in an effort to continue to reinforce the need for the timely payment and/or takedown of open encumbrances. This message will be additionally 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.

Target Completion Date:

Spring 2021 and ongoing

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

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

Finding #: 2020-002

Funding Year(s): 12/18/2018 - 09/01/2026

HOME Investment Partnership Program (FAL #14.239)

Contract Number: M-18-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 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 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 the 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 five (5) instances from a sample of forty (40), where the necessary repairs were not made by the Sponsors within the stipulated 90-day period. For each of these instances, HPD forwarded a Notification of Failure describing the findings and a reminder that the Sponsor had 90 days to submit a Certification of Repairs. Despite those efforts, we noted:

- Two (2) instances whereby Sponsors submitted a Certification of Repairs after the 90-day timeframe; and,
- Three (3) instances whereby Sponsors failed to submit a Certification of Repairs. As a result, HPD sent non-compliance letters to those respective Sponsors, sent email notifications of non-compliance to those respective Sponsors including a reminder to submit the required Certification of Repairs, and, ultimately subjected the same respective units for re-inspection. Based on the three (3) re-inspections, two (2) of the units passed the inspection and one (1) of the units failed the inspection.

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

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 the applicable Housing Quality Standards.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This finding is similar to finding # 2019-003, included on pages 202 through 204 of the Fiscal 2019 Single Audit report.

Recommendation:

While contract provisions between HPD and the respective Sponsors permit HPD to exercise remedies, which may include the withdrawal of future funding, HPD did not elect to exercise any such remedies. Accordingly, we recommend that HPD continue to strengthen its monitoring of Sponsors in connection with housing quality inspections and determine, on a case-by-case basis, whether to exercise appropriate remedies in accordance with contract provisions or consider documenting its rationale for not doing so.

Views of Responsible Official:

The Department of Housing Preservation and Development (HPD) continues to maintain processes and procedures supporting compliance with Housing Quality (HQ) inspection standards. HPD routinely conducts HQ inspections of HOME Investment Partnerships 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 activity 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 two instances, the Certification of Repair was submitted after the 90-day timeframe, and in another two instances the unit passed at the time of re-inspection, after the 90-day timeframe. With respect to the remaining one unit, HPD will continue to follow-up with the owner of the unit 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.

Target Completion Date:

March 2021 and ongoing

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

New York City Administration for Children’s Services (“ACS”)

Finding #: 2020-003

Funding Year(s): 7/1/2019-6/30/2020

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

Contract Number: 1801NYFOST; 1901NYFOST; 2001NYFOST

Pass-Through Agency: New York State Office of Children and Family Services

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

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

Criteria:

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 programs 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 judgmentally selected sample of forty (40) eligibility files subject to testing, we identified three (3) eligibility redetermination checklists that did not include evidence of the required review and approval by a supervisor.

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. With respect to the sampled files referred to above, however, 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 files.

Questioned Costs:

None identified.

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.

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Views of Responsible Official:

The audit identified three foster care redetermination checklists that lacked a secondary signature. Notably, in these three cases, the redeterminations were performed by a supervisor level staff member with extensive expertise in IV-E eligibility determinations and contained accurate, necessary and complete information, and in each instance, the child was properly redetermined to be IV-E eligible.

Upon learning of the finding and to further administrative compliance and corrective measures, ACS promptly reviewed all FY 20 eligibility redeterminations to ensure that the eligibility redetermination and required documentation was accurate and complete.

The State OCFS redetermination check-list supervisor review and sign off process has been circulated to all eligibility staff. ACS will ensure that the redetermination checklist is signed by two staff members - the eligibility coordinator and supervisor; and in those instances where a supervisor completes the eligibility checklist in the role of the eligibility coordinator, a manager will provide the secondary review and signature.

Target Completion Date:

March 2021

**CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

New York City Police Department (“NYPD”)

Finding #: 2020-004

Funding Year(s): 7/1/2019-6/30/2020

Port Security Grant Program (FAL #97.056)

Contract Number: EMW-2016-PU-00322-S01; EMW-2017-PU-00122-S01; EMW-2018-PU-00123-S01

Federal Agency: U.S. Department of Homeland Security

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

Criteria:

As stipulated by 2 CFR sections 200.313(d)(2), a physical inventory of property and equipment acquired under a federal award must be taken, and the results reconciled with the property records, at least once every two years.

Condition/Context:

The New York City Police Department (“NYPD”) utilizes an internal system called Grants Tracking System (GTS) to record and track all equipment purchased using federal awards. 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 the GTS.

During Fiscal Year 2020, the NYPD Command-designated grants coordinators did not conduct the physical inventory count within the federal compliance requirement of at least once every two (2) years, which resulted in exceptions for all three (3) sampled equipment items that were tested and subject to an inventory count during the City’s fiscal year 2020.

Cause/Effect:

While NYPD has policies and procedures in place to identify the biennial inventory count due dates and perform inventory counts within the required timeframe, we noted that required inventory counts were not consistently completed within the stipulated timeframe for the equipment items tested during fiscal year 2020. Inventory counts that are not completed within the required timeframe could result in federally funded equipment being inaccurately recorded on the inventory records and not discovered and corrected timely.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that NYPD strengthen controls over the inventory process to ensure biennial inventory counts are consistently performed over all equipment within the required timeframe.

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Views of Responsible Official:

The NYPD has implemented additional levels of inventory asset verification and validation by assigning a single POC (within the Grants Unit) other than the Grant Manager to access GTS on a quarterly basis and run command specific reports. These reports will then be provided to the commands quarterly for their review, with specific comments and tasks highlighting any issues with the current/existing entries. Because this information is now being monitored by the Grants Unit in addition to the commands so regularly we do not anticipate any further Inventory Verification issues.

Target Completion Date:

March 2021

**CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

New York City Fire Department (“FDNY”)

Finding #: 2020-005

Funding Year(s): 7/1/2019-6/30/2020

Port Security Grant Program (FAL #97.056)

Contract Number: EMW-2017-PU-00128-S01

Federal Agency: U.S. Department of Homeland Security

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

Criteria:

As stipulated by 2 CFR sections 200.313(d)(2), a physical inventory of property and equipment acquired under a federal award must be taken, and the results reconciled with the property records, at least once every two years.

Condition/Context:

The New York City Fire Department (“FDNY”) Grants Unit utilizes the Grants Tracking System (“GTS”), a city-wide web-based inventory program, designed to standardize the tracking of federally funded equipment. FDNY program managers are responsible for monitoring the equipment and updating the inventory on a periodic basis in accordance with federal guidelines. Each quarter, the FDNY Grant Asset Management Unit generates an inventory listing from GTS that includes the biennial inventory count due date for each item and distributes it to the assigned FDNY program managers to ensure the inventory count is conducted timely and in accordance with federal requirements. After the completion of the biennial inventory count, the program managers update the inventory count information to the GTS.

During fiscal year 2020, the FDNY program managers did not conduct the physical inventory count within the federal compliance requirement of at least once every two (2) years for the one (1) sampled equipment item that was tested and subject to an inventory count during the City’s fiscal year 2020.

Cause/Effect:

While FDNY has policies and procedures in place to identify the biennial inventory count due dates and perform inventory counts within the required timeframe, we noted that the inventory count was not completed within the stipulated timeframe for the equipment item tested during fiscal year 2020. FDNY Management indicated that the inventory count was delayed due to staffing constraints that were caused by the COVID-19 pandemic.

Inventory counts that are not completed within the required timeframe could result in federally funded equipment being inaccurately recorded on the inventory records and not discovered and corrected timely.

Questioned Costs:

None identified.

Identification as a Repeat Finding:

This is not a repeat finding.

Recommendation:

We recommend that FDNY supplement its current controls over the inventory process to include policies and procedures that address circumstances caused by extraordinary events such as the COVID-19 pandemic.

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

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. The FDNY performed the inventory and the condition and location of the asset was confirmed without any changes, but the inventory was delayed due to the pandemic, which was an unforeseeable extraordinary situation that modified all required activities. 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 if there are extenuating circumstances that prevent the completion of the inventory count timely, appropriate documentation supporting the circumstances will be maintained.

Target Completion Date:

June 2021

**CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

New York City Department of Transportation (“DOT”)

Finding #: 2020-006

Funding Year(s): 7/1/2019-6/30/2020

Highway Planning and Construction Cluster (FAL #20.205 and 20.219)

Contract Number: D036204; D036391

Pass-Through Agency: New York State Department of Transportation

Federal Agency: U.S. Department of Transportation

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

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.

Condition/Context:

Certain salaries with respect to the calculation of payroll costs charged to the program were based upon an incorrect pay rate. From a sample of forty (40) salary charges subject to testing, we identified three (3) exceptions; one (1) due to the application of a rate that was higher than the individuals’ approved pay rate at the time the effort was incurred and two (2) that were based upon a lower rate. Total payroll costs charged to the program were \$30,127,255; total payroll charges subjected to testing were \$747,395; and, the payroll charges in excess of the pay-rate in effect at the time the effort was incurred were \$3,515.

Cause/Effect:

While DOT has established policies and procedures to help ensure the appropriate pay rates are used in the calculation of payroll charges to federal awards, certain payroll charges, as referred to above, were not accurately calculated based on pay rates in effect at the time the effort was incurred.

Questioned Costs:

Known questioned costs totaled \$3,515. Likely questioned costs totaled \$141,674.

Identification as a Repeat Finding:

This finding is similar to finding #2019-004, included on pages 205 through 206 of the Fiscal 2019 Single Audit report.

Recommendation:

We recommend that DOT strengthen controls over the application of pay rates utilized in the calculation of payroll costs charged to federal awards.

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Views of Responsible Official:

The New York City Department of Transportation (NYCDOT) understands the importance of, and is committed to, complying with federal award terms and conditions including requirements with respect to allowable cost expectations.

Since the 2019 Single Audit, NYCDOT Grants Management Unit (GMU) has updated current practices for processing and validating NYCDOT's Personnel and Other Than Personnel Services-related (including Capital) claims that are submitted to New York State for reimbursement by requiring project management to reduce manual calculations of pay rates based on the Payroll Management System (PMS) records and move to the Citywide Human Resource Management System (CHRMS). CHRMS allows for the creation of data reports, thus reducing manual calculations.

Additionally, NYCDOT Grants Reimbursement & Compliance Unit (GRC) is implementing additional enhancements by adding an additional layer of review. Claims submitted under this program will be subject to GRC review prior to submission of claims packages to NYS in order to strengthen the controls.

Target Completion Date:

Fall 2021

**CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

New York City Health and Hospitals Corporation (“H+H”)

Finding #: 2020-007

Funding Year(s): 7/1/2019-6/30/2020

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

Contract Number: 6 NU50CK000517-01-07

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

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

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.

Condition/Context:

Certain salaries with respect to the calculation of payroll costs charged to the program were based upon an incorrect pay rate or an inaccurate number of hours worked. From a sample of forty (40) salary charges subject to testing, we identified four (4) exceptions; one (1) exception was due to the application of a pay rate that was higher than the individual’s approved pay rate at the time the effort was incurred, and three (3) exceptions were due to more hours being charged to the grant than were actually worked by the employee during that particular pay period. Total payroll costs charged to the program were \$8,305,850; total payroll charges subjected to testing were \$131,320; and the calculated error totaled \$2,068.

Cause/Effect:

While H+H has established policies and procedures to help ensure only allowable costs and activities are charged to the program, certain payroll charges, as referred to above, were not accurately calculated based on pay rates in effect at the time the effort was incurred or the appropriate number of hours worked during the pay period.

Questioned Costs:

Known questioned costs totaled \$2,068.

Identification as a Repeat Finding:

This is not a repeat finding

Recommendation:

We recommend that H+H strengthen controls over the application of pay rates and hours worked that are utilized in the calculation of payroll costs charged to federal awards, including ensuring such calculations are properly documented and reviewed prior to processing payments to employees and charging costs to the grant.

CITY OF NEW YORK
SINGLE AUDIT REPORT
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Views of Responsible Official:

Grants Department's staff member(s) will review claims before submitting to the grantor to ensure that adjustments/corrections have been made and claims submitted to the grantor are accurate. In FY20, payroll data was reported for month close within a week of a pay period disbursement, which does not capture any payroll adjustments made in following weeks based on employee time records. Moving forward, payroll data will be reported on a two-month long lag to capture retrospective payroll adjustments as of that time. Also, staff members of the department will carefully review changes initiated by HR to ensure that payroll information is processed accurately. In addition, Grants Department will carry out a year end reconciliation to ensure that claims are submitted accurately during the same fiscal year.

Target Completion Date

December 2021

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, 2020

**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, 2020**

State Grantor Program Title	Federal Assistance Listing Number	State Contract Number	Expenditures
New York City Department of Transportation			
Marchiselli/Bond Match for Federal Aid Highway Projects	20.205	D033646, D033935, D034250, D034645, D034788, D035362, D035372, D035775, D035846, D035853, D036031	\$ 13,811,176
<i>Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component Cluster:</i>			
Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component	-	CHIPS	101,120,497
State-aid Multi-Modal Program		D033056, D025847, D027548	973,907
<i>Total Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component Cluster</i>			<u>102,094,405</u>
State Transit Operating Assistance (STOA)	-	SIF, STOA	139,983,675
Arterial Highway Maintenance	-	D007634	13,328,535
Federal Transit Administration	-	NY550009, NY030468	240,384
Accelerated Transit Capital (ATC)/ Modernization and Enhancement Program (MEP)		K007390	22,980,999
State Personal Income Tax Funds	-	D035260, D035362	9,833,813
TOTAL STATE TRANSPORTATION ASSISTANCE AWARDS EXPENDED			<u><u>\$ 302,272,987</u></u>

See accompanying Notes to Schedule of Expenditures of State of New York Department of Transportation Assistance Awards.

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, 2020

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**

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, 2020. The City’s major NYSDOT Programs are identified in the summary of auditor’s results section of the accompanying NYSDOT schedule of findings and questioned costs.

Management’s responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to The City’s NYSDOT Programs.

Auditor’s responsibility

Our responsibility is to express an opinion on compliance for each of The City’s major NYSDOT Programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and NYSCRR. Those standards and NYSCRR require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major NYSDOT Program occurred. An audit includes examining, on a test basis, evidence about The City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major NYSDOT program. However, our audit does not provide a legal determination of The City’s compliance.

Opinion on each major state program

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, 2020.

Report on internal control over compliance

Management of The City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major NYSDOT program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major NYSDOT program and to test and report on internal control over compliance in accordance with NYSCR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The City's 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 State 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 State 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 State 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 first paragraph of this section 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. However, material weaknesses may exist that have not been identified.

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 NYSCR. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

New York, New York
August 4, 2021

**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, 2020**

SECTION I - SUMMARY OF AUDITOR'S RESULTS: STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE AWARD PROGRAMS

Internal control over State of New York Department of Transportation Assistance Award Programs:

- Material weakness(es) identified? __ yes X no
- Significant deficiencies identified that are not considered to be material weakness(es) __ yes X none reported

Type of auditor's report issued on compliance for the major programs: Unmodified

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

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

<u>State Grantor Program Title</u>	<u>Identifying Number(s)</u>
<i>Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component Cluster:</i> Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component State-aid Multi-Modal Program	CHIPS D033056, D025847, D027548
Accelerated Transit Capital (ATC)/ Modernization and Enhancement Program (MEP)	K007390

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

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

No matters were reported.

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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, 2020



THE CITY OF NEW YORK

August 4, 2021

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, 2020. This report accompanies Grant Thornton's report on New York City's Single Audit and is submitted pursuant to the Single Audit Act Amendments of 1996 and Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The report demonstrates the City's continuing commitment to correct all findings to ensure the appropriate use and management of federal financial assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Raymond Lee".

Raymond Lee
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, 2020

Finding No.	2020-001
Department(s)	New York City Department of Education
Program(s)	Assistance Listing Numbers: 84.010, Title I Grants to Local Educational Agencies 84.048, Career & Technical Education – Basic Grants to States 84.287, Twenty-First Century Community Learning Center 84.365, English Language Acquisition Grants 84.377, School Improvement Grants 84.419, Preschool Development Grants
Corrective Action(s)	<p>The Department of Education (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, a new report listing encumbrances open in excess of 29 days was developed by the Division of Financial Operations (DFO), System Development and Support, in conjunction with the Office of Revenue Operations (ORO), and contains separate tabs reflecting whether a good or service has received, partially received, certified or received in full. This report has been placed on the Cognos menu of each of Field Support Centers to assist in identifying bottlenecks and obstacles that need to be addressed. It is anticipated that as more individuals become familiar with this report, the more proactive and effective they will be in addressing open items.</p> <p>Additionally, the DOE reviews programs/schools throughout the award and re-enforces established reporting guidelines to facilitate timely submission of expenditure reports. Further, 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>Further, the DOE has incorporated applicable deadlines related to encumbrances and payment certifications into the Fiscal 2021 close calendar in an effort to continue to reinforce the need for the timely payment and/or takedown of open encumbrances. This message will be additionally 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	Spring 2021 and ongoing
Person(s) Responsible for Implementation	Marc Alterman Assistant Director, Office of Revenue Operations (718) 935-4958

THE CITY OF NEW YORK
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Finding No.	2020-002
Department(s)	New York City Department of Housing Preservation and Development
Program(s)	Assistance Listing Number 14.239, HOME Investment Partnerships Program
Corrective Action(s)	<p>The Department of Housing Preservation and Development (HPD) continues to maintain processes and procedures supporting compliance with Housing Quality (HQ) inspection standards. HPD routinely conducts HQ inspections of HOME Investment Partnerships 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 activity 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 two instances, the Certification of Repair was submitted after the 90-day timeframe, and in another two instances the unit passed at the time of re-inspection, after the 90-day timeframe. With respect to the remaining one unit, HPD will continue to follow-up with the owner of the unit until all required repairs are certified as complete.</p> <p>In addition, HPD will consider, on a case-by-case basis, documenting its rationale for not exercising extreme remedies (such as withdrawal of future funding) for failure to complete repairs within the 90-day cure period.</p>
Anticipated Completion Date	March 2021 and ongoing
Person(s) Responsible for Implementation	Peter Donohue Director, Tax Credit and HOME Compliance (212) 863-7615

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Finding No.	2020-003
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)	<p>The audit identified three foster care redetermination checklists that lacked a secondary signature. Notably, in these three cases, the redeterminations were performed by a supervisor level staff member with extensive expertise in IV-E eligibility determinations and contained accurate, necessary and complete information, and in each instance, the child was properly redetermined to be IV-E eligible.</p> <p>Upon learning of the finding and to further administrative compliance and corrective measures, ACS promptly reviewed all FY 20 eligibility redeterminations to ensure that the eligibility redetermination and required documentation was accurate and complete.</p> <p>The State OCFS redetermination check-list supervisor review and sign off process has been circulated to all eligibility staff. ACS will ensure that the redetermination checklist is signed by two staff members - the eligibility coordinator and supervisor; and in those instances where a supervisor completes the eligibility checklist in the role of the eligibility coordinator, a manager will provide the secondary review and signature.</p>
Anticipated Completion Date	March 2021
Person(s) Responsible for Implementation	Andrew Martin Executive Director (212) 341-2816

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Finding No.	2020-004
Department(s)	New York City Police Department
Program(s)	Assistance Listing Number 97.056, Port Security Grant Program
Corrective Action(s)	The NYPD has implemented additional levels of inventory asset verification and validation by assigning a single POC (within the Grants Unit) other than the Grant Manager to access GTS on a quarterly basis and run command specific reports. These reports will then be provided to the commands quarterly for their review, with specific comments and tasks highlighting any issues with the current/existing entries. Because this information is now being monitored by the Grants Unit in addition to the commands so regularly we do not anticipate any further Inventory Verification issues.
Anticipated Completion Date	March 2021
Person(s) Responsible for Implementation	Kristine Ryan Deputy Commissioner, Management and Budget (646) 610-6670

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Finding No.	2020-005
Department(s)	New York City Fire Department
Program(s)	Assistance Listing Number # 97.056, Port Security Grant Program
Corrective Action(s)	<p>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. The FDNY performed the inventory and the condition and location of the asset was confirmed without any changes, but the inventory was delayed due to the pandemic, which was an unforeseeable extraordinary situation that modified all required activities. 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 if there are extenuating circumstances that prevent the completion of the inventory count timely, appropriate documentation supporting the circumstances will be maintained.</p>
Anticipated Completion Date	June 2021
Person(s) Responsible for Implementation	Vincent Barrett GTS Administrator (718) 999-1218

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Finding No.	2020-006
Department(s)	New York City Department of Transportation
Program(s)	Assistance Listing Numbers 20.205 and 20.219, Highway Planning and Construction Cluster
Corrective Action(s)	<p>The New York City Department of Transportation (NYCDOT) understands the importance of, and is committed to, complying with federal award terms and conditions including requirements with respect to allowable cost expectations.</p> <p>Since the 2019 Single Audit, NYCDOT Grants Management Unit (GMU) has updated current practices for processing and validating NYCDOT's Personnel and Other Than Personnel Services-related (including Capital) claims that are submitted to New York State for reimbursement by requiring project management to reduce manual calculations of pay rates based on the Payroll Management System (PMS) records and move to the Citywide Human Resource Management System (CHRMS). CHRMS allows for the creation of data reports, thus reducing manual calculations.</p> <p>Additionally, NYCDOT Grants Reimbursement & Compliance Unit (GRC) is implementing additional enhancements by adding an additional layer of review. Claims submitted under this program will be subject to GRC review prior to submission of claims packages to NYS in order to strengthen the controls.</p>
Anticipated Completion Date	Fall 2021
Person(s) Responsible for Implementation	Yogesh Sanghvi Associate Commissioner, Grants and Fiscal Management (212) 839-6955

THE CITY OF NEW YORK
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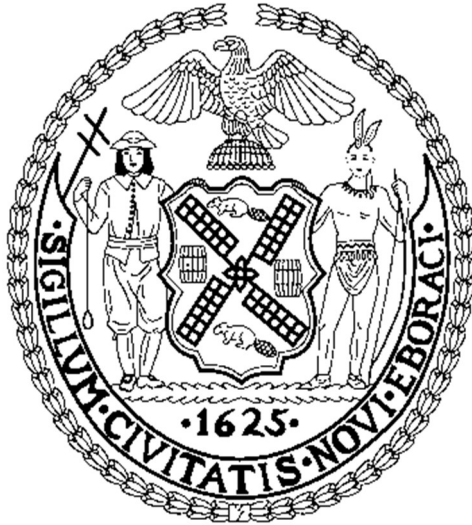
Finding No.	2020-007
Department(s)	New York City Health + Hospitals
Program(s)	Assistance Listing Number 93.323, Epidemiology and Laboratory Capacity for Infectious Diseases
Corrective Action(s)	Grants Department’s staff member(s) will review claims before submitting to the grantor to ensure that adjustments/corrections have been made and claims submitted to the grantor are accurate. In FY20, payroll data was reported for month close within a week of a pay period disbursement, which does not capture any payroll adjustments made in following weeks based on employee time records. Moving forward, payroll data will be reported on a two-month long lag to capture retrospective payroll adjustments as of that time. Also, staff members of the department will carefully review changes initiated by HR to ensure that payroll information is processed accurately. In addition, Grants Department will carry out a year end reconciliation to ensure that claims are submitted accurately during the same fiscal year.
Anticipated Completion Date	December 2021
Person(s) Responsible for Implementation	Tatyana Seta Deputy Corporate Comptroller (646) 694-7077 Sonya Rubin Director of Fiscal Affairs – NYC Test and Trace Corps (646) 458-7751

THE CITY OF NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2020

<u>City Agency</u>	<u>Index #</u>	<u>Page</u>	<u>Program Name</u>	<u>Summary of Finding</u>	<u>Status</u>
Department of Education	02-25 - 84.027, 84.173	178	Title I – Grants to Local	Timely completion of expenditure reports	Repeat: CAP in current year report; refer to index 2020-001 - 84.010, 84.048, 84.287, 84.365, 84.377, and 84.419
	03-18 - 84.027, 84.173	164	Education Agencies (84.010)		
	04-18 - 84.027, 84.173	176	Special Education – Grants to		
	05-18 - 84.027, 84.173	190	States (84.027)		
	06-18 - 84.010, 84.027, 84.173, 84.287, 84.318, 84.365, 84.367	199	Career and Technical Education – Basic Grants to States (84.048) Special Education Pre-school Grants (84.173)		
	07-12 - 84.027, 84.173	209	Twenty-First Century Community		
	07-13 - 84.048	211	Learning Centers (84.287)		
	08-08 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.318, 84.357, 84.365	197	Education Technology State Grants (84.318) Reading First State Grants (84.357)		
	09-11 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.318, 84.357	211	English Language Acquisition Grants (84.365) Improving Teach Quality State Grants (84.367)		
	10-15 - 84.027, 84.048, 84.173, 84.287, 84.318, 84.357	229	School Improvement Grants (84.377) Recovery Act – Education		
	11-08 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.365	227	Technology State Grants (84.386) School Improvement Grant, Recovery Act (84.388)		
	12-09 - 84.027, 84.048, 84.173, 84.287, 84.386	236	State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top		
	13-005 - 84.027, 84.048, 84.173, 84.287, 84.365, 84.367, 84.386, 84.395	237	Incentive Grants, Recovery Act (84.395) Preschool Development Grants (84.419)		
	2014-005 - 84.010, 84.027, 84.048, 84.173, 84.365, 84.388	269			
	2015-006 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.365, 84.367, 84.395	268			
	2016-004 - 84.010, 84.027, 84.173, 84.365, 84.367, 84.377	354			
	2017-002 - 84.010, 84.419	193			
	2018-002 - 84.010, 84.048, 84.287, 84.419	205			
	2019-002 - 84.010, 84.048, 84.287, 84.365, 84.377, 84.419	199			

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<u>City Agency</u>	<u>Index #</u>	<u>Page</u>	<u>Program Name</u>	<u>Summary of Finding</u>	<u>Status</u>
Department of Education	96-02 - 10.553, 10.555	24	<i>Child Nutrition Cluster:</i>	Meal count requirement monitoring	No longer subject to audit
	97-03 - 10.553, 10.555	27	School Breakfast Program		
	98-02 - 10.553, 10.555	30	(10.553)		
	99-02 - 10.553, 10.555	29	National School Lunch Program		
	00-02 - 10.553, 10.555	29	(10.555)		
	01-01 - 10.553, 10.555	30	Summer Food Service Program		
	02-03 - 10.553, 10.555	147	for Children (10.559)		
	03-02 - 10.553, 10.555	142			
	04-04 - 10.553, 10.555	158			
	05-01 - 10.553, 10.555	166			
	06-02 - 10.553, 10.555	177			
	07-01 - 10.553, 10.555	179			
	08-01 - 10.553, 10.555	181			
	09-04 - 10.553, 10.555	193			
	10-03 - 10.553, 10.555	203			
	11-01 - 10.553, 10.555	209			
	12-01 - 10.553, 10.555	218			
	13-001 - 10.553, 10.555	227			
	2014-001 - 10.553, 10.555, 10.559	257			
	2015-001 - 10.553, 10.555, 10.559	254			
2016-002 - 10.553, 10.555, 10.559	349				
2017-001 - 10.553, 10.555, 10.559	191				
2018-001 - 10.553, 10.555, 10.559	203				
2019-001 - 10.553, 10.555, 10.559	197				
Housing Preservation and Development	08-03 - 14.239	187	HOME Investment Partnerships Program (14.239)	Missing certification of repair	Repeat: CAP in current year report; refer to index 2020-002 - 14.239
	09-08 - 14.239	203			
	10-04 - 14.239	207			
	11-03 - 14.239	215			
	12-03 - 14.239	224			
	13-002 - 14.239	231			
	2014-003 - 14.239	265			
	2015-003 - 14.239	262			
	2016-003 - 14.239	357			
	2017-003 - 14.239	195			
2018-003 - 14.239	207				
2019-003 - 14.239	202				
Department of Transportation	2019-004 – 20.205, 20.219	205	<i>Highway Planning and Construction Cluster:</i> Recreational Trails Program (20.219) Highway Planning and Construction (20.205)	Unallowable cost	Repeat: CAP in current year report; refer to index 2020-006 - 20.219, 20.205



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, 2020



THE CITY OF NEW YORK

August 4, 2021

To the New York State Department of Transportation:

With respect to the New York City Single Audit for the fiscal year ended June 30, 2020, I am pleased to report that there are no Prior Audit Findings related to the New York State Department of Transportation Assistance, nor current year findings or Corrective Action Plans with this submission. This report accompanies Grant Thornton's report on New York City's Single Audit and is submitted pursuant to Part 43 of the New York Codes, Rules and Regulations and with respect to the Single Audit Act Amendments of 1996 and Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The report demonstrates the City's continuing commitment to correct all findings to ensure the appropriate use and management of federal and New York State Department of Transportation financial assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Raymond Lee".

Raymond Lee
Assistant Director
Mayor's Office of Management and Budget