

**THE CITY OF NEW YORK**

# **SINGLE AUDIT REPORT**

**FOR THE**

**FISCAL YEAR ENDED JUNE 30, 2021**

# 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, 2021 and 2020, 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Assets	6%	7%	100%	100%	43%	43%	10%	12%
Net Position (Deficit)/Fund Balance	(3)%	(2)%	100%	100%	100%	100%	10%	11%
Revenue	6%	5%	100%	100%	27%	28%	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 Development Corporation, Queens Borough Public Library, Brooklyn Bridge Park Corporation, Fiscal Year 2005 Securitization Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Support Services, Inc., New York City Transitional Finance Authority, Sales Tax Asset Receivable Corporation, and TSASC, Inc. were not audited in accordance with *Government Auditing Standards*.

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, 2021 and 2020, and the respective changes in financial position and, where applicable, the 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 164 through 167, Schedule of the City's Proportionate Share of the Net Pension Liabilities of Cost-Sharing Multiple-Employer Pension Plans at June 30th on pages 168 and 169, Schedule of City Contributions for all Pension Plans for Fiscal Years Ended June 30th on pages 170 and 171, and Schedule of the Net OPEB Liability at June 30th on pages 176 and 177 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 29, 2021, except for the Consolidated Schedule of Expenditures of Federal Awards, which is as of September 30, 2022, 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 29, 2021, except for the Consolidated Schedule of Expenditures of Federal Awards, which is as of September 30, 2022

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**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, 2021 and 2020. 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](http://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 \$3.6 billion and \$2.1 billion to the OPEB Plan for Fiscal Years 2021 and 2020 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 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.

Governmental activities increased the City’s net position by \$9.4 billion during Fiscal Year 2021. During Fiscal Year 2020 and 2019 net position decreased by \$3.9 and \$4.1 billion, respectively. The total governmental activities net position for fiscal year 2021 resulted in a 4.6% increase from the prior year.

The basic financial statements include a reconciliation between the Fiscal Year 2021 governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* to the *Statement of Activities*, which reports an increase of \$731.9 million for all governmental fund balances. A similar reconciliation is provided for Fiscal Year 2020.

For the City’s business-type activities, total net position decreased to reach an ending balance of \$833.1 million, a 4.9% decrease from the prior year. The total Fiscal Year 2021 decrease in net position for business-type activities was \$42.5 million.

Key elements of these changes are as follows:

	<b>Changes in Net Position (in thousands) Governmental Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>2019 (restated)</b>
Revenues:			
Program revenues:			
Charges for services . . . . .	\$ 5,664,655	\$ 5,729,258	\$ 5,700,901
Operating grants and contributions . . .	28,092,836	25,692,929	23,804,810
Capital grants and contributions . . . . .	660,768	681,694	822,561
General revenues:			
Taxes . . . . .	67,065,451	62,314,994	61,705,028
Investment income . . . . .	33,375	184,695	312,636
Other Federal and State aid . . . . .	107,522	258,951	401,514
Gain on in-substance defeasance . . . . .	(9,041)	—	—
Other . . . . .	2,403,168	775,250	593,861
Total revenues . . . . .	<u>104,018,734</u>	<u>95,637,771</u>	<u>93,341,311</u>
Expenses:			
General government . . . . .	8,196,762	6,840,460	6,547,234
Public safety and judicial . . . . .	17,797,609	19,768,697	21,347,661
Education . . . . .	30,760,255	36,607,460	34,679,981
City University . . . . .	1,142,211	1,275,426	1,318,594
Social Services . . . . .	16,353,658	16,690,111	16,923,646
Environmental protection . . . . .	4,796,434	4,715,122	4,502,959
Transportation services . . . . .	2,871,049	2,763,111	3,221,709
Parks, recreation and cultural activities	1,231,136	1,257,151	1,428,692
Housing . . . . .	2,665,949	2,597,792	3,069,371
Health (including payments to NYC Health + Hospitals) . . . . .	5,463,861	3,474,850	3,601,500
Libraries . . . . .	449,072	412,829	486,749
Debt service interest . . . . .	2,922,974	3,154,438	3,159,364
Brooklyn Bridge Park Corp. . . . .	—	—	—
The Trust for Governor’s Island . . . . .	—	—	—
WTC Captive Insurance Co. . . . .	—	—	—
New York City Tax Lien Trusts . . . . .	—	—	—
Total expenses . . . . .	<u>94,650,970</u>	<u>99,557,447</u>	<u>100,287,460</u>
Change in net position . . . . .	9,367,764	(3,919,676)	(6,946,149)
Net position (deficit)—beginning . . . . .	(205,835,836)	(201,916,160)	(197,767,704)
Restatement of beginning net position (deficit) . . . . .	—	—	2,797,693
Net position (deficit)—ending . . . . .	<u><u>\$(196,468,072)</u></u>	<u><u>\$(205,835,836)</u></u>	<u><u>\$(201,916,160)</u></u>

**Changes in Net Position (Continued)**  
(in thousands)

	Business-type Activities			Total Primary Government		
	2021	2020	2019	2021	2020	2019 (restated)
Revenues:						
Program revenues:						
Charges for services . . . . .	\$ 4,575	\$ 5,169	\$ 5,983	\$ 5,669,230	\$ 5,734,427	\$ 5,706,884
Operating grants and contributions . . .	15,749	142,761	49,854	28,108,585	25,835,690	23,854,664
Capital grants and contributions . . . . .	14,347	17,200	21,442	675,115	698,894	844,003
General revenues:						
Taxes . . . . .	19,871	19,853	86,623	67,085,322	62,334,847	61,791,651
Investment income . . . . .	192,155	110,766	114,055	225,530	295,461	426,691
Other Federal and State aid . . . . .	—	—	—	107,522	258,951	401,514
Gain on in-substance defeasance . . . . .	—	—	—	(9,041)	—	—
Other . . . . .	(89,459)	(11,821)	3,094	2,313,709	763,429	596,955
Total revenues . . . . .	<u>157,238</u>	<u>283,928</u>	<u>281,051</u>	<u>104,175,972</u>	<u>95,921,699</u>	<u>93,622,362</u>
Expenses:						
General government . . . . .	—	—	—	8,196,762	6,840,460	6,547,234
Public safety and judicial . . . . .	—	—	—	17,797,609	19,768,697	21,347,661
Education . . . . .	—	—	—	30,760,255	36,607,460	34,679,981
City University . . . . .	—	—	—	1,142,211	1,275,426	1,318,594
Social Services . . . . .	—	—	—	16,353,658	16,690,111	16,923,646
Environmental protection . . . . .	—	—	—	4,796,434	4,715,122	4,502,959
Transportation services . . . . .	—	—	—	2,871,049	2,763,111	3,221,709
Parks, recreation and cultural activities	—	—	—	1,231,136	1,257,151	1,428,692
Housing . . . . .	—	—	—	2,665,949	2,597,792	3,069,371
Health (including payments to NYC Health + Hospitals) . . . . .	—	—	—	5,463,861	3,474,850	3,601,500
Libraries . . . . .	—	—	—	449,072	412,829	486,749
Debt service interest . . . . .	—	—	—	2,922,974	3,154,438	3,159,364
Brooklyn Bridge Park Corp. . . . .	31,878	28,994	26,551	31,878	28,994	26,551
The Trust for Governor's Island . . . . .	43,797	41,461	42,000	43,797	41,461	42,000
WTC Captive Insurance Co. . . . .	1,696	1,742	1,755	1,696	1,742	1,755
New York City Tax Lien Trusts . . . . .	122,372	276,816	208,853	122,372	276,816	208,853
Total expenses . . . . .	<u>199,743</u>	<u>349,013</u>	<u>279,159</u>	<u>94,850,713</u>	<u>99,906,460</u>	<u>100,566,619</u>
Change in net position . . . . .	(42,505)	(65,085)	1,892	9,325,259	(3,984,761)	(6,944,257)
Net position (deficit)—beginning . . . . .	875,616	940,701	938,809	(204,960,220)	(200,975,459)	(196,828,895)
Restatement of beginning net position (deficit) . . . . .	—	—	—	—	—	2,797,693
Net position (deficit)—ending . . . . .	<u>\$ 833,111</u>	<u>\$ 875,616</u>	<u>\$ 940,701</u>	<u>\$ (195,634,961)</u>	<u>\$ (204,960,220)</u>	<u>\$ (200,975,459)</u>

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

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

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

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

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



In Fiscal Year 2020, the governmental activities revenue increased from Fiscal Year 2019 by approximately \$2.3 billion and expense decreased by approximately \$730 million.

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

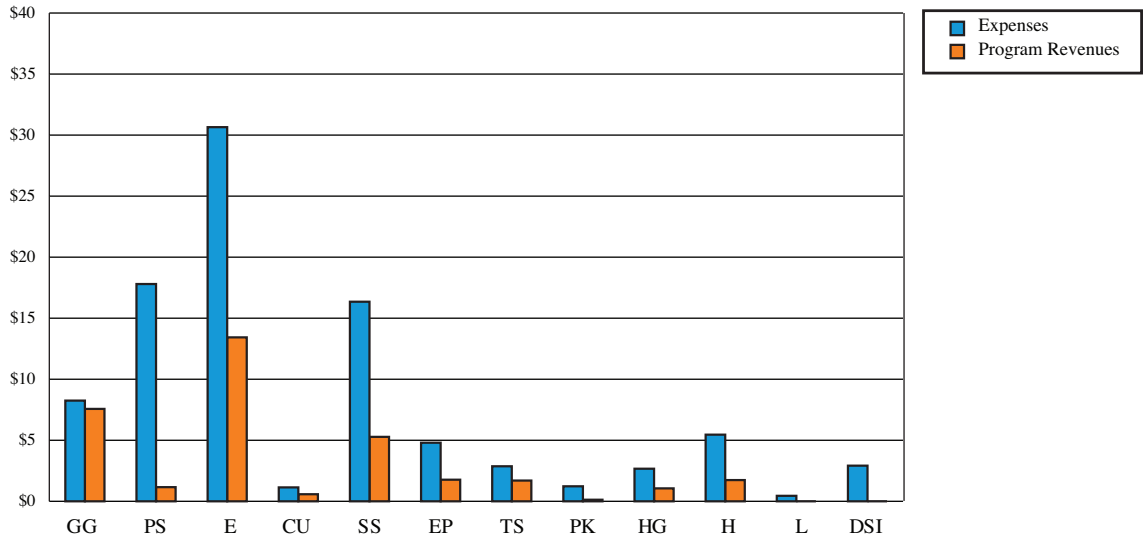
- Tax revenues, net of refunds, increased slightly overall as a result of the following:
  - The increase in real estate taxes resulted from growth in billable assessed value during the fiscal year.
  - Personal income taxes only increased slightly, reflecting the impact of the COVID-19 pandemic on wages, 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 governmental activities expenses were:

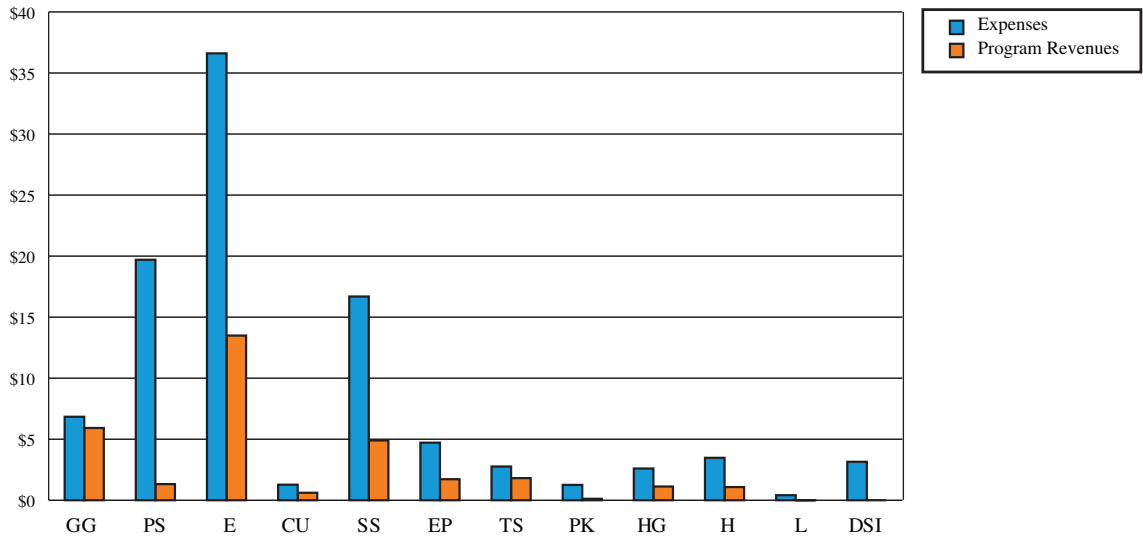
- Education expenses increased due to collective bargaining increases, fringe benefits, growth in mandated costs for special education pupils, increased charter school costs, and the transfer of the EarlyLearn program from the Administration for Children’s Services to the Department of Education.
- General 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.

The following charts compare the amounts of expenses and program revenues for Fiscal Years 2021 and 2020:

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



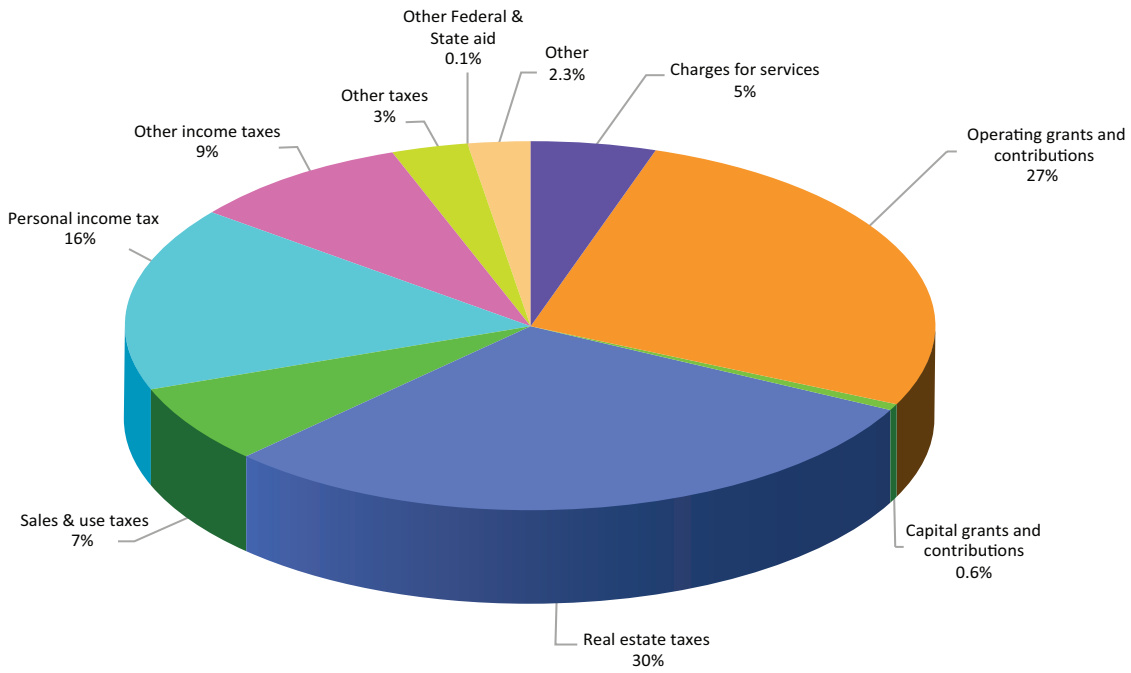
**Expenses and Program Revenues — Governmental Activities  
for the Fiscal Year ended June 30, 2020  
(in billions)**



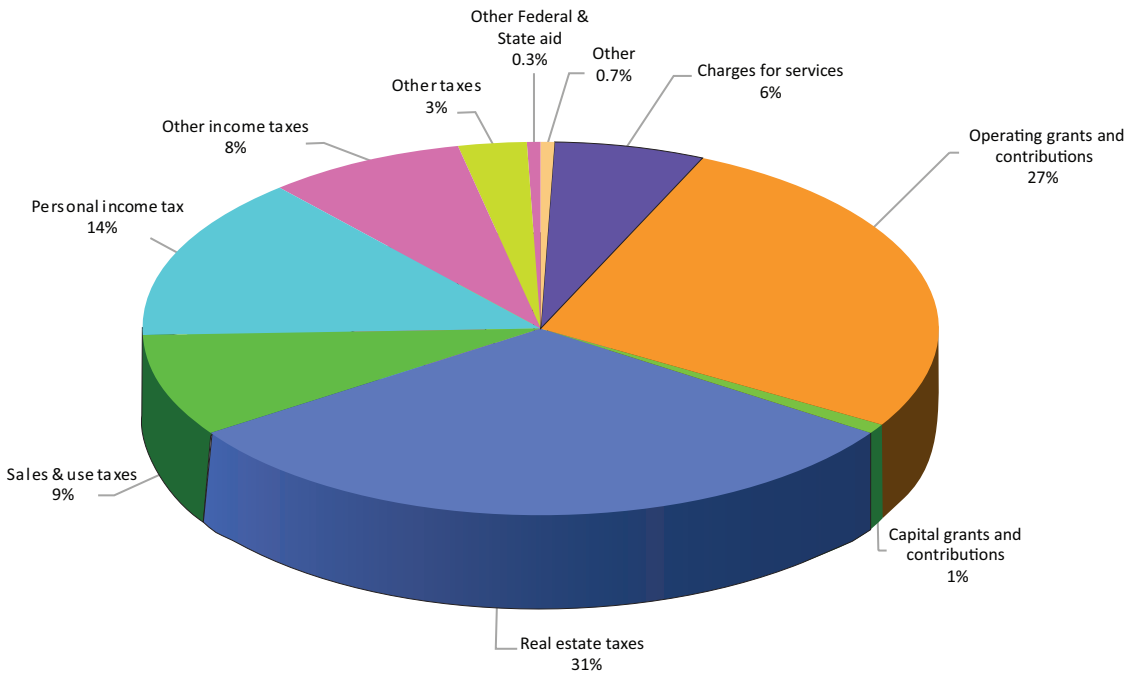
<b>Functions/Programs</b>	
GG	General government
PS	Public safety and judicial
E	Education (Primary and Secondary)
CU	City University
SS	Social services
EP	Environmental protection
TS	Transportation services
PK	Parks, recreation, and cultural activities
HG	Housing
H	Health, including payments to NYC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

The following charts compare the amounts of program and general revenues for Fiscal Years 2021 and 2020:

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



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



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 2021, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$196.5 billion, a decrease in the net deficit of \$9.4 billion from June 30, 2020, which in turn compares with an increase to the net deficit of \$3.9 billion over the prior Fiscal Year 2019.

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 2021 the current year deletions were much larger than the deletions in previous years, causing the long term liabilities to decrease significantly. The main component of this year's decrease is the reduction of the net pension liability, which is attributed to the increase of the related net investment income.

See table below for further details.

	<b>Net Position</b>		
	<b>(in thousands)</b>		
	<b>Governmental Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>2019 (restated)</b>
Current and other assets . . . . .	\$ 60,255,122	\$ 51,574,029	\$ 47,184,974
Capital assets (net of depreciation) . . . . .	64,756,815	62,901,585	60,840,037
Total assets . . . . .	<u>125,011,937</u>	<u>114,475,614</u>	<u>108,025,011</u>
Deferred outflows of resources . . . . .	15,969,514	15,897,383	14,746,877
Long-term liabilities outstanding . . . . .	246,611,973	274,256,331	264,539,972
Other liabilities . . . . .	36,905,854	30,575,133	26,916,540
Total liabilities . . . . .	<u>283,517,827</u>	<u>304,831,464</u>	<u>291,456,512</u>
Deferred inflows of resources . . . . .	53,931,696	31,377,369	33,231,536
Net position:			
Net investment in capital assets . . . . .	(12,779,784)	(13,577,571)	(13,872,508)
Restricted . . . . .	5,214,522	5,278,271	5,554,796
Unrestricted (deficit) . . . . .	<u>(188,902,810)</u>	<u>(197,536,536)</u>	<u>(193,598,448)</u>
Total net position (deficit) . . . . .	<u><u>\$(196,468,072)</u></u>	<u><u>\$(205,835,836)</u></u>	<u><u>\$(201,916,160)</u></u>

**Net Position - (continued)**  
**(in thousands)**

	<b>Business-Type Activities</b>			<b>Total Primary Government</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2021</b>	<b>2020</b>	<b>2019 (restated)</b>
Current and other assets . . . . .	\$ 698,149	\$ 778,125	\$ 814,861	\$ 60,953,271	\$ 52,352,154	\$ 47,999,835
Capital assets (net of depreciation) . . . . .	591,992	566,584	565,626	65,348,807	63,468,169	61,405,663
Total assets . . . . .	<u>1,290,141</u>	<u>1,344,709</u>	<u>1,380,487</u>	<u>126,302,078</u>	<u>115,820,323</u>	<u>109,405,498</u>
Deferred outflows of resources . . . . .	—	—	—	15,969,514	15,897,383	14,746,877
Long-term liabilities outstanding . . . . .	404,657	436,557	402,010	247,016,630	274,692,888	264,941,982
Other liabilities . . . . .	52,373	32,536	37,776	36,958,227	30,607,669	26,954,316
Total liabilities . . . . .	<u>457,030</u>	<u>469,093</u>	<u>439,786</u>	<u>283,974,857</u>	<u>305,300,557</u>	<u>291,896,298</u>
Deferred inflows of resources . . . . .	—	—	—	53,931,696	31,377,369	33,231,536
Net position:						
Net investment in capital assets . . . . .	591,992	566,584	563,108	(12,187,792)	(13,010,987)	(13,309,400)
Restricted . . . . .	241,119	311,295	377,593	5,455,641	5,589,566	5,932,389
Unrestricted (deficit) . . . . .	—	(2,263)	—	(188,902,810)	(197,538,799)	(193,598,448)
Total net position (deficit) . . . . .	<u>\$ 833,111</u>	<u>\$ 875,616</u>	<u>\$ 940,701</u>	<u>\$(195,634,961)</u>	<u>\$(204,960,220)</u>	<u>\$(200,975,459)</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, 2021 and 2020:

	<u>Components of Net Position (Deficit)</u>	
	<u>2021</u>	<u>2020</u>
	(in billions)	
<b>Net Investment in Capital Assets</b>		
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. . . . .	\$ (12.8)	\$ (13.6)
<b>Net Position Restricted for:</b>		
Capital Projects . . . . .	0.7	0.5
Debt Service . . . . .	2.2	2.0
Operations . . . . .	<u>2.3</u>	<u>2.8</u>
Total restricted net position. . . . .	<u>5.2</u>	<u>5.3</u>
<b>Unrestricted Net Position</b>		
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 . . . .	(0.3)	(0.4)
STAR issued debt related to the defeasance of the MAC issued debt. . . . .	—	(1.6)
The City has issued debt for the acquisition and construction of public purpose capital assets which are not reported as City-owned assets on the Statement of Net Position. This includes assets of the NYC Transit Authority, the System, NYC Health + Hospitals, and certain public libraries and cultural institutions. This is the debt outstanding for non-City owned assets at year end. . . . .	(41.3)	(40.3)
Certain long-term obligations do not require funding in the current period:		
Net OPEB liability . . . . .	(118.0)	(109.5)
Judgments and claims . . . . .	(6.9)	(7.1)
Vacation and sick leave. . . . .	(6.4)	(5.7)
Net Pension liability . . . . .	(9.6)	(46.4)
Landfill closure and postclosure care costs. . . . .	(1.2)	(1.2)
Deferred outflows of resources . . . . .	16.0	15.9
Other: . . . . .	<u>(21.2)</u>	<u>(1.2)</u>
Total unrestricted net position. . . . .	<u>(188.9)</u>	<u>(197.5)</u>
<b>Total net position (deficit). . . . .</b>	<u><u>\$ (196.5)</u></u>	<u><u>\$ (205.8)</u></u>

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

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

\* Includes QPP and VSFs

\*\* QPP only

\*\*\* Calculated based on whole dollar unrounded amounts.

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					
	NYCERS*	TRS**	BERS**	POLICE*	FIRE*	Total
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.

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.

	<b>Governmental Funds</b>					<b>Total</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>General Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Adjustment/ Eliminations</b>	
	(in thousands)					
Fund Balances (deficit), June 30, 2019 . . .	\$ 3,285,909	\$(3,718,924)	\$ 1,727,091	\$ 4,894,453	\$ —	\$ 6,188,529
Revenues . . . . .	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>
Revenues . . . . .	99,182,509	2,463,163	60,755	5,840,557	(3,395,840)	104,151,144
Expenditures . . . . .	(91,103,926)	(9,431,236)	(3,585,099)	(13,152,308)	3,119,828	(114,152,741)
Other financing sources (uses) . . . . .	(8,492,182)	6,415,215	5,252,007	7,282,460	276,012	10,733,512
Fund Balances (deficit), June 30, 2021 . . .	<u>\$ 2,831,502</u>	<u>\$(3,067,690)</u>	<u>\$ 3,005,145</u>	<u>\$ 4,971,389</u>	<u>\$ —</u>	<u>\$ 7,740,346</u>

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

If the City anticipates that the General Fund will have an operating surplus, the City will make discretionary transfers to the General Debt Service Fund and other payments that reduce the amount of the General Fund surplus for financial reporting purposes and reduce the need for expenditures in the succeeding fiscal year or years. The General Fund had an operating surplus of \$6.1 billion and \$3.8 billion before these expenditures and transfers (discretionary and other) for Fiscal Years 2021 and 2020, 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, 2021 can be attributed principally to transfers (discretionary transfer and other) from the General Fund totaling \$3.0 billion in Fiscal Year 2021 for Fiscal Year 2022 debt service. Similar transfers in Fiscal Year 2020 of \$1.3 billion for Fiscal Year 2021 debt service also primarily account for the General Debt Service Fund balance at June 30, 2020.

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, 2021 and 2020 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 2021 General Fund expenditures include approximately \$101.0 million of pollution remediation expenditures associated with projects which were originally included in the City’s capital program. The City also reported \$96.4 million of City bond proceeds and \$4.5 million of other revenues (New York City Municipal Water Finance Authority bond proceeds transferred to the City) supporting the \$101.0 million of pollution remediation expenditures in the General Fund for Fiscal Year 2021. In Fiscal Year 2020, \$136.1 million of City bond proceeds and \$1.1 million of other revenues supported the \$137.2 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.

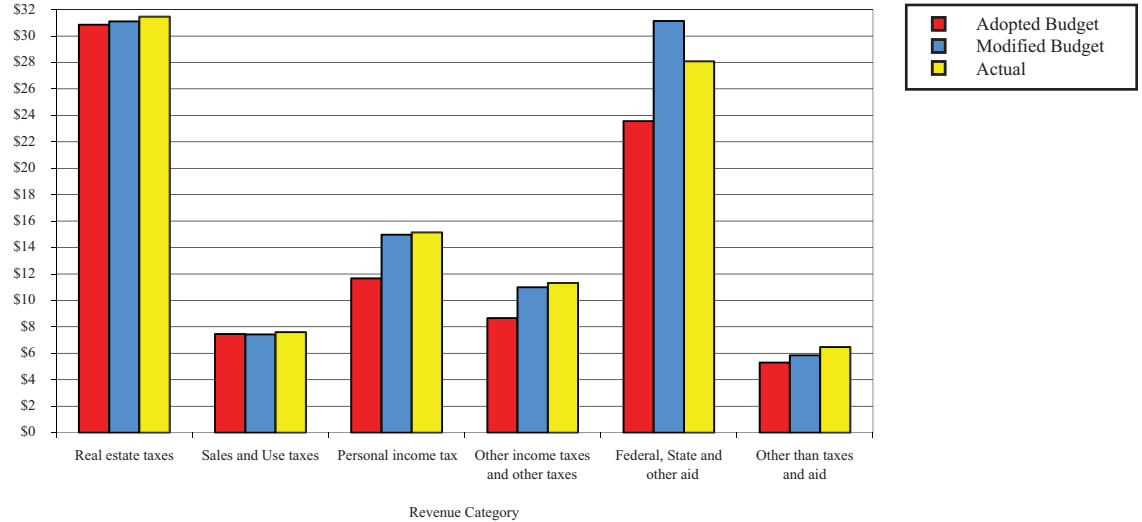
Although amounts were not established in the Adopted Budget, a modification to the budget was made to accommodate the amount of pollution remediation expenditure charge in the General Fund. These pollution remediation expenditures were incurred by various agencies, as follows:

	<b>General Fund Pollution Remediation Expenditures</b>	
	<b>2021</b>	<b>2020</b>
	(in thousands)	
General government . . . . .	\$ 9,144	\$ 11,013
Public safety and judicial . . . . .	1,727	3,314
Education . . . . .	57,950	96,001
Social services . . . . .	364	303
Environmental protection . . . . .	5,968	9,840
Transportation services . . . . .	23,561	13,195
Parks, recreation, and cultural activities . . . . .	1,195	1,343
Housing . . . . .	256	230
Health, including NYC Health + Hospitals . . . . .	772	1,109
Libraries . . . . .	36	806
Total expenditures . . . . .	<u>\$ 100,973</u>	<u>\$ 137,154</u>

**General Fund Budgetary  
Highlights Revenues**

The following charts and tables summarize actual revenues by category and includes restricted fund activities, for Fiscal Years 2021 and 2020 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.

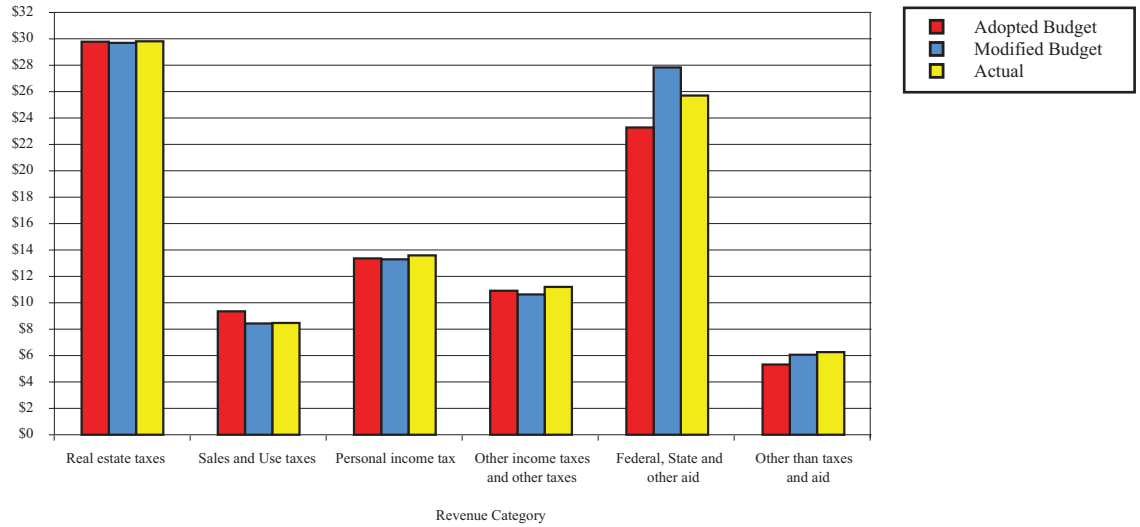
**General Fund Revenues  
Fiscal Year 2021  
(in billions)**



**General Fund Revenues  
Fiscal Year 2021**

	<u>Adopted Budget</u>	<u>Modified Budget</u> (in millions)	<u>Actual</u>
Taxes (net of refunds):			
Real estate taxes . . . . .	\$30,852	\$ 31,108	\$ 31,464
Sales and use taxes . . . . .	7,459	7,463	7,603
Personal income tax . . . . .	11,671	15,023	15,140
Other income taxes . . . . .	5,361	8,311	8,594
Other taxes . . . . .	3,299	2,600	2,732
Taxes (net of refunds) . . . . .	<u>58,642</u>	<u>64,505</u>	<u>65,533</u>
Federal, State and other aid:			
Categorical . . . . .	23,570	31,134	28,093
Unrestricted . . . . .	—	1	1
Federal, State and other aid . . . . .	<u>23,570</u>	<u>31,135</u>	<u>28,094</u>
Other than taxes and aid:			
Charges for services . . . . .	2,985	2,869	2,798
Other revenues . . . . .	2,013	2,567	2,757
Restricted fund activity . . . . .	—	—	515
Bond proceeds . . . . .	—	96	96
Transfers from Nonmajor Debt Service Fund . . . . .	235	248	248
Transfers from General Debt Service Fund . . . . .	70	61	61
Other than taxes and aid . . . . .	<u>5,303</u>	<u>5,841</u>	<u>6,475</u>
Total revenues . . . . .	<u>\$87,515</u>	<u>\$101,481</u>	<u>\$100,102</u>

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



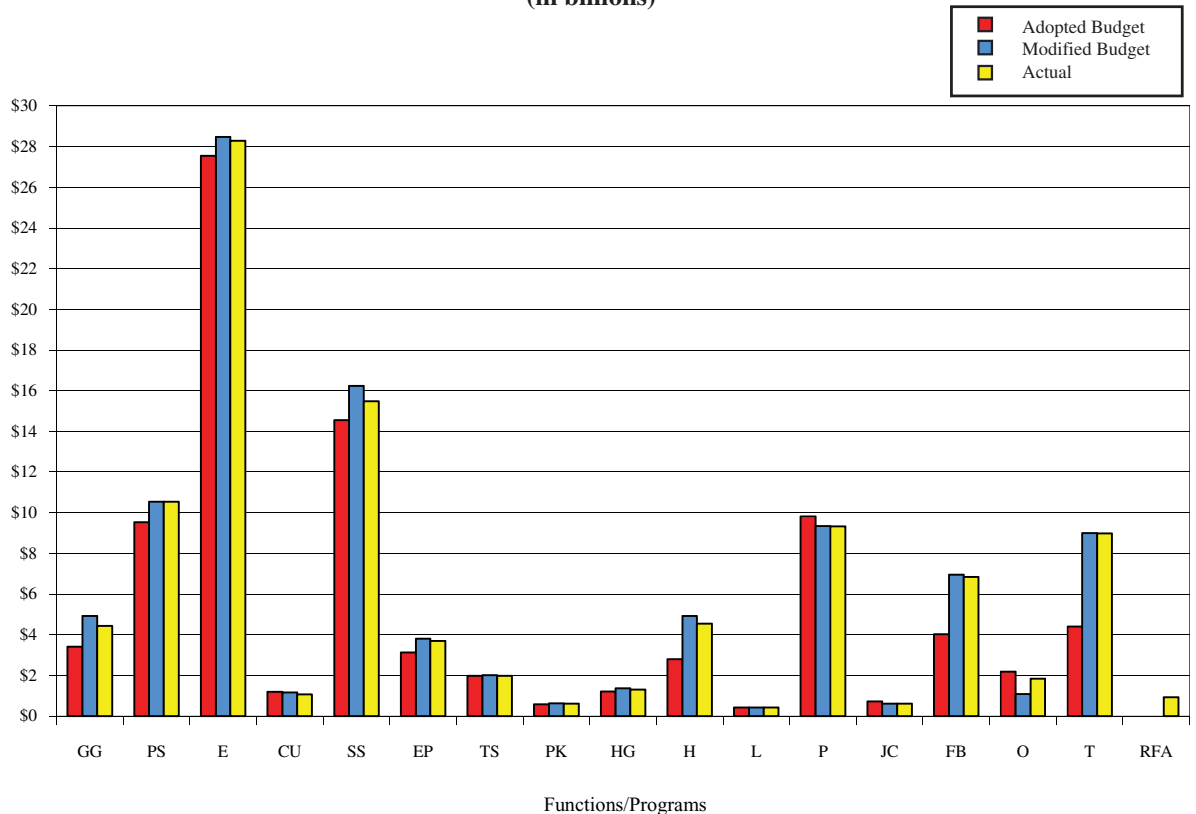
**General Fund Revenues  
Fiscal Year 2020**

	<u>Adopted Budget</u>	<u>Modified Budget</u> (in millions)	<u>Actual</u>
<b>Taxes (net of refunds):</b>			
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
<b>Taxes (net of refunds) . . . . .</b>	<u>63,421</u>	<u>62,071</u>	<u>63,090</u>
<b>Federal, State and other aid:</b>			
Categorical . . . . .	23,286	27,585	25,693
Unrestricted . . . . .	—	253	11
<b>Federal, State and other aid . . . . .</b>	<u>23,286</u>	<u>27,838</u>	<u>25,704</u>
<b>Other than taxes and aid:</b>			
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
<b>Other than taxes and aid . . . . .</b>	<u>5,329</u>	<u>6,064</u>	<u>6,264</u>
<b>Total revenues . . . . .</b>	<u>\$92,036</u>	<u>\$95,973</u>	<u>\$95,058</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 2021 and 2020, 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.

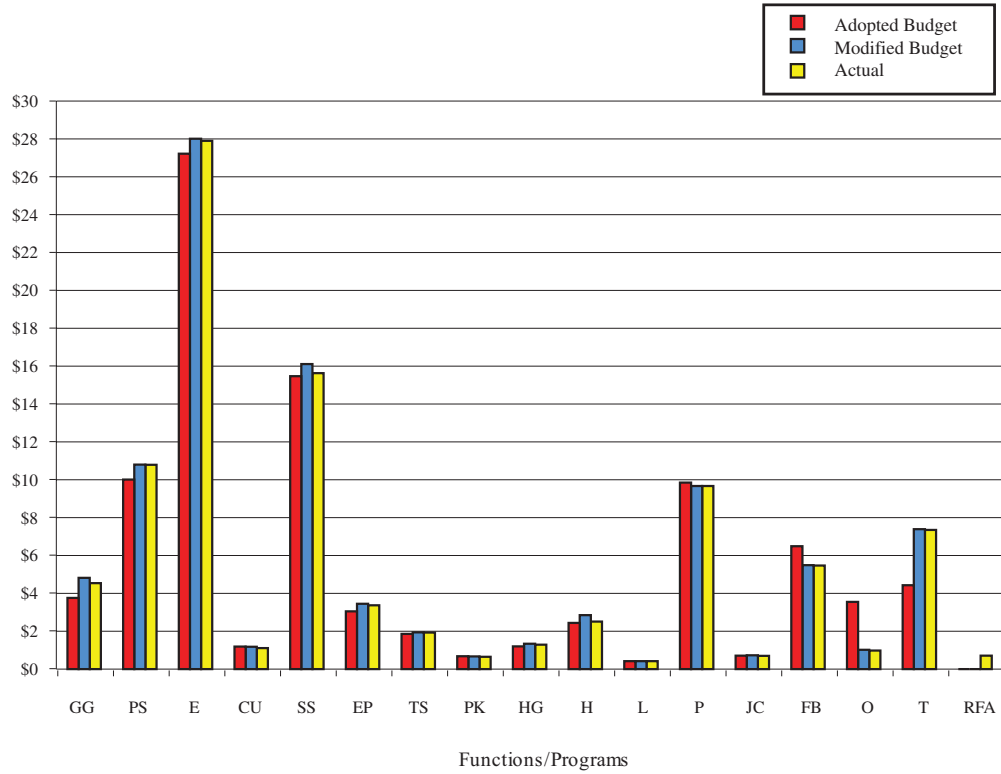
**General Fund Expenditures  
Fiscal Year 2021  
(in billions)**



**General Fund Expenditures  
Fiscal Year 2021**

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>
		(in millions)	
General government (GG) . . . . .	\$ 3,406	\$ 4,918	\$ 4,429
Public safety and judicial (PS) . . . . .	9,537	10,536	10,548
Education (E) . . . . .	27,550	28,481	28,288
City university (CU) . . . . .	1,196	1,162	1,060
Social services (SS) . . . . .	14,551	16,232	15,475
Environmental protection (EP) . . . . .	3,123	3,806	3,697
Transportation services (TS) . . . . .	1,976	1,999	1,971
Parks, recreation and cultural activities (PK) . . . . .	579	634	619
Housing (HG) . . . . .	1,213	1,366	1,298
Health, including NYC Health + Hospitals (H) . . . . .	2,793	4,915	4,554
Libraries (L) . . . . .	426	423	423
Pensions (P) . . . . .	9,820	9,353	9,334
Judgments and claims (JC) . . . . .	727	618	618
Fringe benefits and other benefit payments (FB) . . . . .	4,027	6,949	6,846
Other (O) . . . . .	2,187	1,082	1,847
Transfers and other payments for debt service (T) . . . . .	4,404	9,006	8,994
Restricted fund activity (RFA) . . . . .	—	—	933
<b>Total expenditures . . . . .</b>	<b>\$87,515</b>	<b>\$101,480</b>	<b>\$100,934</b>

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



**General Fund Expenditures  
Fiscal Year 2020**

	<u>Adopted Budget</u>	<u>Modified Budget</u> (in millions)	<u>Actual</u>
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
<b>Total expenditures</b> . . . . .	<u><u>\$92,036</u></u>	<u><u>\$95,973</u></u>	<u><u>\$95,099</u></u>

**General Fund Surplus**

The City had General Fund surpluses of \$6.1 billion, \$3.8 billion and \$4.2 billion before certain expenditures and transfers (discretionary and other), and without regard to the restricted fund balance for Fiscal Years 2021, 2020 and 2019, respectively. For Fiscal Years 2021, 2020 and 2019, 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 2021, 2020 and 2019 budgets follow:

	<b>General Fund*</b>		
	<u>2021</u>	<u>2020</u>	<u>2019</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. . . . .	\$ 569	\$ 176	\$ 172
Discretionary transfers to the General Debt Service Fund . . . . .	2,431	1,093	1,530
Grant to TFA . . . . .	2,682	2,550	2,319
Advance cash subsidies to the NYC Health + Hospitals . . . . .	—	—	200
Payment to the Retiree Health Benefits Trust. . . . .	<u>425</u>	<u>—</u>	<u>—</u>
Total expenditures and transfers (discretionary and other) . . . . .	6,107	3,819	4,221
Reported surplus . . . . .	<u>5</u>	<u>5</u>	<u>5</u>
Total surplus. . . . .	<u><u>\$6,112</u></u>	<u><u>\$3,824</u></u>	<u><u>\$4,226</u></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 2021 Adopted Budget:

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

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

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.



**Capital Assets**

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

*Governmental Activities*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
		(in millions)	
Land* . . . . .	\$ 2,466	\$ 2,435	\$ 2,391
Buildings . . . . .	36,920	36,723	36,321
Equipment (including software) . . . . .	3,579	3,380	3,250
Infrastructure** . . . . .	17,380	16,602	15,678
Construction work-in-progress* . . . . .	4,412	3,761	3,200
Total . . . . .	<u>\$64,757</u>	<u>\$62,901</u>	<u>\$60,840</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 2021 was \$1.86 billion, a 2.9% increase. Capital assets additions in Fiscal Year 2021 were \$9.08 billion, a decrease of \$160 million from Fiscal Year 2020.

In 2021, construction work-in-progress was \$4.41 billion, representing a 17.3% net increase. Construction work-in-progress increased predominantly due to a reduction in the amount disallowed, as an ineligible capital expenditure, related to pollution remediation liquidations in the current year. Additionally, the City saw an uptick in equipment as a direct result of the change in the City capitalization policy which allowed for more IT software and hardware to be funded by the Capital Projects Fund. The 2021 addition to work-in-progress was \$3.31 billion, a 1.6% decrease from prior year. In 2021 building additions (work-in-progress deletions) were \$2.66 billion, representing a 5.1% decrease from Fiscal Year 2020.

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, an decrease of \$1.19 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 \$2.80 billion, representing a 22.1% decrease from Fiscal Year 2019.

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>2021</u>	<u>2020</u>	<u>2019</u>
		(in millions)	
Buildings . . . . .	\$ 39	\$ 39	\$ 41
Equipment (including software) . . . . .	12	14	15
Infrastructure** . . . . .	424	444	451
Construction work-in-progress* . . . . .	117	70	58
Total . . . . .	<u>\$ 592</u>	<u>\$ 567</u>	<u>\$ 565</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 2021 was \$25 million, a 4.4% increase. Capital asset additions net of depreciation in Fiscal Year 2021 were \$43 million, an increase of \$5 million, from Fiscal Year 2020.

In 2021, construction work-in-progress was \$117 million, representing a 67.1% net increase. The 2021 addition to work-in-progress was \$64 million, a 46.9% increase from prior year.

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 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 2021, 2020 and 2019.

	New York City and City-Related Debt		
	2021	2020	2019
	(in millions)		
<b>Governmental activities:</b>			
Bonds and notes payable			
General Obligation Bonds <sup>(1)</sup> . . . . .	\$38,574	\$38,784	\$37,519
TFA Bonds . . . . .	41,276	40,257	37,955
TFA Recovery Bonds . . . . .	278	421	558
TFA BARBs . . . . .	8,403	8,300	8,111
TSASC Bonds . . . . .	993	1,023	1,053
IDA Bonds . . . . .	57	60	62
STAR Bonds . . . . .	—	1,634	1,721
FSC Bonds . . . . .	—	—	22
HYIC Bonds . . . . .	2,677	2,724	2,724
ECF Bonds . . . . .	302	213	218
Total bonds and notes outstanding governmental activities . . . . .	<u>92,560</u>	<u>93,416</u>	<u>89,943</u>
<b>Business-Type Activities:</b>			
Bonds and notes payable			
Tax Lien Collateralized Bonds . . . . .	25	62	46
Total bonds and notes outstanding business-type activities . . . . .	<u>25</u>	<u>62</u>	<u>46</u>
Total before premiums/discounts (net) . . . . .	92,585	93,478	89,989
Premiums/discounts (net) . . . . .	<u>6,856</u>	<u>5,976</u>	<u>5,541</u>
Total bonds and notes outstanding . . . . .	<u>\$99,441</u>	<u>\$99,454</u>	<u>\$95,530</u>

<sup>(1)</sup> 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, 2021, the City’s outstanding General Obligation (GO) debt, including capital contract liabilities and TFA’s outstanding debt above \$13.50 billion (refer to Note D.5 for further details) totaled \$81.82 billion (compared with \$79.20 billion and \$76.93 billion as of June 30, 2020 and 2019, respectively). As of June 30, 2021, the City’s Debt Limit was \$123.02 billion (compared with \$116.27 billion and \$106.24 billion as of June 30, 2020 and 2019, respectively). The remaining debt incurring power for the City and TFA’s combined debt as of June 30, 2021, after providing for capital contract liabilities, totaled \$41.20 billion. As of July 1, 2021, the remaining debt incurring power is \$47.70 billion, based on the change in the five-year full valuation average for fiscal year 2022.

As of June 30, 2021, the City’s outstanding GO debt was \$38.57 billion, consisting of \$4.89 billion of variable rate bonds and \$33.69 billion of fixed rate bonds. In Fiscal Year 2021, a total of \$2.89 billion GO bonds were issued to refund a portion of the City’s outstanding bonds at lower interest rates and \$2 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 \$272.92 million, \$171.73 million, and \$16.55 thousand in Fiscal Years 2021, 2022, and 2023, respectively. The refunding will generate \$444.97 million in budgetary savings over the life of the bonds or approximately \$428.54 million of savings on a net present value basis.

In Fiscal Year 2021, the City issued \$1.99 billion of taxable fixed rate bonds.

In addition, the City converted \$670.14 million of bonds between variable to fixed rate interest modes and \$259.35 million between variable rate modes.

During Fiscal Year 2021, GO variable rate debt traded at the following average interest rates:

	<u>Tax Exempt</u>
Dailies <sup>(1)</sup> . . . . .	0.07%
Weeklies <sup>(1)</sup> . . . . .	0.08%
Auction Rate Securities—7 day . . . . .	0.57%
Index Floaters . . . . .	0.87%

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

*Short-Term Financing*

In Fiscal Year 2021, the City had no short-term borrowings.

*Transitional Finance Authority*

In Fiscal Year 2021, TFA issued \$6.02 billion of Future Tax Security (FTS) Bonds. This total included \$3.17 billion issued for new money capital purposes and \$2.85 billion issued to refund certain outstanding bonds at lower interest rates. The refunding will generate \$629.89 million in budgetary savings over the life of the bonds and approximately \$613.71 million on a net present value basis.

In addition, TFA converted \$639.23 million of bonds between modes.

As of June 30, 2021, the total outstanding FTS and Recovery debt were \$41.55 billion. Of the amount outstanding, variable rate debt totaled \$3.09 billion, including \$16.60 million of variable rate Recovery Bonds. During Fiscal Year 2021, TFA’s variable rate bonds traded at the following average interest rates:

	<u>Tax Exempt</u>
Dailies <sup>(1)</sup> . . . . .	0.06%
2-Day Mode <sup>(1)</sup> . . . . .	0.11%
Weeklies <sup>(1)</sup> . . . . .	0.11%
Auction Rate Securities—7 day <sup>(1)</sup> . . . . .	0.28%
Index Floaters . . . . .	0.77%

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

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

In Fiscal Year 2021, TFA issued \$200 million of TFA BARBs for new money. As of June 30, 2021, TFA BARBs outstanding totaled \$8.4 billion.

<i>TSASC, Inc.</i>	In Fiscal Year 2021, TSASC had no financing activity. As of June 30, 2021, TSASC had \$992.62 million of bonds outstanding.
<i>Sales Tax Asset Receivable Corporation</i>	In Fiscal Year 2021, STAR had no financing activity. All remaining STAR bonds were defeased with refunding bonds issued by Dormitory Authority of the State of New York. As of June 30, 2021, STAR has no bonds outstanding.
<i>Hudson Yards Infrastructure Corporation</i>	In Fiscal Year 2021, HYIC drew \$1.71 million from its construction loan. As of June 30, 2021, HYIC had \$2.68 billion of bonds outstanding.
<i>New York City Educational Construction Fund</i>	In Fiscal Year 2021, ECF had issued \$216.27 million of new money bonds. As of June 30, 2021, ECF had \$301.99 million of bonds outstanding.
<i>New York City Tax Lien Trusts</i>	In Fiscal Year 2021, the New York City Tax Lien Trusts had no financing activity. As of June 30, 2021, the New York City Tax Lien Trusts had in aggregate \$24.49 million of bonds outstanding.
<i>Interest Rate Exchange Agreements</i>	<p>To lower borrowing costs over the life of its bonds and to diversify its existing portfolio, the City has, from time to time, entered into interest rate exchange agreements (swaps) and sold options to enter into swaps at future dates. The City received specific authorization to enter into such agreements under Section 54.90 of the New York State Local Finance Law. No new swaps were initiated in Fiscal Year 2021. As of June 30, 2021, 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 \$541.68 million and the mark to fair value was approximately negative \$97.65 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 2021, the Authority did not initiate or terminate any swaps. As of June 30, 2021, the outstanding notional amount on the Water Authority's various swap agreements was \$401 million and the mark to fair value was approximately negative \$124.54 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 July 12, 2021, Kroll Bond Rating Agency published its initial rating of the City's General Obligation (GO) bonds at AA+ with a stable outlook. On August 13, 2021, Standard & Poor's Global Ratings revised its outlook of the City's GO bonds to positive.

On October 6, Moody's Investors Service upgraded its rating of Hudson Yards Infrastructure Corporation (HYIC) bonds to Aa2 from Aa3. On October 7, Standard & Poor's Global Ratings upgraded its rating of HYIC bonds to AA- from A+. On October 8, Fitch Ratings upgraded its rating of HYIC bonds to A+ from A.

Subsequent to June 30, 2021, the Water Authority, TFA, the City, and HYIC completed the following long-term financings:

*Water Authority* On July 14, 2021, the New York City Municipal Water Finance Authority issued \$450,000,000 of Fiscal 2022 Series AA Second General Resolution Revenue Bonds for capital purposes.

On September 23, 2021, the New York City Municipal Water Finance Authority issued \$630,335,000 of Fiscal 2022 Series BB Second General Resolution Revenue Bonds to refund a portion of its outstanding bonds at lower interest rates.

*TFA Debt* On July 22, 2021, the New York City Transitional Finance Authority issued \$813,015,000 of Fiscal 2022 Series S-1 Building Aid Revenue Bonds to refund a portion of its outstanding bonds at lower interest rates.

On August 17, 2021, the New York City Transitional Finance Authority issued \$1,051,430,000 of Fiscal 2022 Series A Future Tax Secured Subordinate Bonds to refund a portion of its outstanding bonds at lower interest rates.

On September 9, 2021, the New York City Transitional Finance Authority issued \$1,200,000,000 of Fiscal 2022 Series B Future Tax Secured Subordinate Bonds for capital purposes.

*City Debt* On August 26, 2021, the City of New York issued \$1,200,000,000 of Fiscal 2022 Series A General Obligation bonds for capital purposes and reoffered \$89,505,000 of Fiscal 2022 Series 1 General Obligation bonds to convert a portion of its outstanding variable rate bonds to fixed rate.

*HYIC* On October 27, 2021, the Hudson Yards Infrastructure Corporation issued \$454,140,000 of Fiscal 2022 Series A Hudson Yards Revenue Bonds (Green Bonds) to refund a portion of its outstanding bonds at lower interest rates.

## ***Commitments***

At June 30, 2021, the outstanding commitments relating to projects of the New York City's Capital Projects Fund amounted to approximately \$21.7 billion.

To address the need for significant infrastructure and public facility capital investments, the City has prepared a ten-year capital spending program which contemplates New York City Capital Projects Fund expenditures of \$133.7 billion over Fiscal Years 2021 through 2028. To help meet the financing needs for its capital spending program, the City and TFA borrowed \$5.2 billion in the public credit market in Fiscal Year 2021. The City and TFA plan to borrow \$9.9 billion in the public credit market in Fiscal Year 2022.

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 has committed \$1.2 billion in additional capital funds in the 2021-2024 Capital Commitment Plan (defined herein), 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 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. Legislation necessary to implement the plan was not enacted. However, NYCHA continues to pursue such legislation with respect to improvements to 25,000 public housing units.

### ***Economic Factors and COVID-19***

The City has been severely affected by the coronavirus disease, referred to herein as "COVID-19." Effective May 19, 2021, the Governor, along with the governors of New Jersey and Connecticut, implemented a significant easing of COVID-19 pandemic restrictions on each state's businesses, venues and gatherings, replacing them with limitations only by space available to maintain the required six feet of social distancing. Additionally, on May 17, 2021, the City subway system returned to 24-hour service.

During the COVID-19 pandemic, many businesses in the City were ordered to close, public schools operated at various levels of remote and in-person learning, and limitations were imposed on large gatherings. Hotel occupancy has declined drastically, as have arrivals to City airports. The sudden reduction in 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. As a result of the COVID-19 pandemic, unemployment rates throughout the City increased substantially.

Certain real estate sectors have sustained losses as a result of the business distress caused by COVID-19. Higher unemployment and increased numbers of employees working from home due to the pandemic have stressed the City's office market. The pandemic has also reduced income for retail stores and hotels. Residential rent delinquencies significantly higher than average have been reported. Property tax revenues are projected to decline in fiscal year 2022, before resuming modest growth. 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.

While the Governor ended the state of emergency in the State on June 24, 2021, the state of emergency in the City remains in effect. Although cases and deaths declined during the late spring and summer of 2020, they increased again in the fall and winter of 2020-2021. Cases and deaths in the City declined significantly during the spring of 2021, as vaccinations became widely available. Commencing at the end of June 2021, cases in the City began to increase.

On July 26, 2021, in response to rising cases of COVID-19 in the City, the Mayor announced a requirement that all City employees submit proof of vaccination or complete weekly testing. Additionally, the Mayor announced on August 3, 2021 that, effective August 16, 2021, all patrons of indoor dining establishments, gyms, and indoor entertainment venues will be required to show proof of vaccination to gain entry. Numerous other government entities and private companies have also announced vaccination and testing requirements in response to the increase in COVID-19 infections. The State's health guidelines remain in effect for large indoor events, pre-K to grade 12 schools, public transit, health care settings and congregate facilities. Public schools in the City resumed to full in-person teaching as of September 13, 2021.

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

*Request for Information*

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

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The City of New York

Annual Comprehensive  
Financial Report  
of the  
Comptroller

Part II-A

BASIC  
FINANCIAL STATEMENTS

Fiscal Years Ended June 30, 2021 and 2020





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

JUNE 30, 2021  
(in thousands)

	Primary Government (PG)			Component Units (CU)
	Governmental Activities	Business – Type Activities	Total – (PG)	
<b>ASSETS:</b>				
Cash and cash equivalents . . . . .	\$ 5,452,360	\$ 51,256	\$ 5,503,616	\$ 2,322,461
Investments . . . . .	9,521,423	333,051	9,854,474	1,365,836
Receivables:				
Real estate taxes (less allowance for uncollectible amounts of \$260,393) . . . . .	412,173	—	412,173	—
Federal, State and other aid . . . . .	19,081,549	3,653	19,085,202	—
Taxes other than real estate . . . . .	9,064,592	—	9,064,592	—
Other . . . . .	2,964,586	226,575	3,191,161	5,835,743
Mortgage loans and interest receivable, net . . . . .	—	—	—	16,057,816
Inventories . . . . .	513,384	—	513,384	9,040
Due from PG, net . . . . .	—	—	—	50,727
Due from CU's . . . . .	4,817,617	—	4,817,617	—
Restricted cash, cash equivalents and investments . . . . .	7,422,685	83,401	7,506,086	8,308,478
Other . . . . .	1,004,753	213	1,004,966	815,415
Capital assets:				
Land and construction work-in-progress . . . . .	6,878,094	116,631	6,994,725	9,855,266
Other capital assets (net of depreciation/amortization):				
Property, plant and equipment (including software) . . . . .	40,498,744	50,920	40,549,664	36,154,991
Infrastructure . . . . .	17,379,977	424,441	17,804,418	—
Total assets . . . . .	<u>125,011,937</u>	<u>1,290,141</u>	<u>126,302,078</u>	<u>80,775,773</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows from pensions . . . . .	3,096,775	—	3,096,775	665,923
Deferred outflows from OPEB . . . . .	12,519,054	—	12,519,054	1,379,121
Other deferred outflows of resources . . . . .	353,685	—	353,685	325,413
Total deferred outflows of resources . . . . .	<u>15,969,514</u>	<u>—</u>	<u>15,969,514</u>	<u>2,370,457</u>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities . . . . .	23,399,404	44,961	23,444,365	4,353,103
Accrued interest payable . . . . .	1,204,911	89	1,205,000	213,483
Unearned revenue . . . . .	—	6,223	6,223	1,243,033
Due to PG, net . . . . .	—	—	—	4,817,617
Due to CU, net . . . . .	50,727	—	50,727	—
Estimated disallowance of Federal, State and other aid . . . . .	298,458	—	298,458	—
Other . . . . .	11,952,354	1,100	11,953,454	448,028
Derivative instruments—interest rate swaps . . . . .	—	—	—	120,682
Noncurrent liabilities:				
Due within one year . . . . .	6,544,322	51,755	6,596,077	2,094,678
Due in more than one year:				
Bonds & notes payable . . . . .	95,913,543	—	95,913,543	47,116,392
Net pension liability . . . . .	9,598,353	—	9,598,353	1,284,797
Net OPEB liability . . . . .	117,979,233	—	117,979,233	8,590,641
Other . . . . .	16,576,522	352,902	16,929,424	4,988,648
Total liabilities . . . . .	<u>283,517,827</u>	<u>457,030</u>	<u>283,974,857</u>	<u>75,271,102</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows from pensions . . . . .	34,240,169	—	34,240,169	2,139,246
Deferred real estate taxes . . . . .	8,684,392	—	8,684,392	—
Deferred inflows from OPEB . . . . .	10,749,662	—	10,749,662	1,566,358
Other deferred inflows of resources . . . . .	257,473	—	257,473	48,449
Total deferred inflows of resources . . . . .	<u>53,931,696</u>	<u>—</u>	<u>53,931,696</u>	<u>3,754,053</u>
<b>NET POSITION:</b>				
Net investment in capital assets . . . . .	(12,779,784)	591,992	(12,187,792)	12,141,055
Restricted for:				
Capital projects . . . . .	694,637	46,312	740,949	79,469
Debt service . . . . .	2,186,933	—	2,186,933	4,246,265
Loans/security deposits . . . . .	—	—	—	53,926
Donor/statutory restrictions . . . . .	—	—	—	491,839
Operations . . . . .	2,332,952	194,807	2,527,759	435,920
Unrestricted (deficit) . . . . .	<u>(188,902,810)</u>	<u>—</u>	<u>(188,902,810)</u>	<u>(13,327,399)</u>
Total net position (deficit) . . . . .	<u>\$ (196,468,072)</u>	<u>\$ 833,111</u>	<u>\$ (195,634,961)</u>	<u>\$ 4,121,075</u>

See accompanying notes to the financial statements.

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

JUNE 30, 2020  
(in thousands)

	Primary Government (PG)			Component Units (CU)
	Governmental Activities	Business – Type Activities	Total – (PG)	
<b>ASSETS:</b>				
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	—
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	9,295,035
Other . . . . .	544,320	142	544,462	669,023
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>77,628,307</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
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	306,745
Total deferred outflows of resources . . . . .	<u>15,897,383</u>	<u>—</u>	<u>15,897,383</u>	<u>1,871,132</u>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities . . . . .	19,677,459	27,650	19,705,109	3,793,290
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	175,134
Derivative instruments-interest rate swaps . . . . .	—	—	—	154,950
Noncurrent liabilities:				
Due within one year. . . . .	6,853,424	94,236	6,947,660	1,970,863
Due in more than one year:				
Bonds & notes payable . . . . .	95,437,633	—	95,437,633	46,058,170
Net pension liability . . . . .	46,376,874	—	46,376,874	3,166,164
Net OPEB liability . . . . .	109,456,918	—	109,456,918	7,950,631
Other. . . . .	16,131,482	342,321	16,473,803	4,940,639
Total liabilities. . . . .	<u>304,831,464</u>	<u>469,093</u>	<u>305,300,557</u>	<u>74,518,757</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
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>
<b>NET POSITION:</b>				
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 . . . . .	—	—	—	456,925
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>\$ 2,711,664</u>

See accompanying notes to financial statements.

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government (PG)			Component Units (CU)
					Governmental Activities	Business-Type Activities	Total – (PG)	
<b>Primary Government (PG):</b>								
<b>Governmental Activities:</b>								
General government .....	\$ 8,196,762	\$ 1,442,838	\$ 6,106,439	\$ 16,992	\$ (630,493)	\$ —	\$ (630,493)	\$ —
Public safety and judicial .....	17,797,609	408,953	716,684	29,656	(16,642,316)	—	(16,642,316)	—
Education .....	30,760,255	25,892	13,317,860	85,342	(17,331,161)	—	(17,331,161)	—
City University .....	1,142,211	304,052	275,858	—	(562,301)	—	(562,301)	—
Social services .....	16,353,658	87,581	5,188,719	5,571	(11,071,787)	—	(11,071,787)	—
Environmental protection .....	4,796,434	1,733,303	17,386	17,143	(3,028,602)	—	(3,028,602)	—
Transportation services .....	2,871,049	1,111,958	330,163	262,837	(1,166,091)	—	(1,166,091)	—
Parks, recreation and cultural activities .....	1,231,136	33,332	12,726	86,684	(1,098,394)	—	(1,098,394)	—
Housing .....	2,665,949	421,070	603,642	31,409	(1,609,828)	—	(1,609,828)	—
Health (including payments to NYC Health + Hospitals) .....	5,463,861	95,676	1,523,359	125,134	(3,719,692)	—	(3,719,692)	—
Libraries .....	449,072	—	—	—	(449,072)	—	(449,072)	—
Debt service interest .....	2,922,974	—	—	—	(2,922,974)	—	(2,922,974)	—
Total governmental activities ..	<u>94,650,970</u>	<u>5,664,655</u>	<u>28,092,836</u>	<u>660,768</u>	<u>(60,232,711)</u>	<u>—</u>	<u>(60,232,711)</u>	<u>—</u>
<b>Business-Type Activities:</b>								
Brooklyn Bridge Park Corp. ....	31,878	902	—	4,282	—	(26,694)	(26,694)	—
The Trust for Governor's Island. ....	43,797	3,673	15,749	10,065	—	(14,310)	(14,310)	—
WTC Captive Insurance Co. ....	1,696	—	—	—	—	(1,696)	(1,696)	—
New York City Tax Lien Trusts. ....	122,372	—	—	—	—	(122,372)	(122,372)	—
Total business-type activities .....	<u>199,743</u>	<u>4,575</u>	<u>15,749</u>	<u>14,347</u>	<u>—</u>	<u>(165,072)</u>	<u>(165,072)</u>	<u>—</u>
Total Primary Government (PG)	<u>\$ 94,850,713</u>	<u>\$ 5,669,230</u>	<u>\$ 28,108,585</u>	<u>\$ 675,115</u>	<u>(60,232,711)</u>	<u>(165,072)</u>	<u>(60,397,783)</u>	<u>—</u>
<b>Component Units</b> .....	<u>\$ 23,166,301</u>	<u>\$ 15,877,433</u>	<u>\$ 5,287,650</u>	<u>\$ 2,109,630</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ 108,412</u>
<b>General Revenues:</b>								
Taxes (net of refunds):								
Real estate taxes .....					31,421,372	—	31,421,372	—
Sales and use taxes .....					7,613,744	—	7,613,744	—
Personal income tax .....					15,795,380	—	15,795,380	—
Other income taxes .....					9,499,422	—	9,499,422	—
Other taxes:								
Commercial rent .....					941,341	—	941,341	—
Conveyance of real property .....					1,058,480	—	1,058,480	—
Hotel room occupancy .....					106,424	—	106,424	—
Payments in lieu of taxes .....					550,063	19,871	569,934	—
Other .....					79,225	—	79,225	—
Investment income .....					33,375	192,155	225,530	128,970
Unrestricted Federal and State aid .....					107,522	—	107,522	5,275
Gain (Loss) on in-substance defeasance .....					(9,041)	—	(9,041)	11,568
Other .....					2,403,168	(89,459)	2,313,709	1,155,220
Total general revenues .....					<u>69,600,475</u>	<u>122,567</u>	<u>69,723,042</u>	<u>1,301,033</u>
Change in net position .....					9,367,764	(42,505)	9,325,259	1,409,445
Net position (deficit)—beginning .....					(205,835,836)	875,616	(204,960,220)	2,711,664
Restatement of beginning net position .....					—	—	—	(34)
Net position (deficit)—ending .....					<u>\$(196,468,072)</u>	<u>\$833,111</u>	<u>\$(195,634,961)</u>	<u>\$4,121,075</u>

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**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)
<b>Primary Government (PG):</b>								
<b>Governmental Activities:</b>								
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	99,557,447	5,729,258	25,692,929	681,694	(67,453,566)	—	(67,453,566)	—
<b>Business-Type Activities:</b>								
Brooklyn Bridge Park Corp.	28,994	1,594	—	6,964	—	(20,436)	(20,436)	—
The Trust for Governor's Island	41,461	3,575	15,320	10,236	—	(12,330)	(12,330)	—
WTC Captive Insurance Co.	1,742	—	—	—	—	(1,742)	(1,742)	—
New York City Tax Lien Trusts	276,816	—	127,441	—	—	(149,375)	(149,375)	—
Total business-type activities	349,013	5,169	142,761	17,200	—	(183,883)	(183,883)	—
Total Primary Government (PG)	\$ 99,906,460	\$ 5,734,427	\$ 25,835,690	\$ 698,894	(67,453,566)	(183,883)	(67,637,449)	—
<b>Component Units</b>	\$ 24,149,470	\$ 14,765,909	\$ 4,491,105	\$ 2,073,803	—	—	—	\$(2,818,653)
<b>General Revenues:</b>								
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	—
Other income taxes					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	(11,821)	763,429	1,165,717
Total general revenues					63,533,890	118,798	63,652,688	1,492,180
Change in net position					(3,919,676)	(65,085)	(3,984,761)	(1,326,473)
Net position (deficit)—beginning					(201,916,160)	940,701	(200,975,459)	4,038,137
Net position (deficit)—ending					\$(205,835,836)	\$875,616	\$(204,960,220)	\$2,711,664

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**

JUNE 30, 2021  
(in thousands)

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

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

See accompanying notes to financial statements.



**THE CITY OF NEW YORK**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**

JUNE 30, 2020  
(in thousands)

	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustments/ Eliminations	Total Governmental Funds
<b>ASSETS:</b>						
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>
<b>LIABILITIES:</b>						
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>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
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>
<b>FUND BALANCES (DEFICITS):</b>						
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**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

JUNE 30, 2021  
(in thousands)

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

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**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><u>\$(205,835,836)</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, 2021  
(in thousands)

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

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

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**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
<b>REVENUES:</b>						
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
Other income taxes . . . . .	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>
<b>EXPENDITURES:</b>						
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>
<b>OTHER FINANCING SOURCES (USES):</b>						
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
Other financing source – refunding debt issued . . . . .	—	—	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 . . . . .	<u>(40,808)</u>	<u>1,204,092</u>	<u>(449,609)</u>	<u>106,227</u>	<u>—</u>	<u>819,902</u>
<b>FUND BALANCES (DEFICIT) AT BEGINNING</b>						
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>
<b>FUND BALANCES (DEFICIT) AT END OF YEAR . . . . .</b>	<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**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

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

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

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

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

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

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

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

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

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds . . . . .		(469,503)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds . . . . .		1,677,587
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Net change in deferred (inflows) and outflows of resources relating to pension liability . . .		(26,455,604)
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Net change in deferred (inflows) and outflows of resources relating to OPEB liability . . . .		3,834,146
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Change in net pension liability . . . . .		36,778,521
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Change in OPEB liability . . . . .		(8,522,315)
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Change in pollution remediation obligations . . . . .		<u>29,197</u>
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Change in net position—governmental activities . . . . .		<u>\$ 9,367,764</u>
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See accompanying notes to financial statements.

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

Proceeds from sales of bonds . . . . .	(9,248,485)	
Principal payments of bonds . . . . .	4,542,048	
Other . . . . .	750,635	(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 . . . . .		(758,047)
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Net change in deferred (inflows) and outflows of resources relating to pension liability . . .		5,713,761
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Net change in deferred (inflows) and outflows of resources relating to OPEB liability . . . .		(2,458,908)
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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>
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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, 2021  
(in thousands)

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

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		
<b>REVENUES:</b>				
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
Other income taxes . . . . .	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)
<b>EXPENDITURES:</b>				
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)
<b>OTHER FINANCING SOURCES (USES):</b>				
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)
<b>FUND BALANCE AT BEGINNING OF YEAR . . . . .</b>			3,285,909	
<b>FUND BALANCE AT END OF YEAR . . . . .</b>			\$ 3,245,101	

See accompanying notes to financial statements.

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

JUNE 30, 2021  
(in thousands)

	<b>Brooklyn Bridge Park Corporation</b>	<b>The Trust for Governors Island</b>	<b>NYCTL 1998-2 TRUST</b>	<b>NYCTL 2018-A TRUST</b>	<b>NYCTL 2019-A TRUST</b>
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents . . . . .	\$ 33,882	\$ 5,230	\$ 202	\$ —	\$ 14
Investments . . . . .	—	2,905	—	—	—
Receivables:					
Federal, State and other aid . . . . .	—	3,653	—	—	—
Accounts receivable . . . . .	465	715	39,013	—	12,220
Restricted cash, cash equivalents . . . . .	63,765	2,521	—	—	—
Restricted investments . . . . .	—	—	10,449	—	6,176
Prepaid expenses . . . . .	121	18	—	—	—
Total current assets . . . . .	<u>98,233</u>	<u>15,042</u>	<u>49,664</u>	<u>—</u>	<u>18,410</u>
Noncurrent assets:					
Investments . . . . .	27,638	—	—	—	—
Restricted cash, cash equivalents . . . . .	—	490	—	—	—
Accounts receivable . . . . .	—	—	132,485	—	34,618
Capital assets:					
Land and construction work-in-progress . . . . .	72,883	43,748	—	—	—
Other capital assets (net of depreciation/amortization):					
Property, plant and equipment (including software) . . . . .	39,574	11,346	—	—	—
Infrastructure . . . . .	172,201	252,240	—	—	—
Other assets . . . . .	—	—	—	—	—
Total noncurrent assets . . . . .	<u>312,296</u>	<u>307,824</u>	<u>132,485</u>	<u>—</u>	<u>34,618</u>
Total assets . . . . .	<u>410,529</u>	<u>322,866</u>	<u>182,149</u>	<u>—</u>	<u>53,028</u>
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable and accrued liabilities . . . . .	14,712	6,174	13,025	—	1,140
Accrued interest payable . . . . .	—	—	—	—	89
Unearned revenue . . . . .	4,191	2,032	—	—	—
Security deposits . . . . .	708	—	—	—	—
Overage due to taxpayers . . . . .	—	—	1,081	—	19
Bonds payable . . . . .	—	—	—	—	24,489
Discount on bonds payable . . . . .	—	—	—	—	(1)
Residual liability . . . . .	—	—	10,050	—	16,136
Total current liabilities . . . . .	<u>19,611</u>	<u>8,206</u>	<u>24,156</u>	<u>—</u>	<u>41,872</u>
Noncurrent liabilities:					
Security deposits . . . . .	6,658	502	—	—	—
Residual liability . . . . .	—	—	33,645	—	—
Other (net of amount due within one year) . . . . .	—	811	—	—	—
Total noncurrent liabilities . . . . .	<u>6,658</u>	<u>1,313</u>	<u>33,645</u>	<u>—</u>	<u>—</u>
Total liabilities . . . . .	<u>26,269</u>	<u>9,519</u>	<u>57,801</u>	<u>—</u>	<u>41,872</u>
<b>NET POSITION:</b>					
Net investment in capital assets . . . . .	284,658	307,334	—	—	—
Restricted for:					
Capital projects . . . . .	46,312	—	—	—	—
Operations . . . . .	53,290	6,013	124,348	—	11,156
Total net position . . . . .	<u>\$ 384,260</u>	<u>\$ 313,347</u>	<u>\$ 124,348</u>	<u>\$ —</u>	<u>\$ 11,156</u>

See accompanying notes to financial statements.

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

JUNE 30, 2021  
(in thousands)

	<b>WTC Captive Insurance Company, Inc.</b>	<b>Total Proprietary Funds</b>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents . . . . .	\$ 11,928	\$ 51,256
Investments . . . . .	1,147	4,052
Receivables:		
Federal, State and other aid . . . . .	—	3,653
Accounts receivable . . . . .	7,059	59,472
Restricted cash, cash equivalents . . . . .	—	66,286
Restricted investments . . . . .	—	16,625
Prepaid expenses . . . . .	34	173
Total current assets . . . . .	20,168	201,517
Noncurrent assets:		
Investments . . . . .	301,361	328,999
Restricted cash, cash equivalents . . . . .	—	490
Accounts receivable . . . . .	—	167,103
Capital assets:		
Land and construction work-in-progress . . . . .	—	116,631
Other capital assets		
(net of depreciation/amortization):		
Property, plant and equipment		
(including software) . . . . .	—	50,920
Infrastructure . . . . .	—	424,441
Other assets . . . . .	40	40
Total noncurrent assets . . . . .	301,401	1,088,624
Total assets . . . . .	321,569	1,290,141
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable and accrued liabilities . . . . .	9,910	44,961
Accrued interest payable . . . . .	—	89
Unearned revenue . . . . .	—	6,223
Security deposits . . . . .	373	1,081
Overage due to taxpayers . . . . .	—	1,100
Bonds payable . . . . .	—	24,489
Discount on bonds payable . . . . .	—	(1)
Residual liability . . . . .	—	26,186
Total current liabilities . . . . .	10,283	104,128
Noncurrent liabilities:		
Security deposits . . . . .	103,845	111,005
Residual liability . . . . .	207,441	241,086
Other (net of amount due within one year) . . . . .	—	811
Total noncurrent liabilities . . . . .	311,286	352,902
Total liabilities . . . . .	321,569	457,030
<b>NET POSITION:</b>		
Net investment in capital assets . . . . .	—	591,992
Restricted for:		
Capital projects . . . . .	—	46,312
Operations . . . . .	—	194,807
Total net position . . . . .	\$ —	\$ 833,111

See accompanying notes to financial statements.

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

JUNE 30, 2020  
(in thousands)

	<b>Brooklyn Bridge Park Corporation</b>	<b>The Trust for Governors Island</b>	<b>NYCTL 1998-2 TRUST</b>	<b>NYCTL 2017-A TRUST</b>	<b>NYCTL 2018-A TRUST</b>	<b>NYCTL 2019-A TRUST</b>
<b>ASSETS:</b>						
Current assets:						
Cash and cash equivalents . . . . .	\$ 33,962	\$ 6,571	\$ 132	\$ —	\$ 34	\$ 20
Investments . . . . .	—	2,142	—	—	—	—
Receivables:						
Federal, State and other aid . . . . .	—	1,108	—	—	—	—
Accounts receivable . . . . .	527	51	43,274	—	10,318	25,144
Restricted cash, cash equivalents . . . . .	76,207	2,792	—	—	—	—
Restricted investments . . . . .	—	—	9,504	—	4,957	10,268
Prepaid expenses . . . . .	71	3	—	—	—	—
Total current assets . . . . .	<u>110,767</u>	<u>12,667</u>	<u>52,910</u>	<u>—</u>	<u>15,309</u>	<u>35,432</u>
Noncurrent assets:						
Investments . . . . .	52,512	—	—	—	—	—
Restricted cash, cash equivalents . . . . .	—	439	—	—	—	—
Accounts receivable . . . . .	—	—	131,192	—	21,111	38,924
Capital assets:						
Land and construction work-in-progress . . . . .	34,854	35,188	—	—	—	—
Other capital assets						
(net of depreciation/amortization):						
Property, plant and equipment						
(including software) . . . . .	40,114	12,919	—	—	—	—
Infrastructure . . . . .	171,483	272,026	—	—	—	—
Other assets . . . . .	—	—	—	—	—	—
Total noncurrent assets . . . . .	<u>298,963</u>	<u>320,572</u>	<u>131,192</u>	<u>—</u>	<u>21,111</u>	<u>38,924</u>
Total assets . . . . .	<u>409,730</u>	<u>333,239</u>	<u>184,102</u>	<u>—</u>	<u>36,420</u>	<u>74,356</u>
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable and accrued liabilities . . . . .	9,633	3,081	8,781	—	160	355
Accrued interest payable . . . . .	—	—	—	—	64	183
Unearned revenue . . . . .	1,782	2,091	—	—	—	—
Security deposits . . . . .	708	—	—	—	—	—
Overage due to taxpayers . . . . .	—	—	758	—	8	—
Other . . . . .	—	349	—	—	—	—
Bonds payable . . . . .	—	—	—	—	11,991	50,325
Discount on bonds payable . . . . .	—	—	—	—	(1)	(2)
Residual liability . . . . .	—	—	10,231	—	4,513	15,490
Total current liabilities . . . . .	<u>12,123</u>	<u>5,521</u>	<u>19,770</u>	<u>—</u>	<u>16,735</u>	<u>66,351</u>
Noncurrent liabilities:						
Security deposits . . . . .	6,599	443	—	—	—	—
Residual liability . . . . .	—	—	34,250	—	—	—
Other (net of amount due within one year) . . . . .	—	439	—	—	—	—
Total noncurrent liabilities . . . . .	<u>6,599</u>	<u>882</u>	<u>34,250</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities . . . . .	<u>18,722</u>	<u>6,403</u>	<u>54,020</u>	<u>—</u>	<u>16,735</u>	<u>66,351</u>
<b>NET POSITION:</b>						
Net investment in capital assets . . . . .	246,451	320,133	—	—	—	—
Restricted for:						
Capital projects . . . . .	65,963	—	—	—	—	—
Operations . . . . .	78,594	6,703	130,082	—	19,685	10,268
Unrestricted (deficit) . . . . .	—	—	—	—	—	(2,263)
Total net position . . . . .	<u>\$ 391,008</u>	<u>\$ 326,836</u>	<u>\$ 130,082</u>	<u>\$ —</u>	<u>\$ 19,685</u>	<u>\$ 8,005</u>

See accompanying notes to financial statements.

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

JUNE 30, 2020  
(in thousands)

	<b>WTC Captive Insurance Company, Inc.</b>	<b>Total Proprietary Funds</b>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents . . . . .	\$ 5,306	\$ 46,025
Investments . . . . .	2,684	4,826
Receivables:		
Federal, State and other aid . . . . .	—	1,108
Accounts receivable . . . . .	1,084	80,398
Restricted cash, cash equivalents . . . . .	—	78,999
Restricted investments . . . . .	—	24,729
Prepaid expenses . . . . .	32	106
Total current assets . . . . .	<u>9,106</u>	<u>236,191</u>
Noncurrent assets:		
Investments . . . . .	297,720	350,232
Restricted cash, cash equivalents . . . . .	—	439
Accounts receivable . . . . .	—	191,227
Capital assets:		
Land and construction work-in-progress . . . . .	—	70,042
Other capital assets		
(net of depreciation/amortization):		
Property, plant and equipment		
(including software) . . . . .	—	53,033
Infrastructure . . . . .	—	443,509
Other assets . . . . .	36	36
Total noncurrent assets . . . . .	<u>297,756</u>	<u>1,108,518</u>
Total assets . . . . .	<u>306,862</u>	<u>1,344,709</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable and accrued liabilities . . . . .	5,640	27,650
Accrued interest payable . . . . .	—	247
Unearned revenue . . . . .	—	3,873
Security deposits . . . . .	632	1,340
Overage due to taxpayers . . . . .	—	766
Other . . . . .	—	349
Bonds payable . . . . .	—	62,316
Discount on bonds payable . . . . .	—	(3)
Residual liability . . . . .	—	30,234
Total current liabilities . . . . .	<u>6,272</u>	<u>126,772</u>
Noncurrent liabilities:		
Security deposits . . . . .	183,432	190,474
Residual liability . . . . .	117,158	151,408
Other (net of amount due within one year) . . . . .	—	439
Total noncurrent liabilities . . . . .	<u>300,590</u>	<u>342,321</u>
Total liabilities . . . . .	<u>306,862</u>	<u>469,093</u>
<b>NET POSITION:</b>		
Net investment in capital assets . . . . .	—	566,584
Restricted for:		
Capital projects . . . . .	—	65,963
Operations . . . . .	—	245,332
Unrestricted (deficit) . . . . .	—	(2,263)
Total net position . . . . .	<u>\$ —</u>	<u>\$ 875,616</u>

See accompanying notes to financial statements.

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

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

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST
<b>OPERATING REVENUES:</b>					
Investment income . . . . .	\$ —	\$ —	\$ 90,966	\$ 2,915	\$ 6,215
Permits and other fees . . . . .	902	3,673	—	—	—
Payments in lieu of taxes and ground leases rent . . . . .	19,871	—	—	—	—
Operating grants and contributions . . . . .	—	15,749	—	—	—
Total operating revenues . . . . .	<u>20,773</u>	<u>19,422</u>	<u>90,966</u>	<u>2,915</u>	<u>6,215</u>
<b>OPERATING EXPENSES:</b>					
General and administrative expense . . . . .	—	—	6,556	664	1,138
Personnel costs . . . . .	6,591	5,418	—	—	—
Utilities . . . . .	384	490	—	—	—
Professional fees . . . . .	1,213	—	—	—	—
Repairs and maintenance . . . . .	4,687	—	—	—	—
Security . . . . .	1,744	—	—	—	—
Distributions to The City of New York . . . . .	—	—	11,873	—	—
Increase in allowance for doubtful accounts . . . . .	—	—	93,340	—	482
Change to residual liability due to Water Board . . . . .	—	—	(5,471)	172	647
Write-offs of uncollectible liens, net of recoveries . . . . .	—	—	10,978	981	31
Depreciation and amortization . . . . .	15,887	22,251	—	7	7
Other general, administrative and project expenses . . . . .	1,372	15,638	—	—	—
Other . . . . .	—	—	—	205	762
Total operating expenses . . . . .	<u>31,878</u>	<u>43,797</u>	<u>117,276</u>	<u>2,029</u>	<u>3,067</u>
Operating income (loss) . . . . .	<u>(11,105)</u>	<u>(24,375)</u>	<u>(26,310)</u>	<u>886</u>	<u>3,148</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income . . . . .	47	25	3	2	3
Interest income . . . . .	28	8	—	—	—
Other income . . . . .	—	788	—	—	—
Total nonoperating revenues . . . . .	<u>75</u>	<u>821</u>	<u>3</u>	<u>2</u>	<u>3</u>
Income (loss) before other revenues and transfers . . . . .	<u>(11,030)</u>	<u>(23,554)</u>	<u>(26,307)</u>	<u>888</u>	<u>3,151</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>					
Capital contributions from government sources . . . . .	4,282	8,626	—	—	—
Capital contributions from private sources . . . . .	—	1,439	—	—	—
Transfer to residual liability . . . . .	—	—	—	—	—
Transfers in . . . . .	—	—	20,573	—	—
Transfers out . . . . .	—	—	—	(20,573)	—
Change in net position . . . . .	<u>(6,748)</u>	<u>(13,489)</u>	<u>(5,734)</u>	<u>(19,685)</u>	<u>3,151</u>
Net position-beginning . . . . .	391,008	326,836	130,082	19,685	8,005
Net position-ending . . . . .	<u>\$ 384,260</u>	<u>\$ 313,347</u>	<u>\$ 124,348</u>	<u>\$ —</u>	<u>\$ 11,156</u>

See accompanying notes to financial statements.

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

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

	<b>WTC Captive Insurance Company, Inc.</b>	<b>Total Proprietary Funds</b>
<b>OPERATING REVENUES:</b>		
Investment income .....	\$ 91,979	\$ 192,075
Permits and other fees .....	—	4,575
Payments in lieu of taxes and ground leases rent .....	—	19,871
Operating grants and contributions .....	—	15,749
Total operating revenues .....	<u>91,979</u>	<u>232,270</u>
<b>OPERATING EXPENSES:</b>		
General and administrative expense .....	436	8,794
Personnel costs .....	584	12,593
Utilities .....	—	874
Professional fees .....	676	1,889
Repairs and maintenance .....	—	4,687
Security .....	—	1,744
Distributions to The City of New York .....	—	11,873
Increase in allowance for doubtful accounts .....	—	93,822
Change to residual liability due to Water Board .....	—	(4,652)
Write-offs of uncollectible liens, net of recoveries .....	—	11,990
Depreciation and amortization .....	—	38,152
Other general, administrative and project expenses .....	—	17,010
Other .....	—	967
Total operating expenses .....	<u>1,696</u>	<u>199,743</u>
Operating income (loss) .....	<u>90,283</u>	<u>32,527</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income .....	—	80
Interest income .....	—	36
Other income .....	—	788
Total nonoperating revenues .....	<u>—</u>	<u>904</u>
Income (loss) before other revenues and transfers .....	<u>90,283</u>	<u>33,431</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>		
Capital contributions from government sources .....	—	12,908
Capital contributions from private sources ..	—	1,439
Transfer to residual liability .....	(90,283)	(90,283)
Transfers in .....	—	20,573
Transfers out .....	—	(20,573)
Change in net position .....	—	(42,505)
Net position-beginning .....	—	875,616
Net position-ending .....	<u>\$ —</u>	<u>\$ 833,111</u>

See accompanying notes to financial statements.

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

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

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST
<b>OPERATING REVENUES:</b>						
Investment income .....	\$ —	\$ —	\$ 87,895	\$ 1,185	\$ 3,858	\$ 7,948
Permits and other fees .....	1,594	3,575	—	—	—	—
Tax liens received from The City of New York .....	—	—	38,007	—	—	89,434
Payments in lieu of taxes and ground leases rent .....	19,853	—	—	—	—	—
Operating grants and contributions .....	—	15,320	—	—	—	—
Total operating revenues .....	<u>21,447</u>	<u>18,895</u>	<u>125,902</u>	<u>1,185</u>	<u>3,858</u>	<u>97,382</u>
<b>OPERATING EXPENSES:</b>						
General and administrative expense .....	—	—	6,061	327	1,138	1,331
Personnel costs .....	6,388	4,882	—	—	—	—
Utilities .....	436	448	—	—	—	—
Professional fees .....	1,380	—	—	—	—	—
Repairs and maintenance .....	3,033	—	—	—	—	—
Security .....	1,628	—	—	—	—	—
Distributions to The City of New York .....	—	—	49,389	—	—	68,223
Purchase of liens .....	—	—	11,302	—	—	—
Increase (decrease) in allowance for doubtful accounts .....	—	—	25,769	—	(1,121)	1,222
Change to residual liability due to Water Board .....	—	—	(13,435)	88	519	15,490
Write-offs of uncollectible liens, net of recoveries .....	—	—	106,025	477	105	32
Depreciation and amortization .....	14,229	21,377	—	1	7	5
Other general, administrative and project expenses .....	1,900	14,754	—	—	—	—
Other .....	—	—	—	40	653	3,168
Total operating expenses .....	<u>28,994</u>	<u>41,461</u>	<u>185,111</u>	<u>933</u>	<u>1,301</u>	<u>89,471</u>
Operating income (loss) .....	<u>(7,547)</u>	<u>(22,566)</u>	<u>(59,209)</u>	<u>252</u>	<u>2,557</u>	<u>7,911</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income .....	1,081	41	255	54	127	94
Interest income .....	30	3	—	—	—	—
Other income (loss) .....	(5,368)	—	—	—	—	—
Total nonoperating revenues (expenses) .....	<u>(4,257)</u>	<u>44</u>	<u>255</u>	<u>54</u>	<u>127</u>	<u>94</u>
Income (loss) before other revenues and transfers .....	<u>(11,804)</u>	<u>(22,522)</u>	<u>(58,954)</u>	<u>306</u>	<u>2,684</u>	<u>8,005</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>						
Capital contributions from government sources .....	6,964	9,251	—	—	—	—
Capital contributions from private sources .....	—	985	—	—	—	—
Transfer from residual liability .....	—	—	—	—	—	—
Transfers in .....	—	—	15,750	—	—	—
Transfers out .....	—	—	—	(15,750)	—	—
Change in net position .....	<u>(4,840)</u>	<u>(12,286)</u>	<u>(43,204)</u>	<u>(15,444)</u>	<u>2,684</u>	<u>8,005</u>
Net position-beginning .....	395,848	339,122	173,286	15,444	17,001	—
Net position-ending .....	<u>\$ 391,008</u>	<u>\$ 326,836</u>	<u>\$ 130,082</u>	<u>\$ —</u>	<u>\$ 19,685</u>	<u>\$ 8,005</u>

See accompanying notes to financial statements.



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

FOR THE YEAR ENDED JUNE 30, 2020

(in thousands)

	<u>WTC Captive Insurance Company, Inc.</u>	<u>Total Proprietary Funds</u>
<b>OPERATING REVENUES:</b>		
Investment income .....	\$ 8,228	\$ 109,114
Permits and other fees .....	—	5,169
Tax liens received from The City of New York.....	—	127,441
Payments in lieu of taxes and ground leases rent .....	—	19,853
Operating grants and contributions.....	—	15,320
Total operating revenues.....	<u>8,228</u>	<u>276,897</u>
<b>OPERATING EXPENSES:</b>		
General and administrative expense .....	485	9,342
Personnel costs .....	614	11,884
Utilities .....	—	884
Professional fees .....	643	2,023
Repairs and maintenance .....	—	3,033
Security .....	—	1,628
Distributions to The City of New York .....	—	117,612
Purchase of liens .....	—	11,302
Increase (decrease) in allowance for doubtful accounts.....	—	25,870
Change to residual liability due to Water Board .....	—	2,662
Write-offs of uncollectible liens, net of recoveries .....	—	106,639
Depreciation and amortization .....	—	35,619
Other general, administrative and project expenses .....	—	16,654
Other .....	—	3,861
Total operating expenses.....	<u>1,742</u>	<u>349,013</u>
Operating income (loss) .....	<u>6,486</u>	<u>(72,116)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income .....	—	1,652
Interest income .....	—	33
Other income (loss) .....	—	(5,368)
Total nonoperating revenues (expenses)...	<u>—</u>	<u>(3,683)</u>
Income (loss) before other revenues and transfers .....	<u>6,486</u>	<u>(75,799)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS:</b>		
Capital contributions from government sources .....	—	16,215
Capital contributions from private sources..	—	985
Transfer from residual liability .....	(6,486)	(6,486)
Transfers in .....	—	15,750
Transfers out .....	—	(15,750)
Change in net position .....	—	(65,085)
Net position-beginning .....	—	940,701
Net position-ending.....	<u>\$ —</u>	<u>\$ 875,616</u>

See accompanying notes to financial statements.

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

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

	<b>Brooklyn Bridge Park Corporation</b>	<b>The Trust for Governors Island</b>	<b>NYCTL 1998-2 TRUST</b>	<b>NYCTL 2018-A TRUST</b>	<b>NYCTL 2019-A TRUST</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from:					
Interest income collected .....	\$ —	\$ —	\$ —	\$ —	\$ —
Receipts from customers .....	1,022	3,097	—	—	—
Cash collections .....	—	—	13,336	9,398	24,733
Tenants payments .....	22,222	—	—	—	—
Operating grants and contributions .....	—	12,111	—	—	—
Other receipts .....	59	109	—	—	—
Cash payments for:					
Cash paid for other assets .....	—	—	—	—	—
Losses and loss adjustment expenses paid	—	—	—	—	—
Personnel costs .....	(6,544)	(5,209)	—	—	—
Distributions .....	—	—	(11,873)	—	—
Administration expenses .....	—	—	—	(270)	(2,992)
Services and supplies .....	(9,219)	(15,185)	(2,275)	(299)	—
Net cash provided by (used for) operating activities .....	<u>7,540</u>	<u>(5,077)</u>	<u>(812)</u>	<u>8,829</u>	<u>21,741</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Proceeds from loan payable .....	—	811	—	—	—
Transfers in/ out .....	—	—	1,824	(1,824)	—
Bond retired .....	—	—	—	(11,991)	(25,836)
Bond discount .....	—	—	—	(7)	(7)
Net cash provided by (used for) noncapital financing activities .....	<u>—</u>	<u>811</u>	<u>1,824</u>	<u>(13,822)</u>	<u>(25,843)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital grants and contributions from government sources .....	4,282	9,497	—	—	—
Capital grants and contributions from private sources .....	—	1,464	—	—	—
Capital asset expenditures .....	(54,094)	(7,525)	—	—	—
Net cash provided by (used for) capital and related financing activities .	<u>(49,812)</u>	<u>3,436</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of investments .....	(22,911)	(763)	(31,275)	(11,717)	(30,226)
Sales and maturities of investments .....	52,325	—	30,330	16,674	34,319
Interest received .....	336	32	3	2	3
Net cash provided by (used for) investing activities .....	<u>29,750</u>	<u>(731)</u>	<u>(942)</u>	<u>4,959</u>	<u>4,096</u>
Net increase (decrease) in cash and cash equivalents .....	(12,522)	(1,561)	70	(34)	(6)
Cash and cash equivalents July 1 .....	110,169	9,802	132	34	20
Cash and cash equivalents June 30 .....	<u>\$ 97,647</u>	<u>\$ 8,241</u>	<u>\$ 202</u>	<u>\$ —</u>	<u>\$ 14</u>

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

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

	<b>WTC Captive Insurance Company, Inc.</b>	<b>Total Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from:		
Interest income collected .....	\$ 7,464	\$ 7,464
Receipts from customers .....	—	4,119
Cash collections .....	—	47,467
Tenants payments .....	—	22,222
Operating grants and contributions .....	—	12,111
Other receipts .....	—	168
Cash payments for:		
Cash paid for other assets .....	(2)	(2)
Losses and loss adjustment expenses paid	(507)	(507)
Personnel costs .....	(584)	(12,337)
Distributions .....	—	(11,873)
Administration expenses .....	(436)	(3,698)
Services and supplies .....	(671)	(27,649)
Net cash provided by (used for) operating activities .....	<u>5,264</u>	<u>37,485</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Proceeds from loan payable .....	—	811
Transfers in/ out .....	—	—
Bond retired .....	—	(37,827)
Bond discount .....	—	(14)
Net cash provided by (used for) noncapital financing activities .....	<u>—</u>	<u>(37,030)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital grants and contributions from government sources .....	—	13,779
Capital grants and contributions from private sources .....	—	1,464
Capital asset expenditures .....	—	(61,619)
Net cash provided by (used for) capital and related financing activities .	<u>—</u>	<u>(46,376)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments .....	(528,380)	(625,272)
Sales and maturities of investments .....	529,738	663,386
Interest received .....	—	376
Net cash provided by (used for) investing activities .....	<u>1,358</u>	<u>38,490</u>
Net increase (decrease) in cash and cash equivalents .....	6,622	(7,431)
Cash and cash equivalents July 1 .....	5,306	125,463
Cash and cash equivalents June 30 .....	<u>\$ 11,928</u>	<u>\$ 118,032</u>

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

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

	<u>Brooklyn Bridge Park Corporation</u>	<u>The Trust for Governors Island</u>	<u>NYCTL 1998-2 TRUST</u>	<u>NYCTL 2018-A TRUST</u>	<u>NYCTL 2019-A TRUST</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>					
<b>TO NET CASH PROVIDED BY (USED FOR)</b>					
<b>OPERATING ACTIVITIES:</b>					
Operating income (loss) .....	\$ (11,105)	\$ (24,375)	\$ (26,310)	\$ 886	\$ 3,148
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization .....	15,887	22,251	—	7	7
Accounts receivable .....	62	(4,205)	(66,969)	8,027	16,748
Change in allowance for doubtful accounts .....	—	—	93,340	—	482
Prepaid expenses .....	(50)	(15)	—	—	—
Accounts payable and accrued expenses ..	278	1,167	(873)	(91)	1,356
Unearned revenue .....	2,409	41	—	—	—
Security deposits .....	59	59	—	—	—
Realized losses on sales of investments ..	—	—	—	—	—
Change in unrealized losses on investments .....	—	—	—	—	—
Accrued investment income .....	—	—	—	—	—
Total adjustments .....	<u>18,645</u>	<u>19,298</u>	<u>25,498</u>	<u>7,943</u>	<u>18,593</u>
Net cash provided by (used for) operating activities .....	<u>\$ 7,540</u>	<u>\$ (5,077)</u>	<u>\$ (812)</u>	<u>\$ 8,829</u>	<u>\$ 21,741</u>
<b>RECONCILIATION TO CASH AND CASH</b>					
<b>EQUIVALENTS, END OF YEAR:</b>					
Unrestricted cash and cash equivalents .....	33,882	5,230	202	—	14
Current restricted cash and cash equivalents	63,765	2,521	—	—	—
Noncurrent restricted cash and cash equivalents .....	-	490	—	—	—
Cash and cash equivalents—end of year .....	<u>\$ 97,647</u>	<u>\$ 8,241</u>	<u>\$ 202</u>	<u>\$ —</u>	<u>\$ 14</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW</b>					
<b>INFORMATION:</b>					
Noncash capital and related financing transactions:					
Accrued capital asset expenditures .....	\$ 13,263	\$ 3,276	\$ —	\$ —	\$ —
PPL loan forgiveness .....	\$ —	\$ 788	\$ —	\$ —	\$ —

See accompanying notes to financial statements.

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

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

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>		
<b>TO NET CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES:</b>		
Operating income (loss) . . . . .	\$ 90,283	\$ 32,527
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization . . . . .	—	38,152
Accounts receivable . . . . .	—	(46,337)
Change in allowance for doubtful accounts . . . . .	—	93,822
Prepaid expenses . . . . .	(6)	(71)
Accounts payable and accrued expenses . .	(79,841)	(78,004)
Unearned revenue . . . . .	—	2,450
Security deposits . . . . .	—	118
Realized losses on sales of investments . .	(5,154)	(5,154)
Change in unrealized losses on investments . . . . .	(555)	(555)
Accrued investment income . . . . .	537	537
Total adjustments . . . . .	(85,019)	4,958
Net cash provided by (used for) operating activities . . . . .	\$ 5,264	\$ 37,485
<b>RECONCILIATION TO CASH AND CASH</b>		
<b>EQUIVALENTS, END OF YEAR:</b>		
Unrestricted cash and cash equivalents . . . .	11,928	51,256
Current restricted cash and cash equivalents	—	66,286
Noncurrent restricted cash and cash equivalents . . . . .	—	490
Cash and cash equivalents—end of year . . . .	\$ 11,928	\$ 118,032
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW</b>		
<b>INFORMATION:</b>		
Noncash capital and related financing transactions:		
Accrued capital asset expenditures . . . . .	\$ —	\$ 16,539
PPL loan forgiveness . . . . .	\$ —	\$ 788

See accompanying notes to financial statements.

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

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

	Brooklyn Bridge Park Corporation	The Trust for Governors Island	NYCTL 1998-2 TRUST	NYCTL 2017-A TRUST	NYCTL 2018-A TRUST	NYCTL 2019-A TRUST
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from:						
Cash received from other assets . . . . .	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest income collected . . . . .	—	—	—	—	—	—
Receipts from customers . . . . .	1,642	4,119	—	—	—	—
Cash collections . . . . .	—	—	51,912	5,552	19,953	32,314
Tenants payments . . . . .	14,050	—	—	—	—	—
Operating grants and contributions . . . . .	—	15,096	—	—	—	—
Other receipts . . . . .	3,687	24	—	—	—	—
Cash payments for:						
Losses and loss adjustment expenses paid	—	—	—	—	—	—
Personnel costs . . . . .	(6,214)	(4,725)	—	—	—	—
Distributions . . . . .	—	—	(49,389)	—	—	(68,223)
Purchase of liens . . . . .	—	—	(11,302)	—	—	—
Administration expenses . . . . .	—	—	—	(69)	(782)	(4,215)
Services and supplies . . . . .	(8,765)	(18,142)	(4,773)	(304)	(3,033)	—
Net cash provided by (used for) operating activities . . . . .	<u>4,400</u>	<u>(3,628)</u>	<u>(13,552)</u>	<u>5,179</u>	<u>16,138</u>	<u>(40,124)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Proceeds from loan payable . . . . .	—	788	—	—	—	—
Transfers in/out . . . . .	—	—	2,282	(2,282)	—	—
Bond issued . . . . .	—	—	—	—	—	74,230
Bond retired . . . . .	—	—	—	(9,329)	(24,112)	(23,905)
Bond discount . . . . .	—	—	—	—	(7)	(7)
Net cash provided by (used for) noncapital financing activities . . . . .	<u>—</u>	<u>788</u>	<u>2,282</u>	<u>(11,611)</u>	<u>(24,119)</u>	<u>50,318</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Capital grants and contributions from government sources . . . . .	6,964	8,970	—	—	—	—
Capital grants and contributions from private sources . . . . .	—	986	—	—	—	—
Capital asset expenditures . . . . .	(30,625)	(7,443)	—	—	—	—
Net cash provided by (used for) capital and related financing activities . . . . .	<u>(23,661)</u>	<u>2,513</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Purchase of investments . . . . .	(51,434)	(1,194)	(117,877)	(8,186)	(27,608)	(45,785)
Sales and maturities of investments . . . . .	50,624	—	128,512	14,536	35,289	35,517
Interest received . . . . .	871	44	256	54	127	94
Net cash provided by (used for) investing activities . . . . .	<u>61</u>	<u>(1,150)</u>	<u>10,891</u>	<u>6,404</u>	<u>7,808</u>	<u>(10,174)</u>
Net increase (decrease) in cash and cash equivalents . . . . .	<u>(19,200)</u>	<u>(1,477)</u>	<u>(379)</u>	<u>(28)</u>	<u>(173)</u>	<u>20</u>
Cash and cash equivalents July 1 . . . . .	129,369	11,279	511	28	207	—
Cash and cash equivalents June 30 . . . . .	<u>\$ 110,169</u>	<u>\$ 9,802</u>	<u>\$ 132</u>	<u>\$ —</u>	<u>\$ 34</u>	<u>\$ 20</u>

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

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

	<b>WTC Captive Insurance Company, Inc.</b>	<b>Total Proprietary Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from:		
Cash received from other assets . . . . .	\$ 15	\$ 15
Interest income collected . . . . .	7,998	7,998
Receipts from customers . . . . .	—	5,761
Cash collections . . . . .	—	109,731
Tenants payments . . . . .	—	14,050
Operating grants and contributions . . . . .	—	15,096
Other receipts . . . . .	—	3,711
Cash payments for:		
Losses and loss adjustment expenses paid . . . . .	(507)	(507)
Personnel costs . . . . .	(614)	(11,553)
Distributions . . . . .	—	(117,612)
Purchase of liens . . . . .	—	(11,302)
Administration expenses . . . . .	(485)	(5,551)
Services and supplies . . . . .	(641)	(35,658)
Net cash provided by (used for) operating activities . . . . .	<u>5,766</u>	<u>(25,821)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Proceeds from loan payable . . . . .	—	788
Transfers in/out . . . . .	—	—
Bond issued . . . . .	—	74,230
Bond retired . . . . .	—	(57,346)
Bond discount . . . . .	—	(14)
Net cash provided by (used for) noncapital financing activities . . . . .	<u>—</u>	<u>17,658</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital grants and contributions from government sources . . . . .	—	15,934
Capital grants and contributions from private sources . . . . .	—	986
Capital asset expenditures . . . . .	—	(38,068)
Net cash provided by (used for) capital and related financing activities . . . . .	<u>—</u>	<u>(21,148)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments . . . . .	(586,322)	(838,406)
Sales and maturities of investments . . . . .	578,089	842,567
Interest received . . . . .	—	1,446
Net cash provided by (used for) investing activities . . . . .	<u>(8,233)</u>	<u>5,607</u>
Net increase (decrease) in cash and cash equivalents . . . . .	(2,467)	(23,704)
Cash and cash equivalents July 1 . . . . .	7,773	149,167
Cash and cash equivalents June 30 . . . . .	<u>\$ 5,306</u>	<u>\$ 125,463</u>

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

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

	<b>Brooklyn Bridge Park Corporation</b>	<b>The Trust for Governors Island</b>	<b>NYCTL 1998-2 TRUST</b>	<b>NYCTL 2017-A TRUST</b>	<b>NYCTL 2018-A TRUST</b>	<b>NYCTL 2019-A TRUST</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>						
<b>TO NET CASH PROVIDED BY (USED FOR)</b>						
<b>OPERATING ACTIVITIES:</b>						
Operating income (loss) .....	\$ (7,547)	\$ (22,566)	\$ (59,209)	\$ 252	\$ 2,557	\$ 7,911
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
Accounts receivable .....	441	571	32,107	5,217	16,034	(65,290)
Change in allowance for doubtful accounts .....	—	—	25,769	—	(1,121)	1,222
Prepaid expenses .....	33	13	—	—	—	—
Accounts payable and accrued expenses ..	(248)	(2,795)	(12,219)	(291)	(1,339)	16,028
Unearned revenue .....	(6,195)	(224)	—	—	—	—
Security deposits .....	3,687	(4)	—	—	—	—
Realized losses on sales of investments ..	—	—	—	—	—	—
Change in unrealized losses on investments .....	—	—	—	—	—	—
Accrued investment income .....	—	—	—	—	—	—
Total adjustments .....	<u>11,947</u>	<u>18,938</u>	<u>45,657</u>	<u>4,927</u>	<u>13,581</u>	<u>(48,035)</u>
Net cash provided by (used for) operating activities .....	<u>\$ 4,400</u>	<u>\$ (3,628)</u>	<u>\$ (13,552)</u>	<u>\$ 5,179</u>	<u>\$ 16,138</u>	<u>\$ (40,124)</u>
<b>RECONCILIATION TO CASH AND CASH</b>						
<b>EQUIVALENTS, END OF YEAR:</b>						
Unrestricted cash and cash equivalents .....	33,962	6,571	132	—	34	20
Current restricted cash and cash equivalents	76,207	2,792	—	—	—	—
Noncurrent restricted cash and cash equivalents .....	—	439	—	—	—	—
Cash and cash equivalents—end of year .....	<u>\$ 110,169</u>	<u>\$ 9,802</u>	<u>\$ 132</u>	<u>\$ —</u>	<u>\$ 34</u>	<u>\$ 20</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW</b>						
<b>INFORMATION:</b>						
Noncash capital and related financing transactions:						
Accrued capital asset expenditures .....	\$ 8,462	\$ 1,350	\$ —	\$ —	\$ —	\$ —
Noncash loss on disposal of capital assets	\$ 5,368	\$ —	\$ —	\$ —	\$ —	\$ —

See accompanying notes to financial statements.



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

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

	WTC Captive Insurance Company, Inc.	Total Proprietary Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>		
<b>TO NET CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES:</b>		
Operating income (loss) . . . . .	\$ 6,486	\$ (72,116)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization . . . . .	—	35,619
Accounts receivable . . . . .	—	(10,920)
Change in allowance for doubtful accounts . . . . .	—	25,870
Prepaid expenses . . . . .	15	61
Accounts payable and accrued expenses . .	4,046	3,182
Unearned revenue . . . . .	—	(6,419)
Security deposits . . . . .	—	3,683
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 . . . . .	(720)	46,295
Net cash provided by (used for) operating activities . . . . .	\$ 5,766	\$ (25,821)
<b>RECONCILIATION TO CASH AND CASH</b>		
<b>EQUIVALENTS, END OF YEAR:</b>		
Unrestricted cash and cash equivalents . . . .	5,306	46,025
Current restricted cash and cash equivalents	—	78,999
Noncurrent restricted cash and cash equivalents . . . . .	—	439
Cash and cash equivalents—end of year . . . .	\$ 5,306	\$ 125,463
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW</b>		
<b>INFORMATION:</b>		
Noncash capital and related financing transactions:		
Accrued capital asset expenditures . . . . .	\$ —	\$ 9,812
Noncash loss on disposal of capital assets	\$ —	\$ 5,368

See accompanying notes to financial statements.

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

JUNE 30, 2021  
(in thousands)

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

See accompanying notes to financial statements.

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

JUNE 30, 2020  
(in thousands)

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Custodial Fund</u>
<b>ASSETS:</b>		
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>
<b>LIABILITIES:</b>		
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>
<b>NET POSITION:</b>		
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 CHANGES IN FIDUCIARY NET POSITION**  
FOR THE YEAR ENDED JUNE 30, 2021  
(in thousands)

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

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**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>	<u>Custodial Fund</u>
<b>ADDITIONS:</b>		
Contributions:		
Member contributions . . . . .	\$ 3,459,367	\$ —
Employer contributions . . . . .	13,513,113	—
Other employee contributions . . . . .	61,748	—
Total contributions . . . . .	<u>17,034,228</u>	<u>—</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>	<u>—</u>
Securities lending transactions:		
Securities lending income . . . . .	56,186	—
Securities lending fees . . . . .	(5,572)	—
Securities lending income, net . . . . .	<u>50,614</u>	<u>—</u>
Custodial fund additions . . . . .	—	1,787,666
Other . . . . .	4,872	1,277,813
Total additions . . . . .	<u>30,804,156</u>	<u>3,065,479</u>
<b>DEDUCTIONS:</b>		
Benefit payments and withdrawals . . . . .	20,582,685	—
Administrative expenses . . . . .	242,293	—
Custodial fund payments and withdrawals . . . . .	—	2,104,536
Other . . . . .	9,087	960,943
Total deductions . . . . .	<u>20,834,065</u>	<u>3,065,479</u>
Net increase in fiduciary net position . . . . .	9,970,091	—
<b>NET POSITION:</b>		
Restricted for Benefits:		
Beginning of year . . . . .	254,015,000	—
End of year . . . . .	<u>\$263,985,091</u>	<u>\$ —</u>

See accompanying notes to financial statements.

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

JUNE 30, 2021  
(in thousands)

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2020	New York City Housing Development Corporation October 31, 2020	New York City Water and Sewer System
<b>ASSETS:</b>					
Cash and cash equivalents . . . . .	\$ 36,618	\$ 1,100,440	\$ 436,813	\$ 609,276	\$ —
Investments . . . . .	71,477	620,919	526,911	11,853	6,180
Other receivables . . . . .	232,454	2,760,508	979,841	992,023	843,941
Mortgage loans and interest receivable, net . .	23,320	—	192,864	15,841,632	—
Inventories . . . . .	—	—	9,040	—	—
Due from Primary Government . . . . .	—	—	—	—	38,878
Restricted cash, cash equivalents and investments . . . . .	310,915	399,168	783,527	4,294,481	2,375,800
Other . . . . .	105,713	486,030	108,430	39,538	59,831
Capital assets:					
Land and construction work-in-progress . .	132,387	826,917	3,086,700	—	5,769,893
Buildings and equipment . . . . .	357,390	9,682,315	15,259,681	6,361	44,405,438
Accumulated depreciation . . . . .	(44,978)	(6,348,942)	(10,155,250)	(5,358)	(17,649,346)
Total assets . . . . .	<u>1,225,296</u>	<u>9,527,355</u>	<u>11,228,557</u>	<u>21,789,806</u>	<u>35,850,615</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflows from pensions . . . . .	—	441,111	219,459	4,839	514
Deferred outflows from OPEB . . . . .	2,961	596,883	777,935	928	414
Other deferred outflows of resources . . . . .	—	5,468	10,795	177,333	131,817
Total deferred outflows of resources . .	<u>2,961</u>	<u>1,043,462</u>	<u>1,008,189</u>	<u>183,100</u>	<u>132,745</u>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities . . .	222,004	2,988,851	588,980	484,991	16,094
Accrued interest payable . . . . .	—	12,112	11,404	138,888	51,079
Unearned revenue . . . . .	32,686	—	390,809	703,202	76,312
Due to Primary Government . . . . .	140,711	529,216	—	3,582,256	565,434
Other . . . . .	8,751	212,378	41,648	173,054	—
Derivative instruments-interest rate swaps . .	—	—	—	—	120,682
Noncurrent liabilities:					
Due within one year . . . . .	—	783,501	514,859	459,552	297,665
Due in more than one year:					
Bonds & notes payable . . . . .	—	619,376	726,771	12,468,640	33,300,223
Net pension liability . . . . .	—	356,165	913,451	11,922	342
Net OPEB liability . . . . .	681	5,106,936	3,472,534	8,562	1,928
Other . . . . .	268,396	536,773	3,375,504	514,688	67,489
Total liabilities . . . . .	<u>673,229</u>	<u>11,145,308</u>	<u>10,035,960</u>	<u>18,545,755</u>	<u>34,497,248</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflows from pensions . . . . .	—	1,978,635	159,032	917	662
Deferred inflows from OPEB . . . . .	3,780	1,264,481	289,211	8,296	590
Other deferred inflows of resources . . . . .	4,784	1,360	—	—	42,305
Total deferred inflows of resources . . .	<u>8,564</u>	<u>3,244,476</u>	<u>448,243</u>	<u>9,213</u>	<u>43,557</u>
<b>NET POSITION:</b>					
Net investment in capital assets . . . . .	312,412	3,265,267	7,504,162	1,003	598,975
Restricted for:					
Capital projects . . . . .	33,721	—	—	—	—
Debt service . . . . .	—	109,442	—	2,602,573	1,533,139
Loans/security deposits . . . . .	53,926	—	—	—	—
Donor/statutory restrictions . . . . .	—	424,097	—	—	—
Operations . . . . .	—	—	—	98,310	278,207
Unrestricted (deficit) . . . . .	146,405	(7,617,773)	(5,751,619)	716,052	(967,766)
Total net position (deficit) . . . . .	<u>\$ 546,464</u>	<u>\$ (3,818,967)</u>	<u>\$ 1,752,543</u>	<u>\$ 3,417,938</u>	<u>\$ 1,442,555</u>

See accompanying notes to financial statements.

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

JUNE 30, 2021  
(in thousands)

	<b>Nonmajor Component Units</b>	<b>Total</b>
<b>ASSETS:</b>		
Cash and cash equivalents . . . . .	\$ 139,314	\$ 2,322,461
Investments . . . . .	128,496	1,365,836
Other receivables . . . . .	26,976	5,835,743
Mortgage loans and interest receivable, net . .	—	16,057,816
Inventories . . . . .	—	9,040
Due from Primary Government . . . . .	11,849	50,727
Restricted cash, cash equivalents and investments . . . . .	144,587	8,308,478
Other . . . . .	15,873	815,415
Capital assets:		
Land and construction work-in-progress . .	39,369	9,855,266
Buildings and equipment . . . . .	1,001,627	70,712,812
Accumulated depreciation . . . . .	(353,947)	(34,557,821)
Total assets . . . . .	<u>1,154,144</u>	<u>80,775,773</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred outflows from pensions . . . . .	—	665,923
Deferred outflows from OPEB . . . . .	—	1,379,121
Other deferred outflows of resources . . . . .	—	325,413
Total deferred outflows of resources . .	<u>—</u>	<u>2,370,457</u>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities . . .	52,183	4,353,103
Accrued interest payable . . . . .	—	213,483
Unearned revenue . . . . .	40,024	1,243,033
Due to Primary Government . . . . .	—	4,817,617
Other . . . . .	12,197	448,028
Derivative instruments-interest rate swaps . .	—	120,682
Noncurrent liabilities:		
Due within one year . . . . .	39,101	2,094,678
Due in more than one year:		
Bonds & notes payable . . . . .	1,382	47,116,392
Net pension liability . . . . .	2,917	1,284,797
Net OPEB liability . . . . .	—	8,590,641
Other . . . . .	225,798	4,988,648
Total liabilities . . . . .	<u>373,602</u>	<u>75,271,102</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred inflows from pensions . . . . .	—	2,139,246
Deferred inflows from OPEB . . . . .	—	1,566,358
Other deferred inflows of resources . . . . .	—	48,449
Total deferred inflows of resources . . . . .	<u>—</u>	<u>3,754,053</u>
<b>NET POSITION:</b>		
Net investment in capital assets . . . . .	459,236	12,141,055
Restricted for:		
Capital projects . . . . .	45,748	79,469
Debt service . . . . .	1,111	4,246,265
Loans/security deposits . . . . .	—	53,926
Donor/statutory restrictions . . . . .	67,742	491,839
Operations . . . . .	59,403	435,920
Unrestricted (deficit) . . . . .	147,302	(13,327,399)
Total net position (deficit) . . . . .	<u>\$ 780,542</u>	<u>\$ 4,121,075</u>

See accompanying notes to financial statements.

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

JUNE 30, 2020  
(in thousands)

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2019	New York City Housing Development Corporation October 31, 2019	New York City Water and Sewer System
<b>ASSETS:</b>					
Cash and cash equivalents . . . . .	\$ 86,571	\$ 1,139,850	\$ 549,585	\$ 801,401	\$ —
Investments . . . . .	21,791	620,241	527,387	202,891	36,116
Other receivables . . . . .	296,911	1,566,359	942,269	1,656,096	765,786
Mortgage loans and interest receivable . . . . .	24,526	—	114,301	13,624,238	—
Inventories . . . . .	—	—	11,136	—	—
Due from Primary Government . . . . .	—	—	—	—	93,685
Restricted cash, cash equivalents and investments . . . . .	263,453	329,138	666,857	5,185,240	2,695,520
Other . . . . .	88,611	394,123	106,514	619	64,484
Capital assets:					
Land and construction work-in-progress . . . . .	132,387	644,498	2,694,619	—	5,242,563
Buildings and equipment . . . . .	348,672	9,204,924	14,601,635	8,768	43,201,976
Accumulated depreciation . . . . .	(27,422)	(5,940,344)	(9,775,570)	(6,894)	(16,685,067)
Total assets . . . . .	<u>1,235,500</u>	<u>7,958,789</u>	<u>10,438,733</u>	<u>21,472,359</u>	<u>35,415,063</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflows from pensions . . . . .	—	229,146	150,224	3,264	(263)
Deferred outflows from OPEB . . . . .	1,205	783,244	396,053	1,025	489
Other deferred outflows of resources . . . . .	7,026	10,369	13,907	108,041	167,402
Total deferred outflows of resources . . . . .	<u>8,231</u>	<u>1,022,759</u>	<u>560,184</u>	<u>112,330</u>	<u>167,628</u>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities . . . . .	248,838	2,005,643	552,406	928,322	11,648
Accrued interest payable . . . . .	—	10,475	12,286	135,926	51,495
Unearned revenue . . . . .	29,857	—	311,750	115,565	83,648
Due to Primary Government . . . . .	139,934	382,780	—	4,432,287	567,644
Other . . . . .	9,151	—	46,330	102,907	—
Derivative instruments-interest rate swaps . . . . .	—	—	—	—	154,950
Noncurrent liabilities:					
Due within one year . . . . .	—	869,907	470,208	345,922	214,664
Due in more than one year:					
Bonds & notes payable . . . . .	—	634,217	759,628	11,788,584	32,875,741
Net pension liability . . . . .	—	2,329,327	822,109	10,049	422
Net OPEB liability . . . . .	—	5,125,172	2,816,376	7,154	1,929
Other . . . . .	247,007	387,689	3,479,545	575,533	49,398
Total liabilities . . . . .	<u>674,787</u>	<u>11,745,210</u>	<u>9,270,638</u>	<u>18,442,249</u>	<u>34,011,539</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflows from pensions . . . . .	—	348,629	234,860	1,737	8
Deferred inflows from OPEB . . . . .	4,697	1,244,908	386,426	8,785	549
Other deferred inflows of resources . . . . .	—	—	—	—	38,419
Total deferred inflows of resources . . . . .	<u>4,697</u>	<u>1,593,537</u>	<u>621,286</u>	<u>10,522</u>	<u>38,976</u>
<b>NET POSITION:</b>					
Net investment in capital assets . . . . .	321,250	2,837,825	6,897,324	1,874	481,129
Restricted for:					
Capital projects . . . . .	(37,769)	—	—	—	—
Debt service . . . . .	—	138,454	—	2,236,470	1,638,121
Loans/security deposits . . . . .	54,269	—	—	—	—
Donor/statutory restrictions . . . . .	—	414,822	—	—	—
Operations . . . . .	—	—	—	85,918	264,178
Unrestricted (deficit) . . . . .	226,497	(7,748,300)	(5,790,331)	807,656	(851,252)
Total net position (deficit) . . . . .	<u>\$ 564,247</u>	<u>\$ (4,357,199)</u>	<u>\$ 1,106,993</u>	<u>\$ 3,131,918</u>	<u>\$ 1,532,176</u>

See accompanying notes to financial statements.



**THE CITY OF NEW YORK**  
**COMPONENT UNITS**  
**STATEMENT OF NET POSITION - (Continued)**  
JUNE 30, 2020  
(in thousands)

	Nonmajor Component Units	Total
<b>ASSETS:</b>		
Cash and cash equivalents . . . . .	\$ 93,672	\$ 2,671,079
Investments . . . . .	109,888	1,518,314
Other receivables . . . . .	39,009	5,266,430
Mortgage loans and interest receivable, net . . . . .	—	13,763,065
Inventories . . . . .	—	11,136
Due from Primary Government . . . . .	21,635	115,320
Restricted cash, cash equivalents and investments . . . . .	154,827	9,295,035
Other . . . . .	14,672	669,023
Capital assets:		
Land and construction work-in-progress . . . . .	28,518	8,742,585
Buildings and equipment . . . . .	955,506	68,321,481
Accumulated depreciation . . . . .	(309,864)	(32,745,161)
Total assets . . . . .	1,107,863	77,628,307
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred outflows from pensions . . . . .	—	382,371
Deferred outflows from OPEB . . . . .	—	1,182,016
Other deferred outflows of resources . . . . .	—	306,745
Total deferred outflows of resources . . . . .	—	1,871,132
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities . . . . .	46,433	3,793,290
Accrued interest payable . . . . .	—	210,182
Unearned revenue . . . . .	35,269	576,089
Due to Primary Government . . . . .	—	5,522,645
Other . . . . .	16,746	175,134
Derivative instruments-interest rate swaps . . . . .	—	154,950
Noncurrent liabilities:		
Due within one year . . . . .	70,162	1,970,863
Due in more than one year:		
Bonds & notes payable . . . . .	—	46,058,170
Net pension liability . . . . .	4,257	3,166,164
Net OPEB liability . . . . .	—	7,950,631
Other . . . . .	201,467	4,940,639
Total liabilities . . . . .	374,334	74,518,757
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred inflows from pensions . . . . .	—	585,234
Deferred inflows from OPEB . . . . .	—	1,645,365
Other deferred inflows of resources . . . . .	—	38,419
Total deferred inflows of resources . . . . .	—	2,269,018
<b>NET POSITION:</b>		
Net investment in capital assets . . . . .	441,065	10,980,467
Restricted for:		
Capital projects . . . . .	48,111	10,342
Debt service . . . . .	1,483	4,014,528
Loans/security deposits . . . . .	—	54,269
Donor/statutory restrictions . . . . .	42,103	456,925
Operations . . . . .	68,463	418,559
Unrestricted (deficit) . . . . .	132,304	(13,223,426)
Total net position (deficit) . . . . .	\$ 733,529	\$ 2,711,664

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**COMPONENT UNITS**  
**STATEMENT OF ACTIVITIES**

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

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

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**COMPONENT UNITS**  
**STATEMENT OF ACTIVITIES - (Continued)**

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

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

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**COMPONENT UNITS**  
**STATEMENT OF ACTIVITIES**

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

	New York City Economic Development Corporation	New York City Health and Hospitals Corporation	New York City Housing Authority December 31, 2019	New York City Housing Development Corporation October 31, 2019	New York City Water and Sewer System
<b>EXPENSES</b> .....	\$ 990,314	\$ 11,331,693	\$ 6,904,317	\$ 437,816	\$ 3,973,386
<b>PROGRAM REVENUES:</b>					
Charges for services .....	244,716	8,965,552	1,058,488	557,634	3,862,373
Operating grants and contributions .....	180,576	1,429,180	2,517,894	—	—
Capital grants, contributions and other .....	560,012	460,460	878,901	41,088	48,062
Total program revenues .....	<u>985,304</u>	<u>10,855,192</u>	<u>4,455,283</u>	<u>598,722</u>	<u>3,910,435</u>
Net (expenses) program revenues .....	<u>(5,010)</u>	<u>(476,501)</u>	<u>(2,449,034)</u>	<u>160,906</u>	<u>(62,951)</u>
<b>GENERAL REVENUES:</b>					
Investment income .....	4,124	32,866	49,483	139,544	79,993
Unrestricted Federal and State aid .....	—	—	—	—	—
Gain on in-substance defeasance .....	—	—	—	—	10,107
Other .....	3,381	911,251	75,762	—	165,570
Total general revenue .....	<u>7,505</u>	<u>944,117</u>	<u>125,245</u>	<u>139,544</u>	<u>255,670</u>
Change in net position .....	2,495	467,616	(2,323,789)	300,450	192,719
Net position (deficit)—beginning .....	<u>561,752</u>	<u>(4,824,815)</u>	<u>3,430,782</u>	<u>2,831,468</u>	<u>1,339,457</u>
Net position (deficit)—ending .....	<u>\$ 564,247</u>	<u>\$ (4,357,199)</u>	<u>\$ 1,106,993</u>	<u>\$ 3,131,918</u>	<u>\$ 1,532,176</u>

See accompanying notes to financial statements.

**THE CITY OF NEW YORK**  
**COMPONENT UNITS**  
**STATEMENT OF ACTIVITIES - (Continued)**  
FOR THE YEAR ENDED JUNE 30, 2020  
(in thousands)

	<u>Nonmajor Component Units</u>	<u>Total</u>
<b>EXPENSES</b> .....	\$ 511,944	\$24,149,470
<b>PROGRAM REVENUES:</b>		
Charges for services .....	77,146	14,765,909
Operating grants and contributions .....	363,455	4,491,105
Capital grants, contributions and other .....	85,280	2,073,803
Total program revenues .....	<u>525,881</u>	<u>21,330,817</u>
Net (expenses) program revenues .....	<u>13,937</u>	<u>(2,818,653)</u>
<b>GENERAL REVENUES:</b>		
Investment income .....	4,790	310,800
Unrestricted Federal and State aid .....	5,556	5,556
Gain on in-substance defeasance .....	—	10,107
Other .....	9,753	1,165,717
Total general revenue .....	<u>20,099</u>	<u>1,492,180</u>
Change in net position .....	34,036	(1,326,473)
Net position (deficit)—beginning .....	<u>699,493</u>	<u>4,038,137</u>
Net position (deficit)—ending .....	<u>\$ 733,529</u>	<u>\$ 2,711,664</u>

See accompanying notes to financial statements.

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**THE CITY OF NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

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**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](http://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 ceased operations on July 31, 2020. After such date, the Corporation had no assets or liabilities. 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. On April 19, 2021, the Governor of the State signed into law an amendment to Section 3238-a of the Public Authorities Law authorizing the Dormitory Authority of the State of New York ("DASNY") to finance the legal defeasance or payment of all STAR outstanding bonds. STAR transferred all remaining assets to the NYC TFA and ceased operations on June 30, 2021. As of that date, STAR had no assets or liabilities. 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 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](http://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 2021, the City adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 98, *Renaming the Comprehensive Annual Financial Report*

Statement No. 89, establishes accounting requirements for interest cost incurred before the end of a construction period. Implementing this Statement had no effect on the current operations or reporting of the City's capital assets. The City has historically, and continues to report interest cost incurred before the end of a construction period as an expenditure in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance; and has excluded said interest cost from the historical cost of its capital assets.

Statement No. 98, establishes the term Annual Comprehensive Financial Report and its acronym ACFR. The new term replaces Comprehensive Annual Financial Report and its acronym in generally accepted accounting principles for state and local governments. The City has decided to early implement this pronouncement and has applied the change as of the issuance of this report.

*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.

<b>GASB</b>		<b>Effective</b>
<u>Statement No.</u>	<u>GASB Accounting Standard</u>	<u>Fiscal Year</u>
87	<i>Leases</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 2021 and 2020 were approximately \$1.44 and \$1.86 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 2021 and 2020 is included in Deposits and Investments (see Note D.1).

## **6. Inventories**

Inventories on hand at June 30, 2021 and 2020, estimated based on average cost at \$513 and \$611 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 \$50 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 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, 3 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, 2021, 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, 2020		Fair Value at June 30, 2021		Notional	
	Classification	Amount	Classification	Amount		
(in thousands)						
Investment derivative instruments:						
A	Pay-Fixed interest rate swap	Investment Revenue	\$(4,989)	Investment	\$ (5,670)	42,158
B	Pay-Fixed interest rate swap	Investment Revenue	227	Investment	0	14,053
C	Pay-Fixed interest rate swap	Investment Revenue	227	Investment	0	14,053
D	Pay-Fixed interest rate swap	Investment Revenue	227	Investment	0	14,053
E	Pay-Fixed interest rate swap	Investment Revenue	8,240	Investment	0	76,775
H	Pay-Fixed interest rate swap	Investment Revenue	16,838	Investment	(55,843)	350,000

As of August 1, 2020 Swaps B, C, D, and E matured and are no longer outstanding.

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-fair 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, 2021 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 \$61.5 million for ratings below Baa3 or BBB- based on posting cash. The City's credit rating as of June 30, 2021 was Aa2 (Moody's) and AA (Standard & Poor's); therefore, no collateral was posted as of that date.

**Swap Collateral Requirements upon a Rating Downgrade of the City<sup>(1)</sup>**

Swap/Counterparty	Fair Value as of June 30, 2021 <sup>(2)</sup> (in thousands)	Collateral Threshold at Baa2/BBB to Baa3/BBB- <sup>(3)</sup>	Collateral Amount <sup>(4)</sup> (in thousands)	Collateral Threshold below Baa3/BBB-	Required Collateral Amount <sup>(4)(5)</sup> (in thousands)
JP Morgan Chase Bank, N.A. . . . . .	\$ (5,670)	\$3,000	\$ 2,700	\$ 0	\$ 5,700
Wells Fargo Bank, NA . . . . .	(55,843)	Infinity	0	0	55,800
Total Fair Value . . . . .	<u>\$ (61,513)</u>		<u>\$ 2,700</u>		<u>\$61,500</u>

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

<sup>(2)</sup> A negative value means the City would owe a termination payment.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

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

### 13. Real Estate Tax

Real estate tax payments for the fiscal year ended June 30, 2021, were due July 1, 2020 and January 1, 2021 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 2021 taxes was June 30, 2020. 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 0.33% discount on the last three quarters if the taxpayer waits until the October due date to pay the entire amount due, or a 0.17% discount on the last six months of taxes when the taxpayer pays the balance by the January due date. Payment of real estate taxes before July 15, 2021, on properties with an assessed value of \$250,000 or less and before July 1, 2020, on properties with an assessed value over \$250,000 received the discount. Collections of these real estate taxes received on or before June 30, 2021 and 2020 were approximately \$8.6 billion and \$8.8 billion, respectively.

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

The City sold approximately \$101.3 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. No reserve for defective tax liens in fiscal year 2020 was required.



In fiscal years 2021 and 2020, \$260 million and \$226 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, 2021 and 2020, excess amounts of \$569 million and \$176 million, respectively, were transferred to the General Debt Service Fund.

#### **14. Other Taxes and Other Revenues**

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

#### **15. Federal, State and Other Aid**

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

#### **16. Bond Discounts, Premiums and Issuance Costs**

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

#### **17. Intra-Entity Activity**

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

#### **18. Subsidies**

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

#### **19. Deferred Outflows and Inflows of Resources**

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

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

	FY 2021		FY 2020	
	Primary Government	Component Units	Primary Government	Component Units
	(in thousands)			
Deferred Outflows of Resources				
Deferred outflows from pension . . . . .	\$ 3,096,775	\$ 665,923	\$ 3,574,177	\$ 382,371
Deferred outflows from OPEB . . . . .	12,519,054	1,379,121	12,013,041	1,182,016
Unamortized deferred bond refunding costs . . . . .	352,225	—	309,926	—
Other . . . . .	1,460	325,413	239	306,745
Total deferred outflows of resources . . . . .	<u>\$15,969,514</u>	<u>\$2,370,457</u>	<u>\$15,897,383</u>	<u>\$1,871,132</u>
Deferred Inflows of Resources:				
Deferred inflows from pension . . . . .	\$34,240,169	\$2,139,246	\$ 8,261,967	\$ 585,234
Real estate taxes . . . . .	8,684,392	—	8,808,169	—
Deferred inflows from OPEB . . . . .	10,749,662	1,566,358	14,077,795	1,645,365
Service concession arrangements . . . . .	51,859	—	61,280	—
Grant advances . . . . .	95,793	—	37,414	—
Other . . . . .	109,821	48,449	130,744	38,419
Total deferred inflows of resources . . . . .	<u>\$53,931,696</u>	<u>\$3,754,053</u>	<u>\$31,377,369</u>	<u>\$2,269,018</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	
	2021	2020
	(in thousands)	
Total revenues. . . . .	\$ 99,182,509	\$ 94,618,150
Total expenditures. . . . .	91,103,926	87,849,439
Excess of revenues over expenditures . . .	8,078,583	6,768,711
Total other financing uses. . . . .	(8,492,182)	(6,809,519)
Net change in fund balance. . . . .	(413,599)	(40,808)
(Less) Restricted Fund activity . . . . .	418,910	45,831
Fiscal Year Operating Surplus . . . . .	<u>\$ 5,311</u>	<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, 2021 and 2020:

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

	Fiscal Year 2020				
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	(in thousands)				
<b>Nonspendable:</b>					
Prepaid expenditures . . . . .	\$ —	\$ —	\$ —	\$ 252	\$ 252
<b>Spendable:</b>					
Restricted for:					
Education . . . . .	6,257	—	—	—	6,257
Environmental protection . . . . .	387	—	—	—	387
General government . . . . .	1,616,859	—	—	—	1,616,859
Health . . . . .	(4,258)	—	—	—	(4,258)
Housing . . . . .	43,396	—	—	—	43,396
Other purposes . . . . .	284,422	—	—	—	284,422
Parks, recreation and culture . . . . .	14,926	—	—	—	14,926
Public safety and judicial . . . . .	789,810	—	—	—	789,810
Social services . . . . .	63	—	—	—	63
Capital projects . . . . .	—	83,513	—	394,698	478,211
Debt service . . . . .	—	—	176,362	1,871,836	2,048,198
Committed for:					
Revenue stabilization fund . . . . .	493,239	—	—	—	493,239
Debt service . . . . .	—	—	1,101,120	—	1,101,120
Assigned for:					
Debt service . . . . .	—	—	—	2,566,974	2,566,974
Operations . . . . .	—	—	—	168,200	168,200
Unassigned . . . . .	—	(2,598,345)	—	(1,280)	(2,599,625)
<b>Total fund balances (deficit) . . . . .</b>	<b>\$ 3,245,101</b>	<b>\$ (2,514,832)</b>	<b>\$ 1,277,482</b>	<b>\$ 5,000,680</b>	<b>\$ 7,008,431</b>

## 21. Pensions

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

## 22. Other Postemployment Benefits

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

## 23. Estimates and Assumptions

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

## 24. Voluntary Defined Contribution Program (VDC)

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

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

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

## B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

## C. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### 1. Budgets and Financial Plans

#### *Budgets*

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

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

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

Expenditures made against the expense budget are controlled through the use of quarterly spending allotments and units of appropriation. A unit of appropriation represents a subdivision of an agency's budget and is the level of control at which expenditures may not legally exceed the appropriation. The number of units of appropriation, and the span of operating responsibility which each unit represents, differs from agency to agency depending on the size of the agency and the level of control required. Transfers between units of appropriation and supplementary appropriations may be made by the Mayor, subject to the approval provisions set forth in the City Charter. Supplementary appropriations increased the expense budget by \$13.97 and \$3.94 billion subsequent to its original adoption in Fiscal Years 2021 and 2020, 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 \$3.07 and \$2.51 billion for the years ended June 30, 2021 and 2020, respectively. These deficits represent the amounts expected to be financed from future bond issues or intergovernmental reimbursements. To the extent the deficits will not be financed or reimbursed, a transfer from the General Fund will be required.

## **D. DETAILED NOTES ON ALL FUNDS**

### **1. Deposits and Investments**

#### *Deposits*

The New York City Banking Commission, comprised of a representative for the Mayor, and representatives for the Comptroller, and the Department of Finance Commissioner, applies a stringent list of requirements to banks applying for designation as an approved depository biannually. 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 total amount of deposits, at any time, in any one bank or trust company, to a maximum of one-half of the amount of the capital and net surplus of such bank or trust company. The discretely presented component units included in the City's financial reporting maintain their own banking relationships, which generally conform with the City's standards.

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

**Cash & Cash Equivalents**

The following is a summary of the cash and cash equivalents of the City's Governmental Activities as of June 30, 2021 and June 30, 2020:

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
(in thousands)		
<b>Restricted cash and cash equivalents:</b>		
Cash . . . . .	\$ 507,579	\$ 8,267
Cash Equivalents . . . . .	<u>5,202,273</u>	<u>5,442,282</u>
Total restricted cash and cash equivalents: . . . . .	<u>5,709,852</u>	<u>5,450,549</u>
<b>Unrestricted cash and cash equivalents:</b>		
Cash* . . . . .	3,599,657	4,224,052
Cash Equivalents . . . . .	<u>1,852,703</u>	<u>4,278,816</u>
Total unrestricted cash and cash equivalents: . . . . .	<u>5,452,360</u>	<u>8,502,868</u>
Grand Total cash and cash equivalents . . . . .	<u>\$11,162,212</u>	<u>\$13,953,417</u>

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

At June 30, 2021 and 2020, the City's unrestricted Governmental Activities bank balances were \$3.59 and \$3.63 billion, respectively. Of those amounts, \$21 and \$496 thousand were exposed to custodial credit risk (this is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities that are in the possession of an outside party) at June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, the City's restricted Governmental Activities cash balances were \$507.58 and \$8.27 million, respectively. Of those amounts, \$4 and \$41 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, 2021 and June 30, 2020:

	<b>Business-Type Activities</b>	
	<b>2021</b>	<b>2020</b>
(in thousands)		
<b>Restricted cash and cash equivalents:</b>		
Cash . . . . .	\$ 66,776	\$ 79,438
Cash Equivalents . . . . .	<u>—</u>	<u>—</u>
Total restricted cash and cash equivalents: . . . . .	<u>66,776</u>	<u>79,438</u>
<b>Unrestricted cash and cash equivalents:</b>		
Cash . . . . .	39,457	40,760
Cash Equivalents . . . . .	<u>11,799</u>	<u>5,265</u>
Total unrestricted cash and cash equivalents: . . . . .	<u>51,256</u>	<u>46,025</u>
Grand Total cash and cash equivalents . . . . .	<u>\$118,032</u>	<u>\$125,463</u>

At June 30, 2021 and 2020, the City's unrestricted business-type activities bank balances were \$39.46 and \$40.76 million, respectively. Of those amounts \$33.71 and \$33.73 million were exposed to custodial credit risk at June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, the City's restricted business-type activities cash balances were \$66.78 and \$79.44 million, respectively. Of those amounts, \$63.44 and \$75.69 million were exposed to custodial credit risk at June 30, 2021 and 2020, 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, 2021 and 2020:

**Governmental Activities:**

Investment Type	Investment Maturities					
	(in years)					
	2021		2020			
Less than 1	1 to 5	More than 5	Less than 1	1 to 5	More than 5	
(in thousands)						
<b>Unrestricted</b>						
U.S. Government securities . . . . .	\$6,867,496	\$17,865	\$ —	\$4,328,832	\$ —	\$ —
U.S. Government agency obligations . . .	2,681,333	—	—	570,022	—	—
Time deposits . . . . .	16,242	—	—	19,768	—	—
Investment derivative instruments . . . . .	—	—	(61,513) <sup>(1)</sup>	—	—	(82,283) <sup>(2)</sup>
Total unrestricted . . . . .	<u>\$9,565,071</u>	<u>\$17,865</u>	<u>\$ (61,513)</u>	<u>\$4,918,622</u>	<u>\$ —</u>	<u>\$ (82,283)</u>
<b>Restricted</b>						
U.S. Government securities . . . . .	\$ 703,390	\$69,926	\$172,577	\$ 202,944	\$ —	\$202,330
U.S. Government agency obligations . . .	758,490	—	—	633,597	—	—
Time deposits . . . . .	8,450	—	—	2,351	—	—
Total restricted . . . . .	<u>\$1,470,330</u>	<u>\$69,926</u>	<u>\$172,577</u>	<u>\$ 838,892</u>	<u>\$ —</u>	<u>\$202,330</u>

<sup>(1)</sup> The City has two pay-fixed interest rate swaps that are treated as investment derivative instruments. On June 30, 2021, the swaps had fair values of \$(5,670) and (55,843) all in thousands.

<sup>(2)</sup> 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), (8,240), and (72,681) all in thousands.

**Business-Type Activities:**

Investment Type	Investment Maturities					
	(in years)					
	2021		2020			
Less than 1	1 to 5	More than 5	Less than 1	1 to 5	More than 5	
(in thousands)						
<b>Unrestricted</b>						
U.S. Government securities . . . . .	\$22,382	\$153,457	\$27,638	\$39,918	\$ 57,733	\$ 52,512
Commercial paper . . . . .	—	58,727	1,524	—	105,379	—
Time deposits . . . . .	3,405	—	—	3,642	—	—
Mortgage backed & asset backed securities . . . . .	—	—	65,918	—	—	95,874
Total unrestricted . . . . .	<u>\$25,787</u>	<u>\$212,184</u>	<u>\$95,080</u>	<u>\$43,560</u>	<u>\$163,112</u>	<u>\$148,386</u>
<b>Restricted</b>						
Money market fund . . . . .	\$16,625	—	—	\$24,729	—	—
Total restricted . . . . .	<u>\$16,625</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$24,729</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, 2021 and June 30, 2020:

Investments <sup>(1)</sup> by Fair Value Level	2021			2020		
	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 . . . . .	\$10,190,620	\$2,550,603	\$ 7,640,017	\$6,468,656	\$1,328,820	\$5,139,836
U.S. Government agency obligations . . . . .	3,757,590	—	3,757,590	1,831,578	—	1,831,578
Commercial paper . . . . .	60,251	—	60,251	205,365	—	205,365
Money market funds (includes time deposits) . . . . .	127,843	2,905	124,938	1,125,513	2,142	1,123,371
Mortgage backed & asset back securities . . . . .	65,918	—	65,918	95,874	—	95,874
Investment derivative instruments . . . . .	(61,513)	—	(61,513)	(82,283)	—	(82,283)
<b>Total Investment &amp; Cash Equivalent by Fair Value Level . . . . .</b>	<b>\$14,140,709<sup>(2)</sup></b>	<b>\$2,553,508</b>	<b>\$11,587,201</b>	<b>\$9,644,703<sup>(2)</sup></b>	<b>\$1,330,962</b>	<b>\$8,313,741</b>

<sup>(1)</sup> Includes cash equivalents carried at fair value by blended components.

<sup>(2)</sup> As of June 30, 2021 and June 30, 2020, all ECF investment maturities were recorded at carrying value. For the year ended June 30, 2021 and June 30, 2020, ECF's listed investments totaled \$213.45 and \$60 million, respectively.

Investments classified in Level 1 of the fair value hierarchy, valued at \$2.55 and \$1.33 billion in Fiscal Years 2021 and 2020 respectively, are valued using quoted prices in active markets.

U.S. Government securities totaling \$7.64 and \$5.14 billion, U.S. Government agency obligations totaling \$3.76 and \$1.83 billion, commercial paper totaling \$60.3 million and \$205.4 million, money market funds totaling \$124.94 million and \$1.12 billion and mortgage backed and asset backed securities totaling \$65.92 and \$95.87 million in Fiscal Years 2021 and 2020 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 fair value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

Investment derivative instruments, totaling \$(61.51) and \$(82.28) million in Fiscal Years 2021 and 2020, respectively, are classified in Level 2 of the fair value hierarchy. Fair value is described as the exit price that assumes a transaction takes place in the City's most advantageous market in the absence of a principal market. These inputs include the mid-market valuation and then incorporates the credit risk of either the City or its counterparty and the bid/offer spread that would be charged to the City in order to transact. The mid-fair values of the interest rate swaps were estimated using the income approach. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement date.

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

**Credit risk.** Investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished through ratings, collateral, and diversification requirements that vary according to the type of investment. As of June 30, 2021 and 2020, investments in Fannie Mae or Freddie Mac and Federal Home Loan Bank (FHLB) were rated in the highest long-term or short-term ratings category (as applicable) by Standard & Poor's and/or Moody's Investor Service. These ratings were AA+ and A-1+ by Standard & Poor's and Aaa and P-1 by Moody's for long-term and short-term instruments, respectively.

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

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

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

#### *Investment Derivative Instruments*

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

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

The counterparty with respect to derivative instrument H is required to post collateral if one of its credit ratings goes below A2/A. The counterparty with respect to derivative instrument A 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, 2021 was \$(61.51) 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 and H, pay-fixed, receive-variable interest rate swaps, as LIBOR or SIFMA decreases, the City's net payment on the swap increases.

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

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

**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, 2021 and 2020, 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, 2020 and 2021:

Primary Governmental	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
(in thousands)							
<b>Governmental activities:</b>							
Capital assets, not being depreciated/amortized:							
Land . . . . .	\$ 2,391,247	\$ 44,223	\$ 2	\$ 2,435,468	\$ 30,862	\$ 668	\$ 2,465,662
Construction work-in-progress . .	3,200,078	3,360,453	2,799,417	3,761,114	3,307,080	2,655,762	4,412,432
Total capital assets, not being depreciated/amortized . . . . .	5,591,325	3,404,676	2,799,419	6,196,582	3,337,942	2,656,430	6,878,094
Capital assets, being depreciated/amortized:							
Building . . . . .	67,753,113	2,799,417	188,910	70,363,620	2,655,762	176,886	72,842,496
Equipment (including software) . .	11,000,648	890,527	74,534	11,816,641	1,042,219	55,733	12,803,127
Infrastructure . . . . .	26,211,497	2,140,674	466,324	27,885,847	2,039,753	618,282	29,307,318
Total capital assets, being depreciated/amortized . . . . .	104,965,258	5,830,618	729,768	110,066,108	5,737,734	850,901	114,952,941
Less accumulated depreciation/amortization							
Building . . . . .	31,432,307	2,325,973	117,510	33,640,770	2,437,855	155,656	35,922,969
Equipment (including software) . .	7,750,421	758,078	72,179	8,436,320	837,480	49,890	9,223,910
Infrastructure . . . . .	10,533,818	1,209,148	458,951	11,284,015	1,261,610	618,284	11,927,341
Total accumulated depreciation/amortization . . . . .	49,716,546	4,293,199 <sup>(1)</sup>	648,640	53,361,105	4,536,945 <sup>(1)</sup>	823,830	57,074,220
Total capital assets, being depreciated/amortized, net . . . . .	55,248,712	1,537,419	81,128	56,705,003	1,200,789	27,071	57,878,721
Governmental activities capital assets, net . . . . .	\$60,840,037	\$4,942,095	\$2,880,547	\$62,901,585	\$4,538,731	\$2,683,501	\$64,756,815

<sup>(1)</sup> Depreciation expense was charged to functions/programs of The City for the Fiscal Years ended June 30, 2020 and 2021.

The following is a summary of the governmental activities depreciation expense by function/program for the Fiscal Years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
	(in thousands)	
<b>Governmental activities:</b>		
General government . . . . .	\$ 539,498	\$ 513,845
Public safety and judicial . . . . .	327,846	316,111
Education . . . . .	2,010,730	1,875,628
City University . . . . .	4,947	4,405
Social services . . . . .	67,102	69,292
Environmental protection . . . . .	199,341	195,391
Transportation services . . . . .	877,771	826,974
Parks, recreation and cultural activities . . . . .	443,230	428,813
Housing . . . . .	5,456	4,777
Health . . . . .	40,687	40,255
Libraries . . . . .	20,337	17,708
Total depreciation expense-governmental activities . . . . .	<u>\$4,536,945</u>	<u>\$4,293,199</u>

The following are the sources of funding for the governmental activities capital assets for the Fiscal Years ended June 30, 2021 and 2020. Sources of funding for capital assets are not available prior to Fiscal Year 1987.

	<u>2021</u>	<u>2020</u>
	(in thousands)	
<b>Capital Projects Funds:</b>		
Prior to fiscal year 1987 . . . . .	\$ 6,482,992	\$ 6,484,659
City and TFA Bonds . . . . .	111,455,901	106,076,662
Federal grants . . . . .	743,532	712,344
State grants . . . . .	156,096	127,047
Private grants . . . . .	82,554	82,553
Capitalized leases . . . . .	<u>2,909,960</u>	<u>2,779,425</u>
Total funding sources . . . . .	<u>\$121,831,035</u>	<u>\$116,262,690</u>

At June 30, 2021 and 2020, 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, 2021 and 2020, are leased properties that have elements of ownership. These assets are recorded as capital assets as follows:

	<u>Capital Leases</u>	
	<u>2021</u>	<u>2020</u>
	(in thousands)	
<b>Governmental activities:</b>		
Capital asset:		
Building . . . . .	\$2,909,960	\$2,779,425
Less accumulated amortization . . . . .	<u>1,311,254</u>	<u>1,232,099</u>
Buildings, net . . . . .	<u>\$1,598,706</u>	<u>\$1,547,326</u>

*Capital Commitments*

At June 30, 2021, the outstanding commitments relating to projects of the New York City Capital Projects Fund amounted to approximately \$21.7 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 \$133.7 billion over Fiscal Years 2021 through 2028. To help meet its capital spending program, the City and TFA borrowed \$5.2 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, 2020 and 2021:

<u>Primary Government</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
	(in thousands)						
<b>Business-Type Activities:</b>							
Capital assets, not being depreciated/amortized:							
Construction work-in-progress . . .	\$ 58,005	\$ 43,817	\$ 31,780 <sup>(2)</sup>	\$ 70,042	\$ 64,387	\$ 17,798 <sup>(1)</sup>	\$ 116,631
Total capital assets, not being depreciated/amortized . . . . .	58,005	43,817	31,780	70,042	64,387	17,798	116,631
Capital assets, being depreciated/amortized:							
Building . . . . .	43,833	6,101	8,127	41,807	—	22	41,785
Equipment (including software) . . .	21,220	761	—	21,981	743	—	22,724
Infrastructure . . . . .	583,635	23,033	—	606,668	16,242	6	622,904
Total capital assets, being depreciated/amortized . . . . .	648,688	29,895	8,127	670,456	16,985 <sup>(1)</sup>	28	687,413
Less accumulated depreciation/amortization:							
Building . . . . .	2,450	364	439	2,375	644	—	3,019
Equipment (including software) . . .	6,362	2,018	—	8,380	2,190	—	10,570
Infrastructure . . . . .	132,255	33,224	2,320	163,159	35,304	—	198,463
Total accumulated depreciation/amortization . . . . .	141,067	35,606	2,759	173,914	38,138	—	212,052
Total capital assets, being depreciated/amortized, net . . . . .	507,621	(5,711)	5,368	496,542	(21,153)	28	475,361
Business-type activities capital assets, net . . . . .	<u>\$ 565,626</u>	<u>\$ 38,106</u>	<u>\$ 37,148</u>	<u>\$ 566,584</u>	<u>\$ 43,234</u>	<u>\$ 17,826</u>	<u>\$ 591,992</u>

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

<sup>(2)</sup> For Fiscal Year 2020, the decrease in construction work-in-progress was greater than the increase in capital assets due to certain costs included for The Trust for Governor’s Island and Brooklyn Bridge Park Corporation that were determined as not to be capitalized. The Trust for Governor’s Island expensed \$529,897 for demolition and reversed accruals in the amount of \$559,867. Brooklyn Bridge Park Corporation reclassified \$574,210 (retainage payable adjustment), \$145,395 (reversal of accruals), and \$294,831 (reclassifications within construction in progress) from the construction work in progress.

**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, 2021 and 2020 were approximately \$1.40 and \$1.28 billion, respectively.

As of June 30, 2021, 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:

Governmental Activities:	<u>Capital Leases</u>	<u>Operating Leases</u>	<u>Total</u>
Fiscal year ending June 30:	(in thousands)		
2022 .....	\$ 203,702	\$ 877,153	\$ 1,080,855
2023 .....	220,582	837,279	1,057,861
2024 .....	180,286	807,179	987,465
2025 .....	168,558	767,196	935,754
2026 .....	154,274	735,595	889,869
2027-2031 .....	673,026	2,788,953	3,461,979
2032-2036 .....	347,601	1,500,947	1,848,548
2037-2041 .....	131,218	593,292	724,510
2042-2046 .....	3,899	52,006	55,905
2047-2051 .....	—	43,880	43,880
2052-2056 .....	—	—	—
Future minimum payments. ....	<u>2,083,146</u>	<u>\$9,003,480</u>	<u>\$11,086,626</u>
Less: Interest .....	484,440		
Present value of future minimum payments .....	<u>\$1,598,706</u>		

The present value of future minimum lease payments includes approximately \$707 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, 2021 and 2020 was approximately \$234 and \$258 million, respectively. As of June 30, 2021, the following future minimum rentals are provided for by the leases:

	<u>Capital Leases</u>	<u>Operating Leases</u> (in thousands)	<u>Total</u>
<b>Governmental Activities:</b>			
Fiscal Year ending June 30:			
2022	\$ 647	\$ 223,839	\$ 224,486
2023	616	222,484	223,100
2024	616	215,357	215,973
2025	616	210,187	210,803
2026	685	192,012	192,697
2027-2031	3,552	928,784	932,336
2032-2036	2,949	884,643	887,592
2037-2041	357	861,322	861,679
2042-2046	220	843,408	843,628
2047-2051	24	835,429	835,453
2052-2056	—	813,560	813,560
2057-2061	—	736,691	736,691
2062-2066	—	44,871	44,871
2067-2071	—	44,234	44,234
2072-2076	—	42,747	42,747
2077-2081	—	42,747	42,747
2082-2086	—	42,747	42,747
2087-2091	—	4,275	4,275
Thereafter until 2111	—	1	1
Future minimum lease rentals	<u>10,282</u>	<u>\$7,189,338</u>	<u>\$7,199,620</u>
Less interest	<u>4,900</u>		
Present value of future minimum lease rentals	<u>\$ 5,382</u>		

**4. Service Concession Arrangements**

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

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

Concession Type	2021			2020		
	Number of Concessions	Deferred Inflows	Capital Assets Value	Number of Concessions	Deferred Inflows	Capital Assets Value
		(in thousands)			(in thousands)	
Restaurants	30	\$ 14,316	\$ 40,739	30	\$ 16,371	\$ 42,310
Sports Centers	16	12,557	48,400	15	14,206	50,447
Golf Courses	15	21,700	55,895	15	26,638	58,146
Gas Stations	7	192	679	7	284	703
Amusement Parks/Carousels	3	2,882	66,360	3	3,436	68,651
Stables	3	135	836	3	190	871
Other	1	77	324	1	155	334
Total	<u>75</u>	<u>\$ 51,859</u>	<u>\$ 213,233</u>	<u>74</u>	<u>\$ 61,280</u>	<u>\$ 221,462</u>



**5. Long-Term Liabilities***Changes in Long-term liabilities*

In Fiscal Years 2020 and 2021, the changes in long-term liabilities were as follows:

Primary Government	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020 <small>(in thousands)</small>	Additions	Deletions	Balance June 30, 2021	Due Within One Year
<b>Governmental activities:</b>								
Bonds and notes payable								
General Obligation Bonds <sup>(1)</sup>	\$ 36,693,735	\$ 5,283,940	\$ 3,819,010	\$ 38,158,665	\$ 4,888,060	\$ 5,097,321	\$ 37,949,404	\$2,153,910
from direct borrowing and direct placement	825,000	—	200,000	625,000	—	—	625,000	20,000
Total General Obligation Bonds	37,518,735	5,283,940	4,019,010	38,783,665	4,888,060	5,097,321	38,574,404	2,173,910
TFA bonds	46,034,470	3,964,000	1,577,475	48,420,995	6,865,265	5,796,095	49,490,165	1,242,275
from direct borrowing and direct placement	590,000	—	32,600	557,400	—	90,800	466,600	8,100
Total TFA Bonds	46,624,470	3,964,000	1,610,075	48,978,395	6,865,265	5,886,895	49,956,765	1,250,375
Total TSASC Bonds	1,052,560	—	29,375	1,023,185	—	30,570	992,615	26,675
Total IDA Bonds	62,010	—	2,300	59,710	—	2,545	57,165	2,680
Total STAR Bonds	1,721,240	—	87,650	1,633,590	—	1,633,590	—	—
Total FSC Bonds	21,785	—	21,785	—	—	—	—	—
HYIC Bonds	2,723,870	—	—	2,723,870	—	48,545	2,675,325	42,690
from direct borrowing and direct placement	—	545	—	545	1,714	—	2,259	2,259
Total HYIC Bonds	2,723,870	545	—	2,724,415	1,714	48,545	2,677,584	44,949
ECF Bonds	218,355	—	4,840	213,515	97,855	127,790	183,580	4,845
from direct borrowing and direct placement	—	—	—	—	118,410	—	118,410	—
Total ECF Bonds	218,355	—	4,840	213,515	216,265	127,790	301,990	4,845
Total before premiums/discounts(net)	89,943,025	9,248,485	5,775,035	93,416,475	11,971,304	12,827,256	92,560,523	3,503,434
Less premiums/(discounts)(net)	5,541,277	1,258,858	823,841	5,976,294	2,037,022	1,156,862	6,856,454	—
Total governmental activities bonds and notes payable	95,484,302	10,507,343	6,598,876	99,392,769	14,008,326	13,984,118	99,416,977	3,503,434
Capital lease obligations	1,552,980	114,813	120,467	1,547,326	189,756	138,376	1,598,706	117,442
Other tax refunds	1,946,717	276,797	119,717	2,103,797	301,221	358,797	2,046,221	194,221
Judgments and claims	6,850,291	1,577,018	1,329,096	7,098,213	1,064,266	1,225,061	6,937,418	2,041,641
Real estate tax certiorari	996,637	221,013	93,980	1,123,670	239,075	107,922	1,254,823	204,063
Vacation and sick leave	5,051,083	1,260,969	618,932	5,693,120	1,024,305	344,699	6,372,726	344,699
Net Pension liability	43,340,293	22,090,730	19,054,149	46,376,874	24,574,423	61,352,944	9,598,353	—
Net OPEB liability	107,790,058	11,080,392	9,413,532	109,456,918	12,126,503	3,604,188	117,979,233	—
Landfill closure and postclosure care costs	1,281,291	24,701	93,598	1,212,394	33,233	60,164	1,185,463	46,123
Pollution remediation obligation	246,320	147,774	142,844	251,250	79,108	108,305	222,053	92,699
Total governmental activities long-term liabilities	\$264,539,972	\$ 47,301,550	\$ 37,585,191	\$ 274,256,331	\$ 53,640,216	\$ 81,284,574	\$ 246,611,973	\$ 6,544,322
<b>Business-type activities:</b>								
Bonds and notes payable								
NYCTL 2017-A TRUST bonds	\$ 9,329	\$ —	\$ 9,329	\$ —	\$ —	\$ —	\$ —	\$ —
NYCTL 2018-A TRUST bonds	36,103	—	24,112	11,991	—	11,991	—	—
NYCTL 2019-A TRUST bonds	—	74,230	23,905	50,325	—	25,836	24,489	24,489
Total before premiums/discounts(net)	45,432	74,230	57,346	62,316	—	37,827	24,489	24,489
Less premiums/(discounts)(net)	(2)	1	2	(3)	—	(2)	(1)	(1)
Total business-type activities bonds and notes payable	45,430	74,231	57,348	62,313	—	37,825	24,488	24,488
Other liabilities	356,580	31,014	13,350	374,244	91,419	85,494	380,169	27,267
Total business-type activities long-term liabilities	\$ 402,010	\$ 105,245	\$ 70,698	\$ 436,557	\$ 91,419	\$ 123,319	\$ 404,657	\$ 51,755

<sup>(1)</sup> 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, 2020 and 2021 summarized by type of issue are as follows:

Primary Government	2020				2021			
	City General Obligation <sup>(1)</sup>	Other bonds and notes payable <sup>(2)</sup>	Revenue <sup>(3)</sup>	Total	City General Obligation <sup>(1)</sup>	Other bonds and notes payable <sup>(2)</sup>	Revenue <sup>(3)</sup>	Total
	(in thousands)							
<b>Governmental activities:</b>								
Bonds and Notes payable								
General obligation bonds . . . . .	\$ 38,158,665	\$ —	\$ —	\$ 38,158,665	\$ 37,949,404	\$ —	\$ —	\$ 37,949,404
from Direct borrowing and direct placement . . . . .	625,000	—	—	625,000	625,000	—	—	625,000
Total General obligation bonds . . .	38,783,665	—	—	38,783,665	38,574,404	—	—	38,574,404
TFA Bonds . . . . .	—	40,153,780	—	40,153,780	—	41,087,210	—	41,087,210
from Direct borrowing and direct placement . . . . .	—	524,800	—	524,800	—	466,600	—	466,600
TFA Bonds BARBS . . . . .	—	—	8,299,815	8,299,815	—	—	8,402,955	8,402,955
Total TFA Bonds . . . . .	—	40,678,580	8,299,815	48,978,395	—	41,553,810	8,402,955	49,956,765
TSASC Bonds . . . . .	—	—	1,023,185	1,023,185	—	—	992,615	992,615
IDA Bonds . . . . .	—	59,710	—	59,710	—	57,165	—	57,165
STAR Bonds . . . . .	—	—	1,633,590	1,633,590	—	—	—	—
FSC Bonds . . . . .	—	—	—	—	—	—	—	—
HYIC Bonds . . . . .	—	—	2,723,870	2,723,870	—	—	2,675,325	2,675,325
from Direct borrowing and direct placement . . . . .	—	545	—	545	—	2,259	—	2,259
Total HYIC Bonds . . . . .	—	545	2,723,870	2,724,415	—	2,259	2,675,325	2,677,584
ECF Bonds . . . . .	—	—	213,515	213,515	—	—	183,580	183,580
from Direct borrowing and direct placement . . . . .	—	—	—	—	—	—	118,410	118,410
Total ECF Bonds . . . . .	—	—	213,515	213,515	—	—	301,990	301,990
Total before net of premium / discount . .	38,783,665	40,738,835	13,893,975	93,416,475	38,574,404	41,613,234	12,372,885	92,560,523
Net Premiums/(discounts) . . . . .	2,157,123	806,820	3,012,351	5,976,294	2,437,426	3,308,160	1,110,868	6,856,454
Total bond payable . . . . .	\$40,940,788	\$41,545,655	\$16,906,326	\$99,392,769	\$41,011,830	\$44,921,394	\$ 13,483,753	\$99,416,977
<b>Business-type activities:</b>								
NYCTL Trusts bonds . . . . .	—	—	62,316	62,316	—	—	24,489	24,489
Net Premiums/(discounts) . . . . .	—	—	(3)	(3)	—	—	(1)	(1)
Total bond payable . . . . .	\$ —	\$ —	\$ 62,313	\$ 62,313	\$ —	\$ —	\$ 24,488	\$ 24,488

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

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

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

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The following table summarizes future debt service requirements as of June 30, 2021:

<u>Primary Government</u>	<u>Governmental activities</u>							
	<u>City General Obligation Bonds</u>				<u>Other bonds and notes payable</u>			
	<u>Bonds</u>		<u>Bond from Direct Borrowings/ Direct Placements</u>		<u>Bonds</u>		<u>Bond from Direct Borrowings/ Direct Placements</u>	
	<u>Principal</u>	<u>Interest<sup>(1)</sup></u>	<u>Principal</u>	<u>Interest<sup>(1)</sup></u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b>Fiscal year ending June 30:</b>	(in thousands)							
2022.....	\$ 2,153,910	\$ 1,420,642	\$ 20,000	\$ 18,750	\$ 1,177,200	\$ 1,664,091	\$ 10,359	\$ 2,686
2023.....	2,437,251	1,329,429	30,000	18,150	1,675,455	1,610,950	8,500	3,502
2024.....	2,496,371	1,228,877	—	17,250	1,747,690	1,543,802	—	3,470
2025.....	2,419,111	1,122,651	—	17,250	1,759,525	1,476,030	—	3,470
2026.....	2,347,716	1,019,828	—	17,250	1,792,445	1,409,559	18,100	3,470
2027-2031.....	9,433,322	3,849,381	93,855	81,135	9,133,480	5,922,137	81,900	14,448
2032-2036.....	7,405,292	2,177,571	123,980	65,827	8,840,570	4,042,413	—	13,493
2037-2041.....	5,128,203	981,430	133,480	43,736	9,200,625	1,920,172	31,030	13,208
2042-2046.....	3,399,512	320,714	135,595	29,960	5,132,905	446,114	303,585	6,246
2047-2051.....	728,674	59,685	88,090	3,249	684,480	50,704	15,385	118
2052-2056.....	4	14	—	—	—	—	—	—
Thereafter until 2147.....	38	127	—	—	—	—	—	—
Total future debt service requirements.....	37,949,404	13,510,349	625,000	312,557	41,144,375	20,085,972	468,859	64,111
Less interest.....	—	(13,510,349)	—	(312,557)	—	(20,085,972)	—	(64,111)
Total principal outstanding.....	<u>\$37,949,404</u>	<u>\$ —</u>	<u>\$625,000</u>	<u>\$ —</u>	<u>\$41,144,375</u>	<u>\$ —</u>	<u>\$468,859</u>	<u>\$ —</u>
<b><u>Business-type activities</u></b>								
	<u>Bonds</u>							
	<u>Principal</u>	<u>Interest<sup>(1)</sup></u>						
<b>Fiscal year ending June 30:</b>	(in thousands)							
2022.....	\$ —	\$ 536						
2023.....	—	536						
2024.....	—	536						
2025.....	—	536						
2026.....	—	536						
2027-2031.....	—	2,682						
2032-2036.....	24,489	268						
Total future debt service requirements.....	24,489	5,630						
Less interest.....	—	(5,630)						
Total principal outstanding.....	<u>\$ 24,489</u>	<u>\$ —</u>						

<sup>(1)</sup> 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.

Primary Government	Governmental activities (Continued)			
	Revenue Bonds			
	Bonds		Bond from Direct Borrowings/ Direct Placements	
	Principal	Interest	Principal	Interest
(in thousands)				
Fiscal year ending June 30:				
2022.....	\$ 187,115	\$ 593,448	\$ —	\$ 4,769
2023.....	278,125	581,984	—	5,921
2024.....	378,820	567,208	1,070	5,921
2025.....	397,505	549,051	1,130	5,867
2026.....	409,210	529,513	2,125	5,811
2027-2031.....	2,462,940	2,297,578	12,335	27,348
2032-2036.....	3,049,770	1,611,622	15,740	23,940
2037-2041.....	2,620,770	869,403	20,090	19,592
2042-2046.....	1,815,610	371,090	25,635	14,042
2047-2051.....	654,610	45,059	32,725	6,958
2052-2056.....	—	—	7,560	378
Thereafter until 2147.....	—	—	—	—
Total future debt service requirements.....	12,254,475	8,015,956	118,410	120,547
Less interest.....	—	(8,015,956)	—	(120,547)
Total principal outstanding.....	<u>\$12,254,475</u>	<u>\$ —</u>	<u>\$118,410</u>	<u>\$ —</u>

The average (weighted) interest rates for outstanding City General Obligation Bonds as of June 30, 2021 and 2020, were 4.22% and 4.38%, respectively, and both ranged from 0.3% 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 2021 and 2020, the City issued \$2.89 and \$1.50 billion, respectively, of General Obligation Bonds to advance refund General Obligation Bonds of \$3.0 and \$1.73 billion, respectively, aggregate principal amounts. The net proceeds from the sales of the refunding bonds, together with other funds of \$7.86 and \$13.31 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 2021, the refunding transactions will decrease the City’s aggregate debt service payments by \$444.97 million and provide an economic gain of \$428.54 million. In Fiscal Year 2020, the refunding transactions decreased the City’s aggregate debt service payments by \$275.87 million and provided an economic gain of \$264.88 million. At June 30, 2021 and 2020, \$18.22 and \$19.41 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, 2021 and 2020, the 10% general limitation was approximately \$123.02 and \$116.27 billion, respectively. Also, as of June 30, 2021, the City’s remaining GO debt-incurring power totaled \$41.2 billion, after providing for capital commitments. As of July 1, 2021, the debt incurring power was \$47.7 billion based on the change in the five-year full valuation average for fiscal year 2022.

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 2021, prepayment transfers of \$3 billion were made from the General Fund which included discretionary transfers of \$2.43 billion to the General Debt Service Fund for Fiscal Year 2021 debt service. In Fiscal Year 2020, prepayment transfers of \$1.27 billion were made from the General Fund to the General Debt Service Fund for Fiscal Year 2021 debt service.

As of June 30, 2021, the City had 35 series of Variable Rate Demand Bonds (VRDBs) outstanding that have a “put” feature and are backed by either a Standby Bond Purchase Agreement (SBPA) or a Letter of Credit (LOC) with a total par value of approximately \$3.27 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 35 series of VRDBs are summarized below. The summaries are qualified in their entirety by references to the actual SBPAs and LOC Reimbursement Agreements, which can be found by following prompts on the New York City home page on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website (<http://emma.msrb.org>). Events of default can include, but are not necessarily limited to: payment defaults by the City; City failure to observe certain covenants; City representations in bond documents prove to be incorrect; bankruptcy or insolvency of the City; provisions in the City's bond documents cease to be valid and binding or the City repudiates obligations; the City declares a moratorium on payment of any of its debts; the City's long-term unenhanced bond ratings are withdrawn, suspended for credit-related reasons, or reduced below certain thresholds; or the City fails to satisfy non-appealable monetary judgements above a certain amount.

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

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

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

As of June 30, 2021, 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%.

As of June 30, 2021, the City had three series of Adjustable Rate Remarketing Securities (ARRS) outstanding with a total par value of \$359.35 million. The ARRS are comparable to VRDBs, but do not require a liquidity facility backstop and have a non-remarketed rate of 12% if they cannot be successfully remarketed.

#### *Hedging derivative instrument payments and hedged debt*

As of June 30, 2021 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, 2021 and 2020, claims in excess of \$2.37 and \$1.52 trillion, respectively, were outstanding against the City for which the City estimates its potential future liability to be \$6.94 and \$7.10 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 196 notices of claim from putative plaintiffs and been named as a defendant in approximately 25 legal actions, and received approximately 1,600 workers' compensation claims to date relating to the COVID-19 outbreak in the City. The notices of claim and legal actions include claims that wrongful actions or omissions of the City and/or certain City restrictions related to COVID-19 have resulted in severe medical, psychological and economic damages and/or death. The workers' compensation claims are governed by a no-fault system in which the City, as the claimant's employer, provides wage replacement benefits and medical care for work-related illnesses if the City accepts the employee's claim or the claimant sues and obtains a court judgment. Going forward, the City expects to receive additional legal and workers' compensation 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.

In 1996, a class action was brought against the New York City Board of Education (the “BOE”) and the State in federal district court of the Southern District of New York under Title VII of the Civil Rights Act of 1964 alleging that the use by the Board of Education of a teacher certification examination mandated by the State from 1996 to 2004, the Liberal Arts and Science Test (“LAST”), and a second version of the teacher certification examination mandated by the State from 2004 to 2014, the Liberal Arts and Science Test 2 (“LAST-2”), had a disparate impact on minority candidates. In 2006, the United States Court of Appeals for the Second Circuit dismissed the claims against the State. The District Court ruled in 2012 and 2015, respectively, that each of LAST and LAST-2 violated Title VII because it did not measure the skills necessary to do the job. Currently, approximately 4,700 LAST and LAST-2 class members have submitted claim forms and may be eligible for damages. Approximately 2,000 judgments have been entered in favor of the claimants and, if ultimately paid, would total approximately \$470 million. The City has appealed a majority of these judgments. On January 28, 2021, the Second Circuit denied 347 of the City’s appeals and the parties are currently negotiating the timing and payment amounts for those judgments. The remaining appeals have not proceeded beyond the filing of the Notice of Appeal. With the assistance of the court appointed Special Master, the parties have reached an agreement to limit the number of the judgments that would need to be paid in any given fiscal year. The maximum dollar value of judgments to be paid by the BOE would be limited as follows: In fiscal year 2022 – a maximum of \$345 million; in fiscal year 2023 – a maximum of \$410 million; in fiscal year 2024 – a maximum of \$360 million; in fiscal year 2025 – a maximum of \$360 million; in fiscal year 2026 – a maximum of approximately \$183 million; in fiscal year 2027 – a maximum of approximately \$83 million; and in fiscal year 2028 – a maximum of approximately \$33 million. The agreement is a cap on payments of judgments entered against the BOE and is not an agreement to compromise claims. BOE will continue to contest individual claims presented to the Special Master. The Special Master will regulate the number of judgments entered against BOE to ensure that the aforementioned caps are not exceeded in any fiscal year.

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

On March 23, 2017, a second putative class actions was filed in State Supreme Court, Queens County, also alleging numerous commercial claims in connection with the February 2014 auctions of wheelchair accessible taxi medallions. In November 2017, the Court dismissed the action, which plaintiffs appealed. In March 2019, the Court granted the plaintiffs’ motion to reargue the action, and reinstated the implied covenant, rescission and New York State General Business Law claims. In November 2019, the Court granted plaintiffs’ motion for class certification. At present, the Court in this filed action has defined the class as all purchasers at the 2013 and 2014 auctions, and their successors or assigns. If the class were to prevail on any of the remaining claims, damages of several hundred million dollars could be sought. The Court recently denied the plaintiffs’ motion for partial summary judgment and granted in part, and denied in part, the City’s summary judgment motion, allowing the rescission and implied covenant of good faith and fair dealing claims to proceed to trial. The City has filed a motion to dismiss the complaint in light of the binding precedent by the Appellate Division, Second Department from the first filed action.

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

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. By Opinion and Order dated October 20, 2020, the Court granted plaintiffs' motion for partial summary judgment as to liability in most respects. The Court determined that the current amount of APS in the City did not provide the plaintiffs with meaningful access under the Americans with Disabilities Act, the Rehabilitation Act and the New York City Human Rights Law. However, the Court found that plaintiffs' claims are time-barred as to any new intersections or alterations completed prior to June 27, 2015. The parties completed remedial discovery, and as of May 14, 2021, proposed remedial plans and opposition to opposing remedial plans have been submitted to the Court. The City cannot currently estimate the potential costs for compliance with the forthcoming remedial order but expects that they will be substantial.

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

In a putative class action filed 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. In June 2021, the Plaintiff filed an appeal of the denial of class certification. On August 9, 2021, the City filed a memorandum of law in opposition to Plaintiff's appeal and in support of its appeal of the trial court ruling on the notarization issue relating to the technician certificate. In a decision dated March 3, 2021, the trial court denied plaintiff's motion to reargue that court's denial of class certification. 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. The City defendants filed a motion to dismiss in December 2020. The Plaintiff filed an opposition to the motion, and the City's reply was filed on October 15, 2021.

In 2019, New York State enacted the Child Victims Act which eliminated various procedural requirements in actions where a plaintiff alleges sexual abuse that occurred when the plaintiff was under 18 years of age. To date, the City has been named as a defendant in approximately 978 cases authorized by the Act, approximately half of which are related to the alleged sexual abuse of children in the City's foster care system. Initial, limited discovery demands have been incorporated into a court order and more complete demands have been proposed by the defendants and plaintiffs. To date, the City has settled approximately 10 of the cases. It is too early at this stage of the litigation to provide an accurate estimate of the potential cost to the City; however, the exposure could be substantial in each of the future years during which settlements are reached.

On October 17, 2017, three plaintiffs commenced a putative proposed class action, *Lynch et al. v. City*, 17-cv-7577, asserting causes of action under the Fourth and Fourteen Amendments of the United States Constitution, 42 U.S.C. Section 1983, and false imprisonment under New York State common law. Each plaintiff was held in the custody of New York City Department of Corrections ("DOC") as a pretrial detainee, received a judicial order fixing bail, posted bail, and alleges that they were not released from DOC custody within a reasonable time thereafter. The complaint references local laws of the City which mandate specific timeframes for pre-trial release, among other related requirements. Plaintiffs seek compensatory damages. The City filed a motion to dismiss, which the Court denied. The City filed an answer and since then, the City has provided substantial discovery, a significant amount

of which took place in the first half of 2021 and which led to the parties entering settlement discussions. Based upon the discovery conducted to date, the potential number of individuals included in the settlement class could be approximately 90,000 for the period of October 2014 through present. Since late April 2021, the parties have submitted a series of joint status reports regarding settlement discussions to the Court as the parties continue negotiations. It is too early at this stage of the settlement discussions to provide an accurate estimate of the potential cost to the City; however, the exposure could be substantial.

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 \$1.23 and \$1.12 million at June 30, 2021 and June 30, 2020 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, 2021, for all inactive landfills and hazardous waste sites, equates to the total estimated current cost of \$1.19 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, 2021, the financial assurance cost estimate for the Fresh Kills Landfill is \$878.9 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 2021, expenditures for landfill and inactive hazardous waste site closure and postclosure care costs totaled \$52.6 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>2021</u>	<u>2020</u>
	(in thousands)	
Landfill . . . . .	\$1,066,641	\$1,089,811
Hazardous waste sites . . . . .	<u>118,822</u>	<u>122,583</u>
Total landfill and hazardous waste sites liability . . . . .	<u>\$1,185,463</u>	<u>\$1,212,394</u>

*Pollution Remediation Obligations*

The pollution remediation obligations (PROs) at June 30, 2021 and June 30, 2020, summarized by obligating event and pollution type, respectively, are as follows:

<u>Obligating Event</u>	<u>Fiscal Year 2021</u>		<u>Fiscal Year 2020</u>	
	<u>Amount</u> (in thousands)	<u>Percentage</u>	<u>Amount</u> (in thousands)	<u>Percentage</u>
Imminent endangerment . . . . .	\$ 15	0.01%	\$ 17	0.01%
Named by regulator as a potentially responsible party . . . . .	67,794	30.53	68,500	27.26
Voluntary commencement . . . . .	154,244	69.46	182,733	72.73
Total . . . . .	<u>\$222,053<sup>(1)</sup></u>	<u>100.00%</u>	<u>\$251,250<sup>(1)</sup></u>	<u>100.00%</u>

<u>Pollution Type</u>	<u>Fiscal Year 2021</u>		<u>Fiscal Year 2020</u>	
	<u>Amount</u> (in thousands)	<u>Percentage</u>	<u>Amount</u> (in thousands)	<u>Percentage</u>
Asbestos removal . . . . .	\$105,984	47.73%	\$111,044	44.20%
Lead paint removal . . . . .	20,831	9.38	36,226	14.42
Soil remediation . . . . .	25,447	11.46	34,510	13.74
Water remediation . . . . .	50,796	22.88	57,815	23.01
Other . . . . .	18,995	8.55	11,655	4.63
Total . . . . .	<u>\$222,053<sup>(1)</sup></u>	<u>100.00%</u>	<u>\$251,250<sup>(1)</sup></u>	<u>100.00%</u>

<sup>(1)</sup> 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 37 cases involving hazardous substances, including spills from above and underground storage tanks, and other contamination on, or caused by facilities on City-owned property; and there is also one case involving Solid Waste and one City Wastewater Treatment/Stormwater Treatment and Sewers case. Due to the uncertainty of the legal proceedings, future liabilities cannot be estimated.

The City, in compliance with the State Department of Environmental Conservation Permit Numbers 2-6302-00007/00019, 2-6102-00010/00013, 2-6106-00002/00022, 2-6204-00007/00013, and 2-6202-00005/00017 issued pursuant to 6 NYCRR Part 360, must provide financial assurance for the closure of the following Marine Transfer Stations: North Shore, Hamilton Avenue, Southwest Brooklyn, East 91st Street, and West 59th Street. Such surety instrument must conform to the requirements of 6 NYCRR Part 360.12. The liability for closure as of June 30, 2021, which equates to the total current closure cost, is \$1.06 million for North Shore, \$931 thousand for Hamilton Avenue, \$877 thousand for Southwest Brooklyn, \$1.01 million for East 91st Street, and \$230 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 \$4.11 million is included under the Pollution Type "Other" in the table above.

On Monday, October 29, 2012, Superstorm Sandy hit the Mid-Atlantic East Coast. The storm caused widespread damage to the coastal and other low lying areas of the City and power failures in various parts of the City, including most of downtown Manhattan. On January 29, 2013, President Obama signed legislation providing for approximately \$50.5 billion in storm-related aid for the region affected by the storm. Although it is not possible for the City to quantify the full, long-term impact of the storm on the City and its economy, the current estimate of the direct costs to the City, NYCHH and NYCHA is approximately \$10.7 billion (comprised of approximately \$1.8 billion of expense costs and approximately \$8.9 billion of capital project costs). Such direct costs represent funding for emergency response, debris removal, emergency protective measures, repair of damaged infrastructure and long-term hazard mitigation investments. In

addition to such direct costs, the City is delivering Sandy-related disaster recovery assistance services, benefiting impacted communities, businesses, homeowners and renters (Community Costs). The City anticipates that funding for Community Costs will be primarily reimbursed with federal funds. However, the City is responsible for \$134 million of such Community Costs, which are reflected in the Financial Plan. In addition, the City may be responsible for up to approximately \$150 million of additional Community Costs, which are not reflected in the Financial Plan.

The Financial Plan assumes that the direct costs described above will largely be paid from non-City sources, primarily the federal government, and that the Community Costs described above will be primarily reimbursed by federal funds. The City expects reimbursements to come from two separate federal sources of funding, FEMA and HUD. The City has secured approximately \$10.7 billion in FEMA assistance and other federal emergency response grants (FEMA Funding). The maximum reimbursement rate from FEMA is 90% 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, 2021, the City, NYCHH and NYCHA have received \$4.4 billion in reimbursements from FEMA for the direct costs described above. In addition to the FEMA Funding described above, HUD has made available over \$4.4 billion for Community Costs, of which approximately \$3.8 billion has been received through June 30, 2021. 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 Superstorm Sandy and some of which are directed toward mitigating the risks identified in the NPCC Reports. Such plans include both stand-alone resiliency projects and the integration of resiliency protection into the City's ongoing investments. These projects are in various stages of feasibility review, design and construction and/or implementation. Funding for these projects is expected to come from City, State and federal sources. Some projects are expected to require additional funding to the extent that they are in the planning stages or current funding does not provide for the costs of construction.

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

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

the south, developing a plan that contemplates extending the Manhattan shoreline from the Brooklyn Bridge to the Battery into the East River to protect the Seaport and Financial District area, and an elevated waterfront esplanade in the Battery and flood barriers in Battery Park City. 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, and the appeal is currently being briefed. On April 26, 2021, separate litigation was filed in New York Supreme Court challenging the City Department of Design and Construction's procurement of the construction contract for a portion of ESCR. On July 14, 2021, the case was dismissed. The contract has been registered with the Comptroller. On July 29, 2021, petitioner filed a notice of appeal.

The Staten Island Project, which is being designed and constructed by the U.S. Army Corps of Engineers (USACE), will create a 5.5-mile line of coastal protection on Staten Island between Fort Wadsworth and Oakwood Beach. USACE currently estimates that the project will cost \$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. USACE expects to bid out contracts for the project in 2021.

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

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 Superstorm Sandy 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 modeling FEMA used to develop them. The 2015 preliminary flood maps were adopted into the building code, but the prior 2007 flood maps remain in effect for flood insurance purposes. In 2016, FEMA agreed with the City's appeal, and the City is currently working with FEMA to update the maps. 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.

On March 2, 2010, the United States Environmental Protection Agency (EPA) listed the Gowanus Canal (the Canal), a waterway located in the City, as a federal Superfund site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). EPA considers the City a potentially responsible party (PRP) under CERCLA, based on contaminants from currently and formerly City-owned and operated properties, as well as from the City's combined sewer overflows (CSOs). On September 30, 2013 EPA issued the Record of Decision (ROD) for the Canal, setting forth requirements for dredging contaminated sediment in the Canal and covering it with a cap as well as source control requirements. Separate from the in-Canal remedy, the ROD also requires that two CSO retention tanks be constructed as part of the source control component of the remedy. The City anticipates that the actual cleanup costs – including both the in-Canal portion and the CSO portion – will substantially exceed EPA's original cost estimate for the ROD.

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

On March 29, 2021, USEPA issued a Unilateral Order to the City, requiring the City to complete design and construction of both CSO tanks by March 2029; to complete design and construction of a new bulkhead at the City-owned Salt Lot at 2nd Avenue in Brooklyn by August 2023; and to implement additional stormwater controls in the Canal sewershed. The City has informed USEPA that it

would complete the design and construction of the CSO tanks as required in the 2021 Unilateral Order, but that it would likely be unable to meet the deadlines imposed in the Order. Based on the concerns the City raised about the 2021 Unilateral Order, USEPA delayed the effective date of the 2021 Unilateral Order and modified the 2021 Unilateral Order in certain respects, but declined to extend the design and construction schedules. The 2021 Unilateral Order took effect on June 30, 2021. The City is subject to penalties stemming from alleged violations of the 2014 Unilateral Order and the Administrative Order, and may also be subject to fines and/or penalties stemming from the 2021 Unilateral Order if it does not meet the design and/or construction deadlines set forth therein.

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

On September 27, 2010, EPA listed Newtown Creek, the waterway on the border between Brooklyn and Queens, New York, as a Superfund site. On April 6, 2010, EPA notified the City that EPA considers the City a PRP under CERCLA for hazardous substances in Newtown Creek. In its Newtown Creek PRP notice letter, EPA identified historical City activities that filled former wetlands and low lying areas in and around Newtown Creek and releases from formerly City-owned and operated facilities, including municipal incinerators, as well as discharges from sewers and CSO outfalls, as potential sources of hazardous substances in Newtown Creek. In July, 2011, the City entered into an Administrative Settlement Agreement and Order on Consent with EPA and five other PRPs to conduct an investigation of conditions in Newtown Creek and evaluate feasible remedies. The investigation and feasibility study is expected to take approximately eleven years. The City's share will be determined in a future allocation proceeding. The 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, 2021 and 2020, 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>2021</u>	<u>2020</u>
		(in thousands)	
General Fund	Capital Projects Fund . . . . .	\$3,065,565 <sup>(1)</sup>	\$2,500,541 <sup>(1)</sup>
	TFA—Debt Service . . . . .	132,408	343,958
Capital Projects Fund	TFA—Capital Projects Fund . . . . .	1,846	183,645
	HYIC —Capital Projects Fund . . . . .	298	255
HYDC—Capital Projects Fund	HYIC—Capital Projects Fund . . . . .	—	122
HYIC—Debt Service Fund	HYIC—Capital Projects Fund . . . . .	—	254
Total due from/to other funds . . . . .		<u>\$3,200,117</u>	<u>\$3,028,775</u>

**Component Units:**

Due from/to City and Component Units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>2021</u>	<u>2020</u>
		(in thousands)	
City—General Fund	Component units—HDC . . . . .	\$3,582,256	\$4,432,287
	NYC Health + Hospitals . . . . .	529,216	382,780
		<u>4,111,472</u>	<u>4,815,067</u>
City—Capital Projects Fund	Component units—the System . . . . .	565,434	567,644
	EDC . . . . .	140,711	139,934
		<u>706,145</u>	<u>707,578</u>
Total due from Component Units . . . . .		<u>\$4,817,617</u>	<u>\$5,522,645</u>
Component Unit—the System	City—General Fund . . . . .	\$ 38,878	\$ 93,685
Component Unit—BPL	City—General Fund . . . . .	8,283	14,581
Component Unit—QBPL	City—General Fund . . . . .	3,566	7,054
Total due to Component Units . . . . .		<u>\$ 50,727</u>	<u>\$ 115,320</u>

<sup>(1)</sup> Net of eliminations within the same fund type.

Note: During Fiscal Years 2021 and 2020, 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<sup>(1)</sup>

	<b>Fiscal Year 2021</b>			
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>
	(in thousands)			
Transfer from (to):				
General Fund . . . . .	\$ —	\$ —	\$ 5,077,328	\$ 3,235,270
General Debt Service Fund . . . . .	(5,077,328)	—	—	—
Capital Projects Fund . . . . .	—	—	—	(3,981,560)
Nonmajor Debt Service Funds . . . . .	(3,511,282)	—	—	25,147
Nonmajor Capital Projects Funds . . . . .	—	3,981,560	—	28,065
Nonmajor Special Revenue Funds . . . . .	—	—	—	(53,212)
Total . . . . .	<u>\$ (8,588,610)</u>	<u>\$ 3,981,560</u>	<u>\$ 5,077,328</u>	<u>\$ (746,290)</u>
	<b>Fiscal Year 2020</b>			
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>
	(in thousands)			
Transfer from (to):				
General Fund . . . . .	\$ —	\$ —	\$ 3,313,378	\$ 3,120,219
General Debt Service Fund . . . . .	(3,313,378)	—	—	—
Capital Projects Fund . . . . .	—	—	—	(4,242,110)
Nonmajor Debt Service Funds . . . . .	(3,632,205)	—	—	260,177
Nonmajor Capital Projects Funds . . . . .	—	4,242,110	—	12,958
Nonmajor Special Revenue Funds . . . . .	—	—	—	(273,135)
Total . . . . .	<u>\$ (6,945,583)</u>	<u>\$ 4,242,110</u>	<u>\$ 3,313,378</u>	<u>\$ (1,121,891)</u>

<sup>(1)</sup> 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 2021, the City made the following transfer: A transfer of unrestricted grants from the General Fund in the amount of \$2.68 billion to TFA. The funds were used to fund debt service requirements for future tax secured debt during the Fiscal Year ending June 30, 2022.

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.



**Governmental activities: (cont.)**

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

	<u>Fiscal Year 2020</u>	
	<u>Adjustments/ Eliminations</u>	<u>Total</u>
	(in thousands)	
Transfer from (to):		
General Fund . . . . .	\$ —	\$ 6,433,597
General Debt Service Fund . . . . .	—	(3,313,378)
Capital Projects Fund . . . . .	—	(4,242,110)
Nonmajor Debt Service Funds . . . . .	511,986	(2,860,042)
Nonmajor Capital Projects Funds . . . . .	—	4,255,068
Nonmajor Special Revenue Funds . . . . .	—	(273,135)
Total . . . . .	<u>\$ 511,986</u>	<u>\$ —</u>

**7. Tax Abatements**

<p><i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p>	<p><b>Programs Administered by NYC Housing Preservation &amp; Development (HPD)</b></p>													
	<p><b>J51 Program</b></p>	<p><b>Commercial Conversion Programs 421-a, 421-b and 421-g</b></p>												
<p><b>1) Purpose of program.</b></p>	<p>Encourages the rehabilitation of existing residential structures by providing tax exemptions and abatements.</p>	<p>Designed to encourage the new construction of multiple dwellings (421-a), new construction or conversion or reconstruction of owner-occupied one- and two-family homes (421-b), and the construction and conversion of commercial buildings to residential apartment buildings (421-g) by providing real property tax benefits for eligible parcels.</p>												
<p><b>2) Tax being abated.</b></p>	<p>Real Property Tax</p>	<p>Real Property Tax</p>												
<p><b>3) Authority under which abatement agreements are entered into.</b></p>	<p>NYS Real Property Tax Law, Section 489 NYC Administrative Code, Section 11-243</p>	<p>NYS Real Property Tax Law, Section 421-a, 421-b and 421-g NYC Administrative Code, Sections 11-245, 11-245.1, 11-245.1-a and 11-245.1-b</p>												
<p><b>4) Criteria to be eligible to receive abatement.</b></p>	<p>The projects may be government-assisted or privately financed for moderate and gut rehabilitation of multiple dwellings. The projects may also be for major capital improvements, conversions of lofts and non-residential buildings into multiple dwellings, and for certain cooperative/condominium and conversions to residential property projects.</p>	<p>a) <u>421-a Program</u>: The buildings must receive governmental assistance, contain 20% affordable units, or the owner must participate in an affordable housing production program. b) <u>421-b Program</u>: The homes must be owner-occupied and may not include commercial or other non-residential space. c) <u>421-g Program</u>: The conversions must have an alteration Type 1 permit dated before June 30, 2006. All of the programs have eligible abatement zones.</p>												
<p><b>5) How recipients' taxes are reduced.</b></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><b>6) How amount of abatement is determined.</b></p>	<p>The amount of the direct reduction to the remaining billable amount due is based on the calculated "Certified Reasonable Cost"; a percentage is applied to that figure to determine the Lifetime Abatement Amount or Abatement Pool.</p>	<p>a) <u>421-a Program</u>: The benefit is based on a reduction of assessment value of the new construction for a three year construction benefit period, up to 35 years following the construction period. b) <u>421-b Program</u>: The building assessment is exempt during the construction period and for an additional two years; the benefit then declines until the ninth year. c) <u>421-g Program</u>: There is a construction period abatement from the increase in real estate taxes resulting from the work, and a 14 year abatement (ten years full and four year phase out) based on the existing real estate taxes in year one of the benefit term.</p>												
<p><b>7) Provisions for recapturing abated taxes.</b></p>	<p>N/A</p>	<p>N/A</p>												
<p><b>8) Types of commitments made by the City other than to reduce taxes.</b></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><b>9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.</b></p>	<table border="0"> <thead> <tr> <th style="text-align: center;"><u>2021</u></th> <th style="text-align: center;"><u>2020</u></th> </tr> <tr> <th colspan="2" style="text-align: center;">(in thousands)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$295,900</td> <td style="text-align: center;">\$301,100</td> </tr> </tbody> </table>	<u>2021</u>	<u>2020</u>	(in thousands)		\$295,900	\$301,100	<table border="0"> <thead> <tr> <th style="text-align: center;"><u>2021</u></th> <th style="text-align: center;"><u>2020</u></th> </tr> <tr> <th colspan="2" style="text-align: center;">(in thousands)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$1,730,100</td> <td style="text-align: center;">\$1,600,700</td> </tr> </tbody> </table>	<u>2021</u>	<u>2020</u>	(in thousands)		\$1,730,100	\$1,600,700
<u>2021</u>	<u>2020</u>													
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(in thousands)														
\$1,730,100	\$1,600,700													

Programs Administered by NYC Housing Preservation & Development (HPD)																							
Division of Alternative Management Programs (DAMP)		Urban Development Action Area Programs (UDAAP)		Low Income Housing Program 420-C																			
DAMP encourages community growth by returning City-owned buildings to responsible private owners. DAMP offers incentive programs that select alternative managers for residential properties foreclosed by the City for nonpayment of taxes, with the goal of returning these properties to the tax roll.		UDAAP offers incentive programs for rehabilitating housing or building new housing.		To encourage upgrades to existing housing by providing a tax incentive for buildings developed by not-for-profit entities which were financed with the Federal Low Income Tax Credit program.																			
Real Property Tax		Real Property Tax		Real Property Tax																			
NYS Private Housing Finance Law, Section 577		NYS General Municipal Law, Section 696		NYS Real Property Tax Law, Section 420-c																			
The benefits are limited to residential properties that were foreclosed on by the City for nonpayment of taxes.		The housing must be designated by the City Council as an area in need of urban renewal.		The property must provide housing accommodations to persons and families of low income, participates or has participated in the Federal Low-Income Housing Tax Credit (LIHTC) program, and is subject to a regulatory agreement with HPD.																			
Through a reduction of the property's assessed value.		Through a reduction of the property's assessed value.		Through a reduction of the property's assessed value.																			
The benefit is equal to the assessed value times an eligible percentage less the DAMP ceiling, which sets a limit on the maximum taxable assessment that can be placed on a property.		The UDAAP benefit is equal to the delta between the building Assessed Value (AV) in the base year and the building AV in the benefit year, up to 20 years.		The benefit provides a 100% reduction from real estate taxes for the term of the regulatory agreement up to a maximum of 60 years.																			
N/A		N/A		Previously abated taxes are not recaptured unless there is a direct demand from HPD to do so.																			
N/A		N/A		N/A																			
<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>2021</u></td> <td style="text-align: center;"><u>2020</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$50,000</td> <td style="text-align: center;">\$46,800</td> </tr> </table>		<u>2021</u>	<u>2020</u>	(in thousands)		\$50,000	\$46,800	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>2021</u></td> <td style="text-align: center;"><u>2020</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$19,400</td> <td style="text-align: center;">\$22,000</td> </tr> </table>		<u>2021</u>	<u>2020</u>	(in thousands)		\$19,400	\$22,000	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>2021</u></td> <td style="text-align: center;"><u>2020</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: center;">\$318,900</td> <td style="text-align: center;">\$285,800</td> </tr> </table>		<u>2021</u>	<u>2020</u>	(in thousands)		\$318,900	\$285,800
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(in thousands)																							
\$318,900	\$285,800																						

<p><i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i></p>	<p><b>Programs Administered by NYC Department of Finance (DOF)</b></p>													
	<p><b>The Commercial Revitalization (CRP) and Commercial Expansion (CEP) Programs</b></p>	<p><b>Industrial and Commercial Incentive Program (ICIP) and Industrial and Commercial Abatement Program (ICAP)</b></p>												
<p><b>1) Purpose of program.</b></p>	<p>CRP provides a real property tax reduction in lower Manhattan by encouraging owners to invest in building improvements for offices, retail or elementary or secondary schools. The CEP provides a real property tax reduction for space that has been leased for commercial offices, industrial/manufacturing spaces, retail or elementary or secondary schools in the outer boroughs or Manhattan above 96th street and the Garment District.</p>	<p>ICAP replaced ICIP in 2008. Both programs encourage economic development for construction and rehabilitation of commercial, industrial or mixed-use structures.</p>												
<p><b>2) Tax being abated.</b></p>	<p>Real Property Tax</p>	<p>Real Property Tax</p>												
<p><b>3) Authority under which abatement agreements are entered into.</b></p>	<p>NYS Real Property Tax Law, Sections 499a – 499h NYS Real Property Tax Law, Sections 499aa – 499hh</p>	<p>NYS Real Property Tax Law, Sections 489-aaaa — 489-llll; 489-aaaaaa — 489-kkkkkk NYC Administrative Code, Sections 11-256 through 11-267; 11-268 through 11-278</p>												
<p><b>4) Criteria to be eligible to receive abatement.</b></p>	<p>Both programs require commercial tenant occupancy in commercial offices and that the space leased out be located in a non-residential or mixed-use building. Both programs also have minimum requirements regarding expenditures for tenant improvement per square foot. In addition, the CEP requires a minimum aggregate floor area of 25,000 square feet.</p>	<p>The programs require industrial construction work where, after completion, at least 75% of the total net square footage is used or available for manufacturing activities. The buildings must also be located in an allowable zone within the City, which varies depending on whether the project is for a commercial new construction, a commercial renovation construction, or an industrial construction. Depending on the property's taxable assessed value, applicants must meet a minimum required expenditure amount in order to be eligible in the tax year, with a taxable status date immediately preceding the issuance of the first building permit or, if no permit is required, the start of construction.</p>												
<p><b>5) How recipients' taxes are reduced.</b></p>	<p>Through a reduction of the property's assessed value.</p>	<p>As a credit to the amount of taxes owed.</p>												
<p><b>6) How amount of abatement is determined.</b></p>	<p>The granted abatement is realized from a calculation formula base abatement (the lower of the tax liability/ building sq. ft. or \$2.50 per sq. ft.) multiplied by square footage multiplied by abatement percentage.</p>	<p>The base abatement amount year is the amount that the post-completion tax liability exceeds 115% of the initial tax liability for each type of abatement, except for the additional industrial abatement. The calculated base abatement is then subjected to a corresponding timetable.</p>												
<p><b>7) Provisions for recapturing abated taxes.</b></p>	<p>N/A</p>	<p>N/A</p>												
<p><b>8) Types of commitments made by the City other than to reduce taxes.</b></p>	<p>N/A</p>	<p>N/A</p>												
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\$855,100	\$840,000													

**Programs Administered by NYC Department of Finance (DOF)**

<b>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)</b>	<b>Sports Arena Used by the NHL and NBA</b>	<b>Major Capital Improvement (MCI) Program</b>																		
Offers business income tax credits for relocating jobs outside of the City to designated locations within the City.	Ensure the viability of a major league sports facility in the City.	To help compensate landlords of rent-regulated buildings for economic losses resulting from the lengthening of the period for amortizing major capital improvement costs.																		
The credits may be taken against the City’s general corporation tax, banking corporation tax, unincorporated business tax, and/ or utility tax.	Real Property Tax	Real Property Tax																		
NYC Administrative Code, Sections 11-503(i), 11-503(l), 11-604.17, 11-604.19, 11-643.7, 11-643.9, 11-654.17, 11-654.19, 11-1105.2, 11-1105.3, and Chapters 6-b and 6-c of Title 22	NYS Real Property Tax Law, Section 429	NYS Laws of 2015, Chapter 20, Part A, § 65																		
For REAP, LMREAP-EB, and LMREAP-SEB, eligible businesses must have conducted substantial business operations outside of the City for at least 24 consecutive months before relocating; most retail and hotel services do not qualify. The eligibility requirements are that the premises must be nonresidential; have been improved by construction or renovation; the lease term must be at least three years; and expenditures for improvements must be more than \$25 per square foot. For LMREAP-SEB, eligible businesses must move at least 250 employees or increase its payroll by 25%.	For Madison Square Garden	The benefits are provided to building owners of rent regulated class 2 properties (residential property with more than 3 units including cooperatives and condominiums).																		
As a credit to the amount of taxes owed.	Through a reduction of the property’s assessed value.	As a credit to the amount of taxes owed.																		
For REAP, LMREAP-EB and LMREAP-SEB, eligible business receives a \$3,000 annual credit, per eligible employee, up to 12 years. REAP allows an additional credit of \$1,000 per share for relocating to parts of the eligible area that are not revitalization areas.	100% reduction of the property tax.	The abatement equals 50% of the economic loss attributable to the extended amortization period. The economic loss is determined by multiplying the approved cost of the MCI by a fraction. The numerator is the increase in months in the new amortization period; the denominator is the total number of months in the new amortization period.																		
N/A	N/A	N/A																		
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<i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i>	<b>Program Administered by NYC Department of Buildings (DOB)</b>	<b>Programs Administered by NYC Industrial Development Agency (IDA)</b>	<b>Program Administered by Build NYC Resource Corporation<sup>3</sup></b>																																		
	<b>Solar Electric Generating System (SEGS) Abatement Program</b>	<b>Commercial Growth and Industrial Incentive Programs</b>	<b>Build NYC Tax Abatement Program</b>																																		
<b>1) Purpose of program.</b>	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 <sup>(1)</sup> and Industrial Incentive <sup>(2)</sup> 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.																																		
<b>2) Tax being abated.</b>	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)																																		
<b>3) Authority under which abatement agreements are entered into.</b>	NYS Real Property Tax Law, Sections 499-aaaa through 499-gggg	Industrial Development Act of 1969 as governed by Article 18-A of the General Municipal Law <sup>(3)</sup> .	New York Not-for-profit Law, Section 411																																		
<b>4) Criteria to be eligible to receive abatement.</b>	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.																																		
<b>5) How recipients' taxes are reduced</b>	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.																																		
<b>6) How amount of abatement is determined.</b>	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.																																		
<b>7) Provisions for recapturing abated taxes.</b>	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.																																		
<b>8) Types of commitments made by the City other than to reduce taxes.</b>	N/A	N/A	N/A																																		
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<i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i>	<b>Programs Administered by the State of New York</b>													
	<b>Battery Park City Authority (The Authority)</b>	<b>Urban Development Corporation (currently known as Empire State Development Corporation [ESDC])</b>												
<b>1) Purpose of program.</b>	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.												
<b>2) Tax being abated.</b>	Real Property Tax	Real Property Tax												
<b>3) Authority under which abatement agreements are entered into.</b>	NYS Public Authorities Law, Section 1981 NYS Real Property Tax Law, Section 412	NYS Unconsolidated Laws, Title 16, Chapter 24 NYS Real Property Tax Law, Section 412												
<b>4) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.</b>	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>2021</u></td> <td style="text-align: center;"><u>2020</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: right;">\$123,300</td> <td style="text-align: right;">\$138,200</td> </tr> </table>	<u>2021</u>	<u>2020</u>	(in thousands)		\$123,300	\$138,200	<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>2021</u></td> <td style="text-align: center;"><u>2020</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">(in thousands)</td> </tr> <tr> <td style="text-align: right;">\$352,900</td> <td style="text-align: right;">\$314,000</td> </tr> </table>	<u>2021</u>	<u>2020</u>	(in thousands)		\$352,900	\$314,000
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<sup>(1)</sup> 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.

<sup>(2)</sup> These businesses include Warehousing, Distribution Centers and Logistics. The FRESH projects are a subset of the Industrial Incentive Transactions and target food distribution companies.

<sup>(3)</sup> New York City Administrative Code §22-823 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 <https://edc.nyc/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 City has been severely affected by the coronavirus disease, referred to herein as “COVID-19.” While the Governor ended the state of emergency in the State on June 24, 2021, the state of emergency in the City remains in effect.

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

The City has been awarded various federal funds to help respond to the pandemic and the resulting economic disruption. As of June 2021, the City has received approximately:

- \$1.45 billion in funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund, of which approximately \$1.24 billion of eligible expenses were incurred as of June 2021.
- \$2.94 billion in funds from the American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds, representing half of the City’s total funding allocation, of which approximately \$964.9 million of eligible expenses were incurred as of June 2021.
- \$619.2 million in funds through the Centers for Disease Control and Prevention’s Epidemiology and Laboratory Capacity for Infectious Diseases Cooperative Agreement.
- \$550.7 million in funds from the U.S. Department of Education’s Education Stabilization Fund, which is composed of the Governor’s Emergency Education Relief Fund, the Elementary and Secondary School Emergency Relief Fund, and the Higher Education Emergency Relief Fund.
- \$462.5 million in funds from the Federal Emergency Management Agency’s Public Assistance Program, of which approximately \$242.6 million of eligible expenses were incurred as of June 2021.
- \$256.4 million in funds from the U.S. Department of Education’s Summer Food Service Program.
- \$138.9 million in funds from other programs and grants.

**E. OTHER INFORMATION****1. Audit Responsibility**

In Fiscal Years 2021 and 2020, 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, the Brooklyn Public Library, the Queens Borough Public Library and Affiliate, New York City School Support Services Inc., The Mayor’s Fund to Advance New York City\*, and Public Realm Improvement Fund Governing Group, Inc.

\* Entity was audited by auditors other than Grant Thornton, LLP for Fiscal Year 2020.



	Government-wide						Fund-based			
	Governmental Activities		Business-Type Activities		Component Units		Nonmajor Governmental Funds		Fiduciary Funds	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total Assets . . . . .	6%	7%	100%	100%	44%	45%	100%	100%	7%	8%
Revenues, other financing sources and net position held in trust. . . .	6%	5%	100%	100%	28%	30%	100%	100%	8%	9%

**2. Subsequent Events**

On July 12, 2021, Kroll Bond Rating Agency published its initial rating of the City’s General Obligation (GO) bonds at AA+ with a stable outlook. On August 13, 2021, Standard & Poor’s Global Ratings revised its outlook of the City’s GO bonds to positive.

On October 6, Moody’s Investors Service upgraded its rating of Hudson Yards Infrastructure Corporation (HYIC) bonds to Aa2 from Aa3. On October 7, Standard & Poor’s Global Ratings upgraded its rating of HYIC bonds to AA- from A+. On October 8, Fitch Ratings upgraded its rating of HYIC bonds to A+ from A.

Subsequent to June 30, 2021, the Water Authority, TFA, the City, and HYIC completed the following long-term financings:

*Water Authority* On July 14, 2021, the New York City Municipal Water Finance Authority issued \$450,000,000 of Fiscal 2022 Series AA Second General Resolution Revenue Bonds for capital purposes.

On September 23, 2021, the New York City Municipal Water Finance Authority issued \$630,335,000 of Fiscal 2022 Series BB Second General Resolution Revenue Bonds to refund a portion of its outstanding bonds at lower interest rates.

*TFA Debt* On July 22, 2021, the New York City Transitional Finance Authority issued \$813,015,000 of Fiscal 2022 Series S-1 Building Aid Revenue Bonds to refund a portion of its outstanding bonds at lower interest rates.

On August 17, 2021, the New York City Transitional Finance Authority issued \$1,051,430,000 of Fiscal 2022 Series A Future Tax Secured Subordinate Bonds to refund a portion of its outstanding bonds at lower interest rates.

On September 9, 2021, the New York City Transitional Finance Authority issued \$1,200,000,000 of Fiscal 2022 Series B Future Tax Secured Subordinate Bonds for capital purposes.

*City Debt* On August 26, 2021, the City of New York issued \$1,200,000,000 of Fiscal 2022 Series A General Obligation bonds for capital purposes and reoffered \$89,505,000 of Fiscal 2022 Series 1 General Obligation bonds to convert a portion of its outstanding variable rate bonds to fixed rate.

*HYIC* On October 27, 2021, the Hudson Yards Infrastructure Corporation issued \$454,140,000 of Fiscal 2022 Series A Hudson Yards Revenue Bonds (Green Bonds) to refund a portion of its outstanding bonds at lower interest rates.

**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](http://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, 2021, the City paid \$3.6 billion on behalf of the Program. Based on current practice (the Substantive Plan which is derived from ACNY), the City pays the full cost of basic coverage for non-Medicare-eligible and Medicare-eligible Retiree Participants. The costs of these benchmark plans are reflected in the actuarial valuations by using age and gender adjusted premium amounts. Retiree Participants who opt for other basic or enhanced coverage must contribute 100% of the incremental costs above the premiums for the benchmark plans. The City also reimburses covered retirees and eligible spouses 100% of the Medicare Part B Premium rate applicable to a given year and there is no Retiree Participant contribution to the Welfare Funds. The City pays per capita contributions to the Welfare Funds, the amounts of which are based on negotiated contract provisions.

	<u>Number of Participants</u>	
	<u>FY 2021</u> <u>(at 6/30/20)</u>	<u>FY 2020</u> <u>(at 6/30/19)</u>
Active plan members	303,918	300,500
Active plan members off payroll who may become eligible to receive benefits	0	35,048
Inactive plan members entitled to but not yet receiving benefits	21,976	20,611
Inactive plan members or beneficiaries currently receiving benefits	<u>243,978</u>	<u>240,522</u>
<b>Total</b>	<b><u>569,872</u></b>	<b><u>596,681</u></b>

*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 2021 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, 2021 and June 30, 2020 are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>1. Balances at June 30, 2019</b>	<b>\$ 112,469,609,800</b>	<b>\$ 4,679,551,174</b>	<b>\$ 107,790,058,626</b>
<b>2. Changes for the Year:</b>			
a. 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)
<b>k. Net Changes</b>	<b>\$ 787,797,552</b>	<b>\$ (879,062,013)</b>	<b>\$ 1,666,859,565</b>
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>3. Balances at June 30, 2020</b>	<b>\$ 113,257,407,352</b>	<b>\$ 3,800,489,161</b>	<b>\$ 109,456,918,191</b>
<b>4. Changes for the Year:</b>			
b. Service Cost	5,574,231,539	—	5,574,231,539
b. Interest	3,142,299,330	—	3,142,299,330
c. Differences b/t Expected and Actual Experience	220,744,272	—	220,744,272
d. Changes in Assumptions	3,188,999,201	—	3,188,999,201
e. Contributions-Employer	—	3,600,386,859	(3,600,386,859)
f. Contributions-Employee	—	—	—
g. Net Investment Income	—	3,801,273	(3,801,273)
h. Actual Benefit Payments	(3,183,940,823)	(3,183,940,823)	—
i. Administrative Expenses	—	(54,000)	54,000
j. Other Changes	—	(175,000)	175,000
<b>k. Net Changes</b>	<b>\$ 8,942,333,519</b>	<b>\$ 420,018,309</b>	<b>\$ 8,522,315,210</b>
<b>5. Balances at June 30, 2021</b>	<b>\$ 122,199,740,871</b>	<b>\$ 4,220,507,470</b>	<b>\$ 117,979,233,401</b>

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

	Fiscal Year 2021			Fiscal Year 2020		
	Current Discount Rate			Current Discount Rate		
	1% Decrease		1% Increase	1% Decrease		1% Increase
	\$138,838,000,800	\$117,979,233,401	\$101,376,848,865	\$129,758,404,245	\$109,456,918,191	\$93,574,356,163
	Discount Rate			Discount Rate		
City . . . . .	1.19%	2.19%	3.19%	1.68%	2.68%	3.68%
Component Units	1.18%	2.18%	3.18%	1.66%	2.66%	3.66%

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

	Fiscal Year 2021			Fiscal Year 2020		
	Current Trend Rate			Current Trend Rate		
	1% Decrease		1% Increase	1% Decrease		1% Increase
	\$97,562,097,635	\$117,979,233,401	\$144,886,279,879	\$90,336,348,549	\$109,456,918,191	\$134,787,893,140
	Pre-Medicare Trend Rate			Pre-Medicare Trend Rate		
Initial . . . . .	5.75%	6.75%	7.75%	6.0%	7.0%	8.0%
Ultimate. . . . .	3.50%	4.50%	5.50%	3.5%	4.5%	5.5%
	Medicare Trend Rate			Medicare Trend Rate		
Initial . . . . .	3.90%	4.90%	5.90%	4.0%	5.0%	6.0%
Ultimate. . . . .	3.50%	4.50%	5.50%	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, 2021 and June 30, 2020 are \$8.3 and \$6.2 billion, respectively.

Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2021 and June 30, 2020 are as follows:

	Fiscal Year 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 6,687,213,572	\$ 4,208,926,122
Changes of Assumptions	5,589,042,194	6,540,736,274
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	242,798,176	—
Total	<u>\$12,519,053,942</u>	<u>\$10,749,662,396</u>
	Fiscal Year 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 8,229,474,164	\$ 5,039,192,042
Changes of Assumptions	3,572,055,730	9,038,603,560
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	211,511,518	—
Total	<u>\$12,013,041,412</u>	<u>\$14,077,795,602</u>

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

Fiscal Year Ended June 30	Amount
2021. . . . .	\$ (267,942,872)
2022. . . . .	(294,603,448)
2023. . . . .	(16,099,240)
2024. . . . .	1,112,199,742
2025. . . . .	490,996,900
2026. . . . .	63,753,243
2027. . . . .	413,145,765
2028. . . . .	(1,416)

*Funded Status and Funding Progress.* As of June 30, 2021, the most recent actuarial measurement date, the funded status was 3.5%. The total OPEB liability for benefits was \$122.2 billion, and the plan fiduciary net position was \$4.2 billion, resulting in a net OPEB liability of \$118.0 billion. The covered employee payroll (annual payroll of active employees covered) was \$29.2 billion, and the ratio of the net OPEB liability to the covered employee payroll was 404.0%. Actuarial valuations of an ongoing plan involve estimates of the value of reported and future amounts based on assumptions about the probability of the severity and occurrence of events far into the future. The determined actuarial valuations of OPEB incorporated the use of demographic and economic assumptions among others as reflected below. Amounts determined regarding the funded status and the annual expense of the City vary from year to year as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in the net OPEB liability and related ratios shown in the Required Supplementary Information (RSI) section immediately following the notes to financial statements, present GASB Statement No. 75 results of OPEB valuations for Fiscal Years 2021 and 2020.

*Actuarial Methods and Assumptions.* The actuarial assumptions used in the Fiscal Years 2021 and 2020 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 2021 OPEB valuation have not changed from the prior valuation, with the exception of the discount rate, the mortality improvement scale and the treatment of actives-off-payroll (AOP) as described later in this section. For Fiscal Year 2019, the Office of the Actuary (OA) conducted a full review of the actuarial assumptions and methods used to fund the NYCRS. These 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](http://www.nyc.gov/actuary)). Chapter 3 of the Laws of 2013 enacted those actuarial assumptions and methods that require New York State Legislation. On July 27, 2021, the Actuary issued a memorandum titled “Proposed Changes to Actuarial Assumptions and Methods.” The actuarial assumptions and methods described in that memorandum amend certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods are referred to as the “Revised 2021 A&M.”

The OPEB-specific actuarial assumptions used in the Fiscal Year 2021 OPEB valuation of the Plan are as follows:

Valuation Date . . . . .	June 30, 2020
Measurement Date . . . . .	June 30, 2021
Discount Rate . . . . .	2.19% <sup>(1)</sup> for benefits provided by the City, 2.18% for benefits provided by Component Units. Results as of the June 30, 2020 Measurement Date are presented at 2.68% for benefits provided by the City, and 2.66% 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 2028. 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.
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Per-Capita Claims Costs . . . . . EBCBS and GHI plans are insured via a Minimum Premium arrangement while the HIP and many of the Other HMOs are community rated. Costs reflect age-adjusted premiums for all plans.

<sup>(1)</sup> 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, 2021 of 2.18%.

Initial monthly premium rates used in valuation are shown below:

Plan	Monthly Health Insurance Costs FY 2021
HIP HMO	
Non-Medicare Single	\$ 776.01
Non-Medicare Family	1,901.23
Medicare	181.58
GHI/EBCBS	
Non-Medicare Single	775.66
Non-Medicare Family	2,035.61
Medicare	194.14
Others HMOs <sup>(1)</sup>	
Non-Medicare Single	1,160.34
Non-Medicare Family	2,701.42
Medicare Single	291.83
Medicare Family	576.92

<sup>(1)</sup> 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 2021
HIP HMO	
Non-Medicare	\$1,748.12
Medicare	\$ 181.58
GHI/EBCBS	
Non-Medicare	\$1,784.57
Medicare	\$ 191.63
Other HMOs	Varies by system

Welfare Funds . . . . . The Welfare Fund contribution reported as of the valuation date, June 30, 2020, (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 Year 2020 in July 2019.

Reported annual contribution amounts for the last two years are shown in the Fiscal Year 2021 GASB 74/75 report in Section VII, Tables VII-b to VII-f. Welfare Fund rates are based on actual reported Union Welfare Fund code for current retirees. Weighted average annual contribution rates used for future retirees, based on Welfare Fund enrollment of recent retirees, are shown in the following table.

NYCERS	\$1,894
TRS	1,824
BERS	1,932
POLICE	1,731
FIRE	1,780

Medicare Part B Premiums . . . . .	<u>Calendar Year</u>	<u>Monthly Premium</u>
	2013-15	\$104.90
	2016	109.97
	2017	113.63
	2018	125.85
	2019	134.43
	2020	143.21
	2021	146.97

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2021. Due to limited cost-of-living adjustment in Social Security benefits, some Medicare Part B participants will not be charged the Medicare Part B premium originally projected or ultimately announced for those years. Thus, the valuation uses a blended estimate as a better representation of future Part B premium costs.

For the Fiscal Year 2021 OPEB valuation the annual premium used was \$1,741.11, which is equal to 12 times an average of the Calendar Year 2020 and 2021 monthly premiums shown.

For Calendar Year 2021, the monthly premium of \$146.97 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 \$148.50 for Calendar Year 2021, representing the proportion of the Medicare population that will pay the announced amount.

The Calendar Year 2020 monthly premium of \$143.21 was determined similarly, using 3.5% of the \$104.90 hold-harmless and 96.5% of the \$144.60 rate that was in effect for Calendar Year 2020.

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

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

Health Care Cost Trend Rate (HCCTR) . . . . . No changes were made to the Medicare Part B premium, Welfare Fund contributions, or medical trends for the Fiscal Year 2021 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>
2021	6.75%	4.90%	3.83% <sup>(1)</sup>	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

<sup>(1)</sup> Medicare Part B premium trend reflects actual calendar year premium for the first 6 months of FY22 (July 2021 to December 2021) and 5.0% trend for the remaining 6 months.

The pre-Medicare and Medicare plan trends were developed for FY 2021 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 2022, beyond that point they expect the increases to average 5.8% 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 between 2% and 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 HMOs. The assumed relative costs of coverage are consistent with information presented in the 2013 study *Health Care Costs—From Birth to Death*, sponsored by the Society of Actuaries.

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

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

Children costs assume a factor of 0.229.

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

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

The age adjustment for the non-Medicare GHI/EBCBS premium reflects a 4.0% reduction in the GHI portion of the monthly premium (with the GHI portion representing \$366.18 out of \$775.66 for single coverage, and \$970.95 out of \$2,035.61 for family coverage for Fiscal Year 2021 rates) and 2.0% 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 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 participants, 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.

<b>Dependent Coverage Assumptions</b>						
<u>Group</u>	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TIAA</u>
<b>Male</b>						
-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	<u>25</u>	<u>15</u>	<u>8</u>	<u>65</u>	<u>65</u>	<u>2.5</u>
<b>Female</b>						
-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	<u>5</u>	<u>5</u>	<u>2.5</u>	<u>20</u>	<u>65</u>	<u>2.5</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 2021 and the Fiscal Year 2020 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 [NYCRS],” 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](http://www.nyc.gov/actuary)) and are referred to as the 2019 A&M Reports.

On July 27, 2012, the Actuary issued a memorandum titled “Proposed Changes to Actuarial Assumptions and Methods.” The actuarial assumptions and methods described in that memorandum amend certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods are referred to as the “Revised 2021 A&M.”

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 \$1,350 was assumed for terminations during Fiscal Year 2021. 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).

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. Active members off payroll is no longer treated as a separate status as of June 30, 2020. Those on a known short-term leave of absence are treated as actives, and the remaining members are included as inactive members entitled to but not yet receiving benefits if they have met the OPEB vesting requirements. Otherwise, they are not included in the valuation.
Stabilization Fund . . . . .	<p>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 2020 OPEB valuation. The load is not applicable to Component Units.</p> <p>This amount is based on the historical five-year average allocation between active and retired participants in the Fiscal Years 2017 through 2021 Stabilization Fund benefits provided by OLR. The allocation takes into consideration retirees on average are older and have costlier medical benefits than actives, and also separates out Welfare Fund contribution reimbursements from other Stabilization Fund benefits.</p> <p>Also, since Welfare Fund contributions reimbursed by the Stabilization Fund are considered a part of Welfare Fund benefits, they are not included in the determination of this load.</p> <p>The GHI Senior Care Medicare-supplement plan is scheduled to be replaced with a Medicare Advantage plan effective January 1, 2022. The GHI Senior Care plan would still be available to retirees but only on a contributory basis. This change is being challenged via a lawsuit brought by a group of retirees. If it is upheld it would be expected to produce significant cost savings for the City. Since this change was announced after June 30, 2021, it was not reflected in the June 30, 2021 valuation. Should it survive the legal challenge it will be reflected in the June 30, 2022 valuation.</p>
Educational Construction Fund . . . . .	The actuarial assumptions used for determining GASB 75 obligations for ECF are shown starting on page 135 of the Fiscal Year 2021 GASB 74/75 Report dated September 10, 2021. 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 ( <a href="http://www.nyc.gov/actuary">www.nyc.gov/actuary</a> ).
CUNY TIAA . . . . .	The actuarial assumptions used for determining obligations for CUNY TIAA are shown starting on page 138 of the Fiscal Year 2020 GASB 74/75 Report dated September 10, 2021. 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 ( <a href="http://www.nyc.gov/actuary">www.nyc.gov/actuary</a> ).

**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, 2020 and June 30, 2019, 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>
<b>QPP Membership at June 30, 2020</b>						
Retirees and Beneficiaries Receiving Benefits . . . . .	159,906	89,536	19,120	51,465	16,624	336,651
Terminated Vested Members Not Yet						
Receiving Benefits. . . . .	23,034	15,502	1,972	753	64	41,325
Terminated Nonvested . . . . .	32,027	5,604	8,826	1,544	—	48,001
Active Members . . . . .	191,237	124,276	28,183	35,895	11,079	390,670
Total QPP Membership . . . . .	<u>406,204</u>	<u>234,918</u>	<u>58,101</u>	<u>89,657</u>	<u>27,767</u>	<u>816,647</u>
	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>Total</u>
<b>QPP Membership at June 30, 2019</b>						
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
Terminated Nonvested. . . . .	31,273	8,174	11,422	1,640	28	52,537
Active Members . . . . .	191,501	123,336	25,825	36,401	11,244	388,307
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>

As of June 30, 2020 and June 30, 2019, 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>
<b>Membership at June 30, 2020</b>						
Retirees Receiving or Eligible to Receive Benefits . . .	267	227	138	201	8,312	9,145
Active Members . . . . .	—	—	—	—	8,988	8,988
Total Membership . . . . .	<u>267</u>	<u>227</u>	<u>138</u>	<u>201</u>	<u>17,300</u>	<u>18,133</u>
	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>COVSF</u>	<u>Total</u>
<b>Membership at June 30, 2019</b>						
Retirees Receiving or Eligible to Receive Benefits . . .	282	229	141	209	8,257	9,118
Active Members . . . . .	—	—	—	—	10,022	10,022
Total Membership . . . . .	<u>282</u>	<u>229</u>	<u>141</u>	<u>209</u>	<u>18,279</u>	<u>19,140</u>

As of June 30, 2020 and 2019, 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>
<b>Membership at June 30, 2020</b>						
Retirees Receiving or Eligible to Receive Benefits . . .	19,999	12,976	32,975	1,490	3,215	4,705
Active Members . . . . .	12,538	23,357	35,895	2,690	8,389	11,079
Total Membership . . . . .	<u>32,537</u>	<u>36,333</u>	<u>68,870</u>	<u>4,180</u>	<u>11,604</u>	<u>15,784</u>

	<u>PSOVSF</u>	<u>POVSF</u>	<u>Total POLICE</u>	<u>FOVSF</u>	<u>FFVSF</u>	<u>Total FIRE</u>
<b>Membership at June 30, 2019</b>						
Retirees Receiving or Eligible to Receive Benefits . . .	19,423	12,799	32,222	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>32,115</u>	<u>36,508</u>	<u>68,623</u>	<u>4,145</u>	<u>11,926</u>	<u>16,071</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 fair value of the assets of the COVSF was greater than the actuarial present value of benefits payable through December, 2018. Scheduled benefits to COVSF participants were paid for Calendar Years 2000 to 2005, 2014, 2015, 2017, and 2018. Due to insufficient assets, no benefits were paid to COVSF participants from Calendar Year 2006 to Calendar Year 2013 and for Calendar Year 2016. For Calendar Years 2019 and later, COVSF provides for supplemental benefits to be paid regardless of the sufficiency of assets in the COVSF.

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.

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, 2021 and 2020 were \$30.0 billion and \$27.7 billion, respectively, and interest paid on TDA Program fixed return funds by the TRS QPP for the years then ended were \$2.0 billion and \$1.8 billion, respectively. The balance of TDA Program fixed return funds held by the BERS QPP as of June 30, 2021 and 2020 are \$2,168.0 million and \$1,959.4 million, respectively, and interest paid on TDA Program fixed return funds by the BERS QPP for the years then ended were \$171.8 million and \$155.7 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, 2019 actuarial valuation was used for determining the Fiscal Year 2021 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 2021 and 2020 and the amount of the City's Statutory and Actual contribution to each QPP for such fiscal years are as follows (in millions):

QPP	Fiscal Year 2021 Aggregate Statutory Contribution	Fiscal Year 2021 City Statutory/Actual Contribution	Fiscal Year 2020 Aggregate Statutory Contribution	Fiscal Year 2020 City Statutory/Actual Contribution
	(in millions)			
NYCERS .....	\$ 3,763	\$2,218	\$ 3,727	\$2,087
TRS .....	3,131	3,035	3,591	3,487
BERS .....	183	183	258	257
POLICE .....	2,438	2,438	2,459	2,459
FIRE .....	1,437	1,437	1,419	1,419
Total .....	<u>\$10,952</u>	<u>\$9,311</u>	<u>\$11,454</u>	<u>\$9,709</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, TPSOVVSF, HPOVSF and HPSOVVSF sufficient to meet their annual benefit payments.

For Fiscal Year 2021, Excess Earnings on equity investments, inclusive of prior year's cumulative deficiencies, exceeded zero, for NYCERS QPP, POLICE QPP and FIRE QPP, and therefore, transfers of assets from the NYCERS QPP, POLICE QPP and FIRE QPP to their respective VSFs were potentially required. As of the date of this report, the amount of such transfers due for Fiscal Year 2021 from the NYCERS QPP to the COVSF is estimated to be \$925 million. As a result of the unfunded accumulated benefit obligation limit, the amounts of such transfers due for Fiscal Year 2021 from the POLICE QPP to POVVSF and PSOVVSF are estimated to be \$0 and from the FIRE QPP to FFVSF and FOVSF are estimated to be \$0. Additionally, in Fiscal Year 2021, the NYCERS QPP made required transfers of \$3.2 million, \$2.7 million, \$1.6 million, and \$2.4 million to TPOVSF, TPSOVVSF, HPOVSF, and HPSOVVSF, respectively, to fund annual benefits.

For Fiscal Year 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, TPSOVVSF, 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, 2021 and 2020 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, 2020 and June 30, 2019, 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, 2020 and June 30, 2019 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2020	June 30, 2019
<i>Investment Rate of Return. . . . .</i>	<i>7.0% per annum, net of investment expenses (Actual Return for Variable Funds).</i>	<i>7.0% per annum, net of investment expenses (Actual Return for Variable Funds).</i>
<i>Post-Retirement Mortality . . . . .</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries.</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2018 published by the Society of Actuaries.</i>
<i>Active Service: Withdrawal, Death, Disability, Retirement . . . . .</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for terminated vested.</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019.</i>
	June 30, 2020	June 30, 2019
<i>Salary Increases<sup>(1)</sup> . . . . .</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<sup>(1)</sup> . . . . .</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>

<sup>(1)</sup> Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

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

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

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

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

The long-term expected rate of return for each of the pension funds is 7.0% per annum. This is based upon weighted expected real rates of return (RROR) ranging from 4.3% to 6.1% and a long-term Consumer Price Inflation assumption of 2.5% offset by investment related expenses. The target asset allocation of each of the funds and the expected RROR for each of the asset classes are summarized in the following tables:

NYCERS		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities . . . . .	27.0%	7.1%
Developed Public Market Equities . . . . .	12.0	7.2%
Emerging Public Market Equities . . . . .	5.0	9.0%
Fixed Income . . . . .	30.5	1.8%
Private Equity . . . . .	8.0	11.3%
Private Real Estate . . . . .	7.5	6.9%
Infrastructure . . . . .	4.0	6.0%
Opportunistic Fixed Income . . . . .	6.0	7.1%
Total . . . . .	100.0%	

TRS		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities . . . . .	25.0%	4.9%
Developed Public Market Equities . . . . .	10.0	6.6%
Emerging Public Market Equities . . . . .	9.5	9.1%
Fixed Income . . . . .	32.5	1.5%
Private Equity . . . . .	7.0	9.5%
Private Real Estate . . . . .	7.0	6.7%
Infrastructure . . . . .	4.0	5.0%
Opportunistic Fixed Income . . . . .	5.0	6.0%
Total . . . . .	100.0%	

BERS		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities . . . . .	31.0%	7.1%
Developed Public Market Equities . . . . .	10.0	7.8%
Emerging Public Market Equities . . . . .	6.0	9.7%
Fixed Income . . . . .	27.0	1.9%
Private Equity . . . . .	9.0	11.0%
Private Real Estate . . . . .	8.0	6.9%
Infrastructure . . . . .	4.0	6.3%
Opportunistic Fixed Income . . . . .	5.0	6.3%
Total . . . . .	100.0%	

POLICE		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities . . . . .	30.0%	5.1%
Developed Public Market Equities . . . . .	8.0	5.8%
Emerging Public Market Equities . . . . .	5.0	7.2%
Fixed Income . . . . .	28.0	2.2%
Private Equity . . . . .	8.0	10.0%
Private Real Estate . . . . .	7.0	7.2%
Infrastructure . . . . .	3.0	4.6%
Hedge Funds . . . . .	6.0	3.6%
Opportunistic Fixed Income . . . . .	5.0	4.9%
Total . . . . .	100.0%	

FIRE		
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected RROR</u>
U.S. Public Market Equities . . . . .	27.0%	4.8%
Developed Public Market Equities . . . . .	9.0	5.2%
Emerging Public Market Equities . . . . .	6.0	9.0%
Fixed Income . . . . .	31.0	1.1%
Private Equity . . . . .	8.0	9.7%
Private Real Estate . . . . .	7.0	5.3%
Infrastructure . . . . .	3.0	4.6%
Hedge Funds . . . . .	5.0	3.2%
Opportunistic Fixed Income . . . . .	4.0	5.8%
Total . . . . .	100.0%	

*Discount Rate*

The discount rate used to measure the total pension liability of each QPP as of June 30, 2021 and June 30, 2020 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, 2021 and June 30, 2020 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)					
<b>Balances at June 30, 2019</b> . . . . .	\$54,997	\$45,193	\$ 9,804	\$23,267	\$15,208	\$ 8,059
<b>Changes for the Year 2020:</b>						
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)
<b>Net Changes</b> . . . . .	<u>2,271</u>	<u>1,269</u>	<u>1,002</u>	<u>815</u>	<u>721</u>	<u>94</u>
<b>Balances at June 30, 2020</b> . . . . .	<u>\$57,268</u>	<u>\$46,462</u>	<u>\$10,806</u>	<u>\$24,082</u>	<u>\$15,929</u>	<u>\$ 8,153</u>
<b>Changes for the Year 2021:</b>						
Service Cost . . . . .	\$ 1,474	\$ —	\$ 1,474	\$ 571	\$ —	\$ 571
Interest . . . . .	3,980	—	3,980	1,673	—	1,673
Changes of Benefit Terms . . . . .	—	—	—	—	—	—
Differences b/t Expected and Actual Experience . . . . .	276	—	276	(27)	—	(27)
Changes of Assumptions . . . . .	137	—	137	113	—	113
Contributions—Employer . . . . .	—	2,438	(2,438)	—	1,437	(1,437)
Contributions—Employee . . . . .	—	256	(256)	—	113	(113)
Net Investment Income . . . . .	—	11,962	(11,962)	—	3,963	(3,963)
Benefit Payments . . . . .	(3,832)	(3,832)	—	(1,541)	(1,541)	—
Administrative Expenses . . . . .	—	(25)	25	—	(10)	10
Other Changes . . . . .	—	5	(5)	—	1	(1)
<b>Net Changes</b> . . . . .	<u>\$ 2,035</u>	<u>\$10,804</u>	<u>\$ (8,769)</u>	<u>\$ 789</u>	<u>\$ 3,963</u>	<u>\$(3,174)</u>
<b>Balances at June 30, 2021</b> . . . . .	<u>\$59,303</u>	<u>\$57,266</u>	<u>\$ 2,037</u>	<u>\$24,871</u>	<u>\$19,892</u>	<u>\$ 4,979</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 2021			Fiscal Year 2020		
	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 . . . . .	\$8,958	\$2,037	\$(3,727)	\$17,294	\$10,806	\$5,403
FIRE . . . . .	7,803	4,979	2,607	10,807	8,153	5,922

*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, 2021 and June 30, 2020, and the proportion percentage of the aggregate net pension liability allocated to the City:

	Fiscal Year 2021			Fiscal Year 2020		
	NYCERS	TRS	BERS	NYCERS	TRS	BERS
	(in millions, except for %)					
City's Proportion of the Net Pension Liability . . . . .	58.94%	96.93%	99.93%	55.98%	97.12%	99.95%
City's Proportionate Share of the Net Pension Liability . . . . .	\$3,780	\$69	\$(1,267)	\$11,799	\$15,342	\$277

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 2021			Fiscal Year 2020		
	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 . . . . .	\$9,919	\$3,780	\$(1,428)	\$ 17,640	\$ 11,799	\$ 6,870
TRS . . . . .	8,460	69	(6,981)	23,689	15,342	8,354
BERS . . . . .	(580)	(1,267)	(1,847)	942	277	(281)

*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, 2021 and June 30, 2020 related to the NYCERS are as follows:

NYCRS	2021	2020
	(in millions)	
NYCERS . . . . .	\$ 85	\$1,749
TRS (Excluding TDA) . . . . .	(1,013)	2,367
BERS (Excluding TDA) . . . . .	(448)	83
POLICE . . . . .	(200)	1,644
FIRE . . . . .	563	1,249
TOTAL . . . . .	<u>\$(1,013)</u>	<u>\$7,092</u>

Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2021 and June 30, 2020 for each NYCERS are as follows:

	Fiscal Year 2021							
	NYCERS		TRS		BERS		POLICE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)							
Differences between expected and actual experience . . . . .	\$ 970,380	\$ 437,306	\$298,626	\$ 2,129,188	\$107,212	\$ 81,090	\$485,559	\$ 344,885
Changes of assumptions . . . . .	3,496	468,980	—	783,223	—	155,723	108,962	138,591
Net difference between projected and actual earnings on pension plan investments . . . . .	—	5,547,647	—	14,074,183	—	1,309,346	—	6,538,104
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans) . . . . .	650,158	72,230	(56,327)	2,362	(294)	(45)	—	—
Total . . . . .	<u>\$1,624,034</u>	<u>\$6,526,163</u>	<u>\$242,299</u>	<u>\$16,988,956</u>	<u>\$106,918</u>	<u>\$1,546,114</u>	<u>\$594,521</u>	<u>\$7,021,580</u>
	Fiscal Year 2020							
	NYCERS		TRS		BERS		POLICE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)							
Differences between expected and actual experience . . . . .	\$1,188,470	\$532,226	\$435,204	\$2,227,162	\$105,211	\$117,957	\$353,675	\$540,059
Changes of assumptions . . . . .	4,971	349,492	—	598,960	—	208,142	—	206,528
Net difference between projected and actual earnings on pension plan investments . . . . .	560,380	—	—	3,169,983	—	304,641	96,024	—
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)	—	—
Total . . . . .	<u>\$1,927,314</u>	<u>\$882,793</u>	<u>\$420,413</u>	<u>\$6,001,898</u>	<u>\$104,910</u>	<u>\$630,689</u>	<u>\$449,699</u>	<u>\$746,587</u>

	Fiscal Year 2021			
	FIRE		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)			
Differences between expected and actual experience . . . . .	\$178,653	\$ 22,409	\$2,040,430	\$ 3,014,878
Changes of assumptions . . . . .	350,350	—	462,808	1,546,517
Net difference between projected and actual earnings on pension plan investments . . . . .	—	2,134,947	—	29,604,227
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans) . . . . .	—	—	593,537	74,547
Total . . . . .	<u>\$529,003</u>	<u>\$2,157,356</u>	<u>\$3,096,775</u>	<u>\$34,240,169</u>
	Fiscal Year 2020			
	FIRE		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)			
Differences between expected and actual experience . . . . .	\$273,339	\$ —	\$2,355,899	\$3,417,404
Changes of assumptions . . . . .	362,712	—	367,683	1,363,122
Net difference between projected and actual earnings on pension plan investments . . . . .	35,790	—	692,194	3,474,624
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans) . . . . .	—	—	158,401	6,817
Total . . . . .	<u>\$671,841</u>	<u>\$ —</u>	<u>\$3,574,177</u>	<u>\$8,261,967</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2021 will be recognized in pension expense as follows:

	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TOTAL</u>
	(in thousands)					
<b>Year ending June 30.</b>						
2022.....	\$ (1,313,399)	\$ (4,569,259)	\$ (435,438)	\$(1,823,735)	\$ (370,632)	\$ (8,512,463)
2023.....	(1,182,942)	(4,082,453)	(376,740)	(1,564,988)	(325,814)	(7,532,937)
2024.....	(1,031,342)	(3,821,698)	(334,160)	(1,367,435)	(397,173)	(6,951,808)
2025.....	(1,415,335)	(3,760,147)	(298,087)	(1,670,901)	(540,931)	(7,685,401)
2026.....	39,641	(315,230)	5,229	—	6,197	(264,163)
Thereafter.....	<u>1,249</u>	<u>(197,869)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(196,620)</u>
Total.....	<u>\$ (4,902,128)</u>	<u>\$(16,746,656)</u>	<u>\$(1,439,196)</u>	<u>\$(6,427,059)</u>	<u>\$(1,628,353)</u>	<u>\$(31,143,392)</u>



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# The City of New York

## Annual Comprehensive Financial Report of the Comptroller

### Part II-B

## REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

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

**Fiscal Years Ended June 30, 2021 and 2020**



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THE CITY OF NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

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

	2021	2020	2019	2018	2017
1. Total Pension Liability					
a. Service Cost . . . . .	\$ 1,473,815,656	\$ 1,483,109,352	\$ 1,498,909,863	\$ 1,386,278,934	\$ 1,320,416,462
b. Interest . . . . .	3,980,110,444	3,833,636,348	3,782,996,761	3,649,115,174	3,524,331,362
c. Changes of Benefit Terms . . . . .	—	—	—	104,671,094	—
d. Differences b/t Expected and Actual Experience . . . . .	275,949,731	441,654,144	(818,966,821)	(144,119,939)	(645,248,116)
e. Change of Assumptions . . . . .	136,758,940	—	(342,401,789)	—	—
f. Benefit Payments . . . . .	(3,831,639,000)	(3,487,402,000)	(3,278,745,000)	(3,193,553,000)	(2,987,000,000)
g. Net Changes . . . . .	2,034,995,771	2,270,997,844	841,793,014	1,802,392,263	1,212,499,708
2. Total Pension Liability—Beginning . . . . .	57,268,429,223	54,997,431,379	54,155,638,365	52,353,246,102	51,140,746,394
3. Total Pension Liability—Ending . . . . .	59,303,424,994	57,268,429,223	54,997,431,379	54,155,638,365	52,353,246,102
4. Plan Fiduciary Net Position					
a. Contributions—Employer . . . . .	2,437,728,000	2,458,907,000	2,558,256,000	2,415,153,000	2,293,840,000
b. Contributions—Employee . . . . .	255,789,000	280,129,000	278,087,000	267,031,000	276,301,000
c. Net Investment Income . . . . .	11,961,703,000	2,038,305,000	2,861,544,000	3,964,010,000	4,286,894,000
d. Benefit Payments . . . . .	(3,831,639,000)	(3,487,402,000)	(3,278,745,000)	(3,193,553,000)	(2,987,000,000)
e. Administrative Expenses . . . . .	(24,925,000)	(26,803,000)	(29,005,000)	(21,146,000)	(18,917,000)
f. Other Changes . . . . .	4,458,000	6,541,000	4,183,000	3,465,000	10,507,000
g. Net Changes . . . . .	10,803,114,000	1,269,677,000	2,394,320,000	3,434,960,000	3,861,625,000
5. Plan Fiduciary Net Position—Beginning . . . . .	46,462,856,000	45,193,179,000	42,798,859,000	39,363,899,000	35,502,274,000
6. Plan Fiduciary Net Position—Ending . . . . .	57,265,970,000	46,462,856,000	45,193,179,000	42,798,859,000	39,363,899,000
7. POLICE Net Pension Liability . . . . .	\$ 2,037,454,994	\$10,805,573,223	\$ 9,804,252,379	\$11,356,779,365	\$12,989,347,102
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability . . . . .	96.6%	81.1%	82.2%	79.0%	75.2%
9. Covered Payroll <sup>1</sup> . . . . .	\$ 4,299,648,848	\$ 4,244,806,289	\$ 4,047,772,414	\$ 3,673,054,287	\$ 3,509,985,075
10. POLICE Net Pension Liability as a Percentage of Covered Payroll . . . . .	47.4%	254.6%	242.2%	309.2%	370.1%

<sup>1</sup> 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.

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
1. Total Pension Liability					
a. Service Cost . . . . .	\$ 570,829,158	\$ 572,654,633	\$ 484,827,782	\$ 436,368,702	\$ 432,482,302
b. Interest . . . . .	1,672,680,868	1,616,535,939	1,523,611,014	1,484,608,815	1,438,804,602
c. Changes of Benefit Terms . . . . .	—	—	—	11,602,422	—
d. Differences b/t Expected and Actual Experience. . . . .	(27,513,079)	143,725,611	140,780,365	124,635,710	134,478,099
e. Change of Assumptions . . . . .	113,160,630	—	571,767,848	—	—
f. Benefit Payments . . . . .	<u>(1,540,705,000)</u>	<u>(1,517,723,000)</u>	<u>(1,446,114,000)</u>	<u>(1,379,533,000)</u>	<u>(1,335,343,000)</u>
g. Net Changes . . . . .	788,452,577	815,193,183	1,274,873,009	677,682,649	670,422,003
2. Total Pension Liability—Beginning . . . . .	<u>24,081,978,372</u>	<u>23,266,785,189</u>	<u>21,991,912,180</u>	<u>21,314,229,531</u>	<u>20,643,807,528</u>
3. Total Pension Liability—Ending . . . . .	<u>24,870,430,949</u>	<u>24,081,978,372</u>	<u>23,266,785,189</u>	<u>21,991,912,180</u>	<u>21,314,229,531</u>
4. Plan Fiduciary Net Position					
a. Contributions—Employer . . . . .	1,436,977,000	1,419,270,000	1,398,565,000	1,200,417,000	1,061,170,000
b. Contribution—Employee . . . . .	112,566,000	106,821,000	108,015,000	108,338,000	108,368,000
c. Net Investment Income. . . . .	3,963,257,000	718,739,000	982,348,000	1,249,731,000	1,371,721,000
d. Benefit Payments . . . . .	<u>(1,540,705,000)</u>	<u>(1,517,723,000)</u>	<u>(1,446,114,000)</u>	<u>(1,379,533,000)</u>	<u>(1,335,343,000)</u>
e. Administrative Expenses . . . . .	(10,345,000)	(9,131,000)	(9,861,000)	(6,412,000)	—
f. Other Changes . . . . .	<u>758,000</u>	<u>2,842,000</u>	<u>2,057,000</u>	<u>9,411,000</u>	<u>47,284,000</u>
g. Net Changes . . . . .	3,962,508,000	720,818,000	1,035,010,000	1,181,952,000	1,253,200,000
5. Plan Fiduciary Net Position—Beginning . . . . .	<u>15,929,090,000</u>	<u>15,208,272,000</u>	<u>14,173,262,000</u>	<u>12,991,310,000</u>	<u>11,738,110,000</u>
6. Plan Fiduciary Net Position—Ending. . . . .	<u>19,891,598,000</u>	<u>15,929,090,000</u>	<u>15,208,272,000</u>	<u>14,173,262,000</u>	<u>12,991,310,000</u>
7. FIRE Net Pension Liability. . . . .	<u>\$ 4,978,832,949</u>	<u>\$ 8,152,888,372</u>	<u>\$ 8,058,513,189</u>	<u>\$ 7,818,650,180</u>	<u>\$ 8,322,919,531</u>
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability. . . . .	<u>80.0%</u>	<u>66.1%</u>	<u>65.4%</u>	<u>64.4%</u>	<u>61.0%</u>
9. Covered Payroll <sup>1</sup> . . . . .	\$ 1,348,006,398	\$ 1,336,843,002	\$ 1,302,871,992	\$ 1,164,528,195	\$ 1,145,919,396
10. FIRE Net Pension Liability as a Percentage of Covered Payroll . . . . .	<u>369.3%</u>	<u>609.9%</u>	<u>618.5%</u>	<u>671.4%</u>	<u>726.3%</u>

<sup>1</sup> 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.



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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
	(in millions except %)				
<b>1. NYCERS</b>					
a. City's Proportion of the Net Pension Liability . . . . .	58.94%	55.98%	55.47%	54.44%	54.33%
b. City's Proportion share of the Net Pension Liability . .	\$ 3,780.4	\$11,799.2	\$10,274.3	\$ 9,898.5	\$11,281.7
c. City's Covered Payroll . . . . .	\$ 8,436.8	\$ 8,203.9	\$ 7,833.4	\$ 6,729.9	\$ 6,556.7
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll . . . . .	44.81%	143.82%	131.16%	147.08%	172.06%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability . . . . .	93.14%	76.93%	78.84%	78.82%	74.80%
<b>2. TRS</b>					
a. City's Proportion of the Net Pension Liability . . . . .	96.93%	97.12%	97.22%	97.19%	97.62%
b. City's Proportion share of the Net Pension Liability . .	\$ 69.0	\$15,342.1	\$14,929.0	\$18,184.9	\$22,674.0
c. City's Covered Payroll . . . . .	\$10,863.8	\$10,572.4	\$10,107.6	\$ 8,961.5	\$ 8,612.8
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll . . . . .	0.64%	145.11%	147.70%	202.92%	263.26%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability . . . . .	99.91%	78.97%	79.06%	74.45%	68.32%
<b>3. BERS</b>					
a. City's Proportion of the Net Pension Liability . . . . .	99.93%	99.95%	99.98%	99.97%	99.96%
b. City's Proportion share of the Net Pension Liability . .	\$ (1,267.3)	\$ 277.1	\$ 274.2	\$ 501.2	\$ 973.4
c. City's Covered Payroll . . . . .	\$ 1,476.0	\$ 1,352.7	\$ 1,263.5	\$ 1,101.6	\$ 1,051.6
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll . . . . .	(85.86%)	20.48%	21.70%	45.50%	92.56%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability . . . . .	121.96%	94.92%	94.79%	90.31%	80.81%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>1. NYCERS</b>				
a. City's Proportion of the Net Pension Liability . . . . .	54.77%	55.64%	55.54%	55.54%
b. City's Proportion share of the Net Pension Liability . .	\$13,307.9	\$11,262.0	\$10,008.2	\$12,815.3
c. City's Covered Payroll . . . . .	\$ 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 . . . . .	205.93%	173.25%	153.83%	202.71%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability . . . . .	69.57%	73.13%	75.32%	67.18%
<b>2. TRS</b>				
a. City's Proportion of the Net Pension Liability . . . . .	97.07%	97.27%	97.28%	97.28%
b. City's Proportion share of the Net Pension Liability . .	\$25,599.9	\$20,219.1	\$17,331.1	\$23,010.2
c. City's Covered Payroll . . . . .	\$ 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 . . . . .	318.43%	256.92%	222.97%	299.48%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability . . . . .	62.33%	68.04%	71.79%	61.01%
<b>3. BERS</b>				
a. City's Proportion of the Net Pension Liability . . . . .	99.99%	99.98%	99.99%	99.99%
b. City's Proportion share of the Net Pension Liability . .	\$ 1,384.1	\$ 1,006.1	\$ 906.5	\$ 1,315.6
c. City's Covered Payroll . . . . .	\$ 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 . . . . .	137.38%	98.95%	91.68%	148.57%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability . . . . .	71.17%	75.33%	78.60%	66.95%

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

	2021	2020	2019	2018	2017	2016	2015
	(in thousands except %)						
<b>NYCERS</b>							
Contractually required contribution . .	\$ 2,217,956	\$ 2,086,530	\$ 2,049,222	\$1,838,554	\$1,808,067	\$1,843,323	\$1,758,378
Contributions in relation to the contractually required contributions . . . . .	\$ 2,217,956	\$ 2,086,530	\$ 2,049,222	\$1,838,554	\$1,808,067	\$1,843,323	\$1,758,378
Contribution deficiency (excess) . . . .	—	—	—	—	—	—	—
Covered payroll . . . . .	\$ 8,436,814	\$ 8,203,879	\$ 7,833,362	\$6,729,880	\$6,556,720	\$6,462,231	\$6,500,475
Contributions as a percentage of covered payroll . . . . .	26.289%	25.433%	26.160%	27.319%	27.576%	28.524%	27.050%
<b>TRS</b>							
Contractually required contribution . .	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742	\$3,779,638	\$3,795,657	\$3,594,301	\$3,180,865
Contributions in relation to the contractually required contributions . . . . .	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742	\$3,779,638	\$3,795,657	\$3,594,301	\$3,180,865
Contribution deficiency (excess) . . . .	—	—	—	—	—	—	—
Covered payroll . . . . .	\$10,863,830	\$10,572,449	\$10,107,561	\$8,961,509	\$8,612,809	\$8,039,326	\$7,869,774
Contributions as a percentage of covered payroll . . . . .	27.942%	32.986%	35.555%	42.176%	44.070%	44.709%	40.419%
<b>BERS</b>							
Contractually required contribution . .	\$ 182,855	\$ 257,367	\$ 269,594	\$318,540	\$ 288,116	\$ 265,497	\$ 258,055
Contributions in relation to the contractually required contributions . . . . .	\$ 182,855	\$ 257,367	\$ 269,594	\$ 318,540	\$ 288,116	\$ 265,497	\$ 258,055
Contribution deficiency (excess) . . . .	—	—	—	—	—	—	—
Covered payroll . . . . .	\$ 1,476,030	\$ 1,352,676	\$ 1,263,450	\$1,101,553	\$1,051,567	\$1,007,499	\$1,016,277
Contributions as a percentage of covered payroll . . . . .	12.388%	19.027%	21.338%	28.917%	27.399%	26.352%	25.392%
<b>POLICE</b>							
Contractually required contribution . .	\$ 2,437,728	\$ 2,458,907	\$ 2,558,256	\$2,415,153	\$2,293,840	\$2,393,940	\$2,309,619
Contributions in relation to the contractually required contributions . . . . .	\$ 2,437,728	\$ 2,458,907	\$ 2,558,256	\$2,415,153	\$2,293,840	\$2,393,940	\$2,309,619
Contribution deficiency (excess) . . . .	—	—	—	—	—	—	—
Covered payroll . . . . .	\$ 4,299,649	\$ 4,244,806	\$ 4,047,772	\$3,673,054	\$3,509,985	\$3,540,326	\$3,512,778
Contributions as a percentage of covered payroll . . . . .	56.696%	57.927%	63.202%	65.753%	65.352%	67.619%	65.749%
<b>FIRE</b>							
Contractually required contribution . .	\$ 1,436,977	\$ 1,419,270	\$ 1,398,565	\$1,200,417	\$1,061,170	\$1,054,478	\$ 988,784
Contributions in relation to the contractually required contributions . . . . .	\$ 1,436,977	\$ 1,419,270	\$ 1,398,565	\$1,200,417	\$1,061,170	\$1,054,478	\$ 988,784
Contribution deficiency (excess) . . . .	—	—	—	—	—	—	—
Covered payroll . . . . .	\$ 1,348,006	\$ 1,336,843	\$ 1,302,872	\$1,164,528	\$1,145,919	\$1,129,470	\$1,111,744
Contributions as a percentage of covered payroll . . . . .	106.600%	106.166%	107.345%	103.082%	92.604%	93.360%	88.940%

\* For City Fiscal Years 2012, 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.

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

	<u>2014</u>	<u>2013</u>	<u>*2012</u>
<b>NYCERS</b>			
Contractually required contribution . .	\$1,729,616	\$1,692,278	\$ 3,017,004
Contributions in relation to the contractually required contributions . . . . .	\$1,729,616	\$1,692,278	\$ 3,017,004
Contribution deficiency (excess) . . . .	—	—	—
Covered payroll . . . . .	\$6,506,353	\$6,322,125	\$11,812,858
Contributions as a percentage of covered payroll . . . . .	26.583%	26.768%	25.540%
<b>TRS</b>			
Contractually required contribution . .	\$2,917,129	\$2,777,966	\$ 2,673,078
Contributions in relation to the contractually required contributions . . . . .	\$2,917,129	\$2,777,966	\$ 2,673,078
Contribution deficiency (excess) . . . .	—	—	—
Covered payroll . . . . .	\$7,772,827	\$7,683,465	\$ 7,920,935
Contributions as a percentage of covered payroll . . . . .	37.530%	36.155%	33.747%
<b>BERS</b>			
Contractually required contribution . .	\$ 214,574	\$ 196,231	\$ 213,651
Contributions in relation to the contractually required contributions . . . . .	\$ 214,574	\$ 196,231	\$ 213,651
Contribution deficiency (excess)	—	—	—
Covered payroll . . . . .	\$ 988,757	\$ 885,491	\$ 879,476
Contributions as a percentage of covered payroll . . . . .	21.701%	22.161%	24.293%
<b>POLICE</b>			
Contractually required contribution . .	\$2,320,910	\$2,424,690	\$ 2,385,731
Contributions in relation to the contractually required contributions . . . . .	\$2,320,910	\$2,424,690	\$ 2,385,731
Contribution deficiency (excess) . . . .	—	—	—
Covered payroll . . . . .	\$3,420,312	\$3,459,872	\$ 3,448,784
Contributions as a percentage of covered payroll . . . . .	67.857%	70.080%	69.176%
<b>FIRE</b>			
Contractually required contribution . .	\$ 969,956	\$ 962,173	\$ 976,895
Contributions in relation to the contractually required contributions . . . . .	\$ 969,956	\$ 962,173	\$ 976,895
Contribution deficiency (excess) . . . .	—	—	—
Covered payroll . . . . .	\$1,102,396	\$1,129,926	\$ 1,149,423
Contributions as a percentage of covered payroll . . . . .	87.986%	85.154%	84.990%

**Notes to Schedule D:**

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

<b>Fiscal Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Valuation Dates . . . . .	June 30, 2020 (Lag)	June 30, 2019 (Lag)	June 30, 2018 (Lag)	June 30, 2017 (Lag)	June 30, 2016 (Lag)	June 30, 2015 (Lag)	June 30, 2014 (Lag)
Actuarial cost method <sup>1</sup> . . . . .	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method for Unfunded Accrued Liabilities (UAL):							
Initial 2010 UAL . . . . .	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments
Post-2010 UALs . . . . .	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
Remaining amortization period:							
Initial 2010 UAL . . . . .	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)
2010 ERI . . . . .	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	1 Year (Closed)	2 Years (Closed)
2011 (G)/L . . . . .	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)
2012 (G)/L . . . . .	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
2013 (G)/L . . . . .	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2013 Transit Refunds . . . . .	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	1 Years (Closed)	2 Years (Closed)	3 Years (Closed)	4 Years (Closed)
2014 (G)/L . . . . .	9 Years (Closed)	10 Years (Closed)	11 years (Closed)	12 years (Closed)	13 years (Closed)	14 years (Closed)	15 years (Closed)
2014 Assumption Change . . . . .	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)
2015 (G)/L . . . . .	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2016 (G)/L . . . . .	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2017 (G)/L . . . . .	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2017 Assumption Change . . . . .	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2017 Method Change . . . . .	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2018 (G)/L . . . . .	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA
2019 (G)/L . . . . .	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA	NA
2019 Assumption Change . . . . .	19 Years (Closed)	20 Years (Closed)	NA	NA	NA	NA	NA
2019 Method Change . . . . .	19 Years (Closed)	20 Years (Closed)	NA	NA	NA	NA	NA
2020 (G)/L . . . . .	15 Years (Closed)	NA	NA	NA	NA	NA	NA
Actuarial Asset Valuation Method <sup>2</sup> . . . . .	5-year moving average of Fair Value	5-year moving average of Fair Value	6-year moving average of Fair Value	6-year moving average of Fair Value	6-year moving average of Fair Value	6-year moving average of Fair Value	6-year moving average of Fair Value
Actuarial assumptions:							
Assumed rate of return <sup>3</sup> . . . . .	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 <sup>4</sup> . . . . .	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

<sup>1</sup> 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.

<sup>2</sup> Fair Value Restart as of June 30, 2019. Previously, Fair Value Restart as of June 30, 2011. The June 30, 2010 AVA is derived as equal to the June 30, 2011 Fair 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 Fair Value of Assets.

Notes to Schedule D: (Cont.)

<b>Fiscal Year</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Valuation Dates . . . . .	June 30, 2013 (Lag)	June 30, 2012 (Lag)	June 30, 2011 (Lag)	June 30, 2010 (Lag)
Actuarial cost method <sup>1</sup> . . . . .	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method for Unfunded Accrued Liabilities (UAL):				
Initial 2010 UAL . . . . .	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments
Post-2010 UALs . . . . .	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
Remaining amortization period:				
Initial 2010 UAL . . . . .	19 Years (Closed)	20 Years (Closed)	21 Years (Closed)	22 Years (Closed)
2010 ERI . . . . .	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)	NA
2011 (G)/L . . . . .	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2012 (G)/L . . . . .	14 Years (Closed)	15 Years (Closed)	NA	NA
2013 (G)/L . . . . .	15 Years (Closed)	NA	NA	NA
2013 Transit Refunds . . . . .	5 Years (Closed)	NA	NA	NA
2014 (G)/L . . . . .	NA	NA	NA	NA
2014 Assumption Change . . . . .	NA	NA	NA	NA
2015 (G)/L . . . . .	NA	NA	NA	NA
2016 (G)/L . . . . .	NA	NA	NA	NA
2017 (G)/L . . . . .	NA	NA	NA	NA
2017 Assumption Change . . . . .	NA	NA	NA	NA
2017 Method Change . . . . .	NA	NA	NA	NA
2018 (G)/L . . . . .	NA	NA	NA	NA
2019 (G)/L . . . . .	NA	NA	NA	NA
2019 Assumption Change . . . . .	NA	NA	NA	NA
2019 Method Change . . . . .	NA	NA	NA	NA
2020 (G)/L . . . . .	NA	NA	NA	NA
Actuarial Asset Valuation Method <sup>2</sup> . . . . .	6-year moving average of Fair Value	6-year moving average of Fair Value	6-year moving average of Fair Value	6-year moving average of Fair Value
Actuarial assumptions:				
Assumed rate of return <sup>3</sup> . . . . .	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 <sup>4</sup> . . . . .	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012

**Notes to Schedule D: (Cont.)**

<b>Fiscal Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Active service: withdrawal, death, disability, service retirement <sup>4</sup> . . . . .	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012
Salary Increases <sup>3</sup> . . . . .	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year
Cost-of-Living Adjustments <sup>3</sup> . . . . .	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation

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

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



**Notes to Schedule D: (Cont.)**

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>1. Total OPEB Liability</b>			
a. Service Cost . . . . .	\$ 5,574,231,539	\$ 5,293,736,382	\$ 5,726,465,371
b. Interest . . . . .	3,142,299,330	3,278,703,940	3,238,121,016
c. Differences b/t Expected and Actual Experience . . . .	220,744,272	(5,819,834,778)	9,363,503,239
d. Changes of Assumptions . . . . .	3,188,999,201	2,507,951,510	(6,280,596,177)
e. Benefit Payments . . . . .	(3,183,940,823)	(3,014,860,319)	(2,839,899,082)
f. Other Changes . . . . .	—	(1,457,899,183)	—
<b>g. Net Changes in Total OPEB Liability . . . . .</b>	<b>\$ 8,942,333,519</b>	<b>\$ 787,797,552</b>	<b>\$ 9,207,594,367</b>
<b>2. Total OPEB Liability – Beginning . . . . .</b>	<b>\$113,257,407,352</b>	<b>\$112,469,609,800</b>	<b>\$103,262,015,433</b>
<b>3. Total OPEB Liability – Ending . . . . .</b>	<b>\$ 122,199,740,871</b>	<b>\$ 113,257,407,352</b>	<b>\$ 112,469,609,800</b>
<b>4. Plan Fiduciary Net Position</b>			
a. Contributions – Employer . . . . .	\$ 3,600,386,859	\$2,059,853,571	\$2,653,131,741
b. Contributions – Employee . . . . .	—	—	—
c. Net Investment Income . . . . .	3,801,273	76,119,735	100,740,410
d. Benefit Payments . . . . .	(3,183,940,823)	(3,014,860,319)	(2,839,899,082)
e. Administrative Expenses . . . . .	(54,000)	—	(46,110)
f. Other Changes . . . . .	(175,000)	(175,000)	(175,000)
<b>g. Net Changes in Plan Fiduciary Net Position . . . . .</b>	<b>\$ 420,018,309</b>	<b>\$ (879,062,013)</b>	<b>\$ (86,248,041)</b>
<b>5. Plan Fiduciary Net Position – Beginning . . . . .</b>	<b>\$ 3,800,489,161</b>	<b>\$ 4,679,551,174</b>	<b>\$ 4,765,799,215</b>
<b>6. Plan Fiduciary Net Position – Ending . . . . .</b>	<b>\$ 4,220,507,470</b>	<b>\$ 3,800,489,161</b>	<b>\$ 4,679,551,174</b>
<b>7. Net OPEB Liability . . . . .</b>	<b>\$ 117,979,233,401</b>	<b>\$109,456,918,191</b>	<b>\$107,790,058,626</b>
<b>8. Plan Fiduciary Net Position as a Percentage of</b>			
<b>Total OPEB Liability . . . . .</b>	<b>3.50%</b>	<b>3.4%</b>	<b>4.2%</b>
<b>9. Covered Employee Payroll . . . . .</b>	<b>\$ 29,201,128,989</b>	<b>\$ 28,201,101,945</b>	<b>\$ 27,760,352,747</b>
<b>10. Net OPEB Liability as a Percentage of Covered</b>			
<b>Employee Payroll . . . . .</b>	<b>404.00%</b>	<b>388.1%</b>	<b>388.3%</b>

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

	2018	2017	2016
<b>1. Total OPEB Liability</b>			
a. Service Cost . . . . .	\$ 4,861,692,657	\$ 4,522,135,121	\$ 5,113,884,783
b. Interest . . . . .	3,131,933,077	2,899,170,607	2,669,589,440
c. Differences b/t Expected and Actual Experience . . . . .	2,295,728,531	520,672,737	(120,159,155)
d. Changes of Assumptions . . . . .	2,513,755,510	(10,978,714,816)	—
e. Benefit Payments . . . . .	(2,617,669,829)	(2,425,375,364)	(2,278,055,136)
f. Other Changes . . . . .	—	—	—
<b>g. Net Changes in Total OPEB Liability . . . . .</b>	<b>\$ 10,185,439,946</b>	<b>\$ (5,462,111,715)</b>	<b>\$ 5,385,259,932</b>
<b>2. Total OPEB Liability – Beginning . . . . .</b>	<b>\$ 93,076,575,487</b>	<b>\$ 98,538,687,202</b>	<b>\$ 93,153,427,270</b>
<b>3. Total OPEB Liability – Ending . . . . .</b>	<b>\$103,262,015,433</b>	<b>\$ 93,076,575,487</b>	<b>\$ 98,538,687,202</b>
<b>4. Plan Fiduciary Net Position</b>			
a. Contributions – Employer . . . . .	\$2,681,645,593	\$3,021,551,454	\$ 2,897,668,434
b. Contributions – Employee . . . . .	—	—	—
c. Net Investment Income . . . . .	48,093,613	21,515,588	20,565,435
d. Benefit Payments . . . . .	(2,617,669,829)	(2,425,375,364)	(2,278,055,136)
e. Administrative Expenses . . . . .	(43,105)	(41,100)	(40,000)
f. Other Changes . . . . .	(130,323)	(78,516)	(331,067)
<b>g. Net Changes in Plan Fiduciary Net Position . . . . .</b>	<b>\$ 111,895,949</b>	<b>\$ 617,572,062</b>	<b>\$ 639,807,666</b>
<b>5. Plan Fiduciary Net Position – Beginning . . . . .</b>	<b>\$ 4,653,903,266</b>	<b>\$ 4,036,331,204</b>	<b>\$ 3,396,523,538</b>
<b>6. Plan Fiduciary Net Position – Ending . . . . .</b>	<b>\$ 4,765,799,215</b>	<b>\$ 4,653,903,266</b>	<b>\$ 4,036,331,204</b>
<b>7. Net OPEB Liability . . . . .</b>	<b>\$98,496,216,218</b>	<b>\$88,422,672,221</b>	<b>\$94,502,355,998</b>
<b>8. Plan Fiduciary Net Position as a Percentage of</b>			
<b>Total OPEB Liability . . . . .</b>	<b>4.6%</b>	<b>5.0%</b>	<b>4.1%</b>
<b>9. Covered Employee Payroll . . . . .</b>	<b>\$26,303,995,573</b>	<b>\$25,180,497,465</b>	<b>\$24,266,021,759</b>
<b>10. Net OPEB Liability as a Percentage of Covered</b>			
<b>Employee Payroll . . . . .</b>	<b>374.5%</b>	<b>351.2%</b>	<b>389.4%</b>

**Notes to Schedule E**

- **Benefit changes:** None
- **Assumption changes:**
  - The mortality improvement scale was updated to MP-2020 to reflect more recent information published by the Society of Actuaries in October 2020.
  - Active members off payroll is no longer treated as a separate status as of June 30, 2020. Those on a known short-term leave of absence are treated as actives, and the remaining members are included as inactive members entitled to but not yet receiving benefits if they have met the OPEB vesting requirements. Otherwise, they are not included in the valuation.
  - 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, 2021 as per GASB74/75 guidance.
  - Certain per capita claims costs were updated based on recent experience.
- **Measure of payroll:** Covered-employee payroll since the City’s contributions are not based on a measure of pay.
- **Methods and Assumptions:** The methods and assumptions used to determine the actuarially determined contributions are as follows:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Valuation Date	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Discount Rate	2.19% - City 2.18% - Component Units	2.68% - City 2.66% - Component Units	2.82% - City 2.79% - Component Units
Post-retirement mortality	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation
Active service: withdrawal, death, disability, service retirement	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation
Long-term			
Expected Rate of Return	4.0%	4.0%	4.0%
General Wage Increases	3.0%	3.0%	3.0%
Consumer Price Index	2.5%	2.5%	2.5%

All additional actuarial assumptions used for determining the net OPEB liability are shown starting on page 120 of the Fiscal Year 2021 GASB 74/75 Report dated September 10, 2021. 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](http://www.nyc.gov/actuary)).

Notes to Schedule E (Cont.)

	2018	2017	2016
Valuation Date	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Discount Rate	3.01% - City 2.98% - Component Units	3.17% - City 3.13% - Component Units	2.75% - City 2.71% - Component Units
Post-retirement mortality	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation
Active service: withdrawal, death, disability, service retirement	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation
Long-term			
Expected Rate of Return	4.0%	4.0%	4.0%
General Wage Increases	3.0%	3.0%	3.0%
Consumer Price Index	2.5%	2.5%	2.5%

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**THE CITY OF NEW YORK**  
**ACFR Related Combining Schedule of Financial Information and Other**  
**Supplementary Information**  
**For the year ended June 30, 2021**

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The accompanying basic financial statements of The City of New York (“The City”) and related notes thereto, including all Required Supplementary Information (“RSI”), are as presented within The City’s Annual Comprehensive Financial Report (“ACFR”) for the fiscal year ended June 30, 2021. The City’s ACFR, which contains additional information, is available on the City Comptroller’s website at [www.comptroller.nyc.gov](http://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, 2021**



**THE CITY OF NEW YORK**  
**Consolidated Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Agriculture</b>						
Agriculture and Food Research Initiative (AFRI)	10.310	NYU School of Medicine	16-A1-00-007087-01 / P# 107423	\$ 65	\$ —	\$ —
Food Insecurity Nutrition Incentive Grants Program	10.331	FPHNY	83827, 84102	163	—	—
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	NYS ED	N/A	107	—	—
National School Lunch Program	10.555	NYS ED	N/A	185	—	32,314
COVID-19 Summer Food Service Program for Children	10.559	NYS ED	1R13919 01	215,993	—	—
Summer Food Service Program for Children	10.559	NYS ED	1R13919 01	39,503	—	—
	10.559	NYS DOH	U032609	9	—	—
<i>Total Child Nutrition Cluster</i>				255,797	—	32,314
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, C-30454GG	21,241	—	44,688
Child and Adult Care Food Program	10.558	NYS DOH	6499	3,087	—	—
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Direct Federal		3,009	—	—
	10.561	NYS DOH	EWPB: DOH01-C33039GG-3450000 SFM: DOH01-C33659GG-3450000	1,114	—	—
	10.561	NYS OTDA	N/A	226,690	—	—
	10.561	NYS OCFS	1000036076	1,118	—	—
<i>Total SNAP Cluster</i>				231,931	—	—
<i>Food Distribution Cluster - Commodity Supplemental Food Program</i>	10.565	NYS DOH	C-34842GG	636	—	—
Child Nutrition Discretionary Grants Limited Availability	10.579	NYS ED	0R1458A 01	244	—	—
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580	Direct Federal		222	—	—
Fresh Fruit and Vegetable Program	10.582	NYS ED	1R1458B 01	452	—	—
Cooperative Forestry Assistance	10.664	Direct Federal		6,180	—	—
Emergency Watershed Protection Program	10.923	Direct Federal		2,975	—	—
Emergency Watershed Protection Program - Disaster Relief Appropriations Act	10.927	Direct Federal		1,894	—	—
<i>Total U.S. Department of Agriculture</i>				524,887	—	77,002
<b>U.S. Department of Commerce</b>						
<i>Economic Development Cluster - Economic Adjustment Assistance</i>	11.307	Direct Federal		960	960	—
Marine Debris Program	11.999	Direct Federal		70	—	—
<i>Total U.S. Department of Commerce</i>				1,030	960	—
<b>U.S. Department of Defense</b>						
Procurement Technical Assistance for Business Firms	12.002	Direct Federal		387	—	—
Troops to Teachers Grant Program	12.620	Direct Federal		16	—	—
<i>Total U.S. Department of Defense</i>				403	—	—

\*\* Denotes programs with R&D Cluster expenditures

**THE CITY OF NEW YORK**  
**Consolidated Schedule of Expenditures of Federal Awards - Continued**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Housing and Urban Development</b>						
<i>CDBG - Entitlement Grants Cluster - Community Development</i>						
Block Grants/Entitlement Grants	14.218	Direct Federal		\$ 489,518	\$ —	\$ —
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	12011, 6791, 11036, 3962, N/A	15,690	8,103	—
COVID-19 Emergency Shelter Grants Program	14.231	Direct Federal		219,797	—	—
Emergency Shelter Grants Program	14.231	Direct Federal		11,053	119	—
Supportive Housing Program	14.235	Direct Federal		1,114	—	—
HOME Investment Partnerships Program	14.239	Direct Federal		40,574	—	—
COVID-19 Housing Opportunities for Persons with AIDS	14.241	Direct Federal		4,431	541	—
Housing Opportunities for Persons with AIDS	14.241	Direct Federal		43,366	16,631	—
<i>Section 8 Project-Based Cluster:</i>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Direct Federal		8,326	—	—
Lower Income Housing Assistance Program- Section 8 Moderate Rehabilitation	14.856	Direct Federal		5,815	—	—
<i>Total Section 8 Project-Based Cluster</i>				14,141	—	—
Continuum of Care Program	14.267	Direct Federal		43,629	—	—
<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		218,242	—	—
	14.269	NYS DOT	SANDR01, SANDR02	4,322	—	—
	14.269	NYS GOSR	N/A	4,205	—	—
National Disaster Resilience Competition (CDBG-NDR)	14.272	Direct Federal		645	—	—
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>				227,414	—	—
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers	14.871	Direct Federal		533,997	—	—
Mainstream Vouchers	14.879	Direct Federal		1,144	—	—
<i>Total Housing Voucher Cluster</i>				535,141	—	—
Family Self-Sufficiency Program	14.896	Direct Federal		1,091	—	—
Lead Hazard Reduction Demonstration Grant Program	14.905	Direct Federal		702	—	—
<b>Total U.S. Department of Housing and Urban Development</b>				1,647,661	25,394	—
<b>U.S. Department of the Interior</b>						
Hurricane Sandy Disaster Relief - Coastal Resiliency Grants	15.153	Direct Federal		62	—	—
	15.153	NFWF	42959	1,924	1,924	—
Youth and Veteran Organizations Conservation Activities	15.931	Direct Federal		99	—	—
<b>Total U.S. Department of the Interior</b>				2,085	1,924	—

\*\* Denotes programs with R&D Cluster expenditures

(Continued)

**THE CITY OF NEW YORK**  
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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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Justice</b>						
Law Enforcement Assistance Narcotics and Dangerous Drugs Training	16.004	Direct Federal		\$ 4,360	\$ —	\$ —
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	Direct Federal		5,281	—	—
Law Enforcement Assistance-National Crime Information Center	16.304	Direct Federal		3	—	—
Services for Trafficking Victims	16.320	Direct Federal		213	—	—
Missing Children's Assistance	16.543	Direct Federal		355	—	—
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Direct Federal		699	—	—
Crime Victim Assistance	16.575	NYS OVS	OVS01-C11014GG-1080200, C10758GG, C100069C-11011GG, C-11009GG, C-11010GG, C-11013GG, C-11012GG	2,097	—	—
	16.575	NYS DCJS	C662309	236	—	—
Crime Victim Assistance/Discretionary Grants	16.582	Direct Federal		172	49	—
	16.582	NAVAA	CAP21-615	4	—	—
Violence Against Women Formula Grants	16.588	Direct Federal		86	—	—
	16.588	NYS DCJS	C652099, C652106, DCJ01-C00359GG-1090000, C652054, C652098C00358GG, C00313GG	269	6	—
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	Direct Federal		523	10	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Federal		3,661	—	—
	16.738	NYS DCJS	2016-DJ-BX-0210, 2019-DJ-BX-0408	629	—	—
DNA Backlog Reduction Program	16.741	Direct Federal		1,034	—	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Direct Federal		39	—	—
Smart Prosecution Initiative	16.825	Direct Federal		91	18	—
National Sexual Assault Kit Initiative	16.833	Direct Federal		459	—	—
Comprehensive Opioid Abuse Site-Based Program	16.838	Direct Federal		311	234	—
Equitable Sharing Program	16.922	Direct Federal		54,974	—	—
Total U.S. Department of Justice				75,496	317	—
<b>U.S. Department of Labor</b>						
Senior Community Service Employment Program	17.235	Direct Federal		1,288	—	—
	17.235	NYS OFA	C18014GG	3,271	—	—
Trade Adjustment Assistance	17.245	Direct Federal		418	—	—
<i>WIOA Cluster:</i>						
WIOA Adult Program	17.258	NYS DOL	AA-33247-19-55-A-36, AA-33785-20-55-A-36	29,867	16,029	—
WIOA Youth Activities	17.259	NYS DOL	N/A	21,467	15,146	—
WIOA Dislocated Worker Formula Grants	17.278	NYS DOL	AA-33247-19-55-A-36, AA-33785-20-55-A-36	11,294	4,980	—
<i>Total WIOA Cluster</i>				62,628	36,155	—
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Direct Federal		504	—	—
Total U.S. Department of Labor				68,109	36,155	—
<b>U.S. Department of Transportation</b>						
Highway Research and Development Program	20.200	FHWA	N/A	851	—	—

\*\* Denotes programs with R&D Cluster expenditures

**THE CITY OF NEW YORK**  
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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 Federal Expenditures	Noncash Assistance
<i>Highway Planning and Construction Cluster:</i>						
Highway Planning and Construction	20.205	Direct Federal		\$ 679	\$ —	\$ —
	20.205	NYS DOT	X761.25, X550.74, X027.08, X501.34, X550.45, X770.77, D035837, D035862, D035863, D017542, D034196, D035072, D032186, D036005, D040000, D040241, D035282, D033720, D034194, D034767, D033988, D033845, D033646, D035974, D035039, D035328, D030259, D032746, D034180, D034191, D033860, D035367, D035961, D035897, D040001, D035318, D033946, D035021, D035022, D035023, D035024, D036010, D034772, D035358, D035778, D035779, D035260, D035853, D035854, D035775, D03762, D033665, D036496, D032186, D035074, D034788, D033946, D035319, D033946, D035029, D032178, D033722, D034926, D034194, D034787, D035372, D033935, D033484, D035590, D035466, D034925, D035466, D034925, D035260, D035466, D036031, D036189, D035358, D035846, D034209, D032517, D040141, D036036, D032515, D040109, D035863, D034767, NY-2020-067	220,981	8,545	—
Recreational Trails Program	20.205	NYMTC	D000641, D035910	2,020	—	—
	20.219	NYS DOT	X770.91	2,318	2,318	—
<i>Total Highway Planning and Construction Cluster</i>				<u>225,998</u>	<u>10,863</u>	<u>—</u>
<i>Federal Transit Cluster:</i>						
Federal Transit - Capital Investment Grants	20.500	Direct Federal		1,520	—	—
COVID-19 Federal Transit - Formula Grants	20.507	Direct Federal		16,552	—	—
Federal Transit - Formula Grants	20.507	Direct Federal		8,906	—	—
<i>Total Federal Transit Cluster</i>				<u>26,978</u>	<u>—</u>	<u>—</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Direct Federal		1,243	—	—
	20.505	NYMTC	C033467	2,433	—	—
	20.505	NYS DOT	X772.17, D034016	681	302	—
<i>Transit Services Programs Cluster:</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Direct Federal		932	—	—
New Freedom Program	20.521	Direct Federal		692	—	—
<i>Total Transit Services Programs Cluster</i>				<u>1,624</u>	<u>—</u>	<u>—</u>
Public Transportation Emergency Relief Program	20.527	Direct Federal		9,429	—	—
<i>Highway Safety Cluster: State and Community Highway Safety</i>						
Technical Assistance Grants	20.600	NYS GTSC	N/A	1,411	—	—
National Infrastructure Investments	20.710	Direct Federal		44	—	—
	20.933	Direct Federal		4,965	—	—
<b>Total U.S. Department of Transportation</b>				<u>275,657</u>	<u>11,165</u>	<u>—</u>

\*\* Denotes programs with R&D Cluster expenditures

(Continued)

**THE CITY OF NEW YORK**  
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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 Federal Expenditures	Noncash Assistance
<b>U.S. Treasury</b>						
Equitable Sharing	21.016	Direct Federal		\$ 18,606	\$ —	\$ —
COVID-19 Coronavirus Relief Fund	21.019	Direct Federal		530,727	—	—
Emergency Rental Assistance Program	21.023	Direct Federal		1,449	—	—
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		975,753	—	—
Total U.S. Treasury				1,526,535	—	—
<b>Federal Communications Commission</b>						
COVID-19 Telehealth Program	32.006	Direct Federal		414	—	—
Total Federal Communications Commission				414	—	—
<b>National Endowment For The Arts</b>						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		59	—	—
Total National Endowment For The Arts				59	—	—
<b>U.S. Department of Veterans Affairs</b>						
VA Homeless Providers Grant and Per Diem Program	64.024	Direct Federal		3,992	—	—
Total U.S. Department of Veterans Affairs				3,992	—	—
<b>U.S. Environmental Protection Agency</b>						
Long Island Sound Program	66.437	Direct Federal		11	—	—
Regional Wetland Program Development Grants	66.461	Direct Federal		82	—	—
Beach Monitoring and Notification Program Implementation Grants	66.472	NYS DOH	DOH01-C29641GG-3450000	26	—	—
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct Federal		84	—	—
Total U.S. Environmental Protection Agency				203	—	—
<b>U.S. Department of Education</b>						
Title I Grants to Local Educational Agencies	84.010	NYS ED	0R4507L 01, 0R4509K 01, 0R4510K 01, 0R4516K 01, 0R4525K 01, 0R4530K 01, 0R4551J 01, 154507M 01, 154517J 01, 1R4502B 01, 1R4503B 01, 1R4507M 01, 1R4507N 01, 1R4507P 01, 1R4508H 01, 1R4510L 01, 1R4510M 01, 1R4511L 01, 1R4511M 01, 1R4512H 01, 1R4513B 01, 1R4513J 01, 1R4513K 01, 1R4515B 01, 1R4517J 01, 1R4519E 01, 1R4519F 01, 1R4523H 01, 1R4524B 01, 1R4527B 01, 1R4527L 01, 1R4528L 01, 1R4530B 01, 1R4532L 01, 1R4551H 01, 1R4551J 01, 1R4551M 01, 9R4501S 01, 9R4502S 01, 9R4503H 01, 9R4510S 01, 9R4513S 01, 9R4515S 01, 9R4521S 01, 9R4522S 01, 9R4524S 01, 9R4527S 01, 9R4528S 01, 9R4528S 01, 9R4530S 01, 9R4531S 01, 0R1235A 01, 0R1240A 01, 0R1251C 01, 0R1251K 01, 0R1251L 01, 0R1251N 01, 0R1264A 01, 1R1235A 01, 1R1240A 01, 1R1251A 01, 1R1251B 01, 1R1251D 01, 1R1251H 01, 1R1251J 01, 1R1251K 01, 1R1251L 01, 1R1251N 01, 1R1264A 01	750,966	—	—

\*\* 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 Federal Expenditures	Noncash Assistance
<i>Special Education Cluster:</i>						
Special Education - Grants to States	84.027	NYS ED	1R1551B 01	\$ 302,693	\$ —	\$ —
Special Education - Preschool Grants	84.173	NYS ED	1R1551A 01	6,485	—	—
<i>Total Special Education Cluster</i>				309,178	—	—
Impact Aid	84.041	Direct Federal		5,250	—	—
<i>TRIO Cluster - TRIO - Student Support Services</i>	84.042	CUNY	N/A	89	—	—
Career and Technical Education - Basic Grants to States	84.048	NYS ED	1R0551A 01, 1R0579A 01	13,172	—	—
Magnet Schools Assistance	84.165	Direct Federal		8,537	—	—
Special Education - Grants for Infants and Families	84.181	NYS DOH	C36417GG	4,120	—	—
Education for Homeless Children and Youth	84.196	NYS ED	1R3660A 01	2,473	—	—
Twenty-First Century Community Learning Centers	84.287	NYS ED	1R3901A 01, 1R3902A 01, 1R3903A 01, 1R3904A 01, 1R3905A 01, 1R3906A01, 1R3907A 01, 1R3910A 01, 1R3911A 01, 1R3912A 01, 1R3913A 01, 1R3914A01, 1R3915A 01, 1R3916A 01, 1R3918A 01, 1R3919A 01, 1R3920A 01, 1R3921A01, 1R3922A 01, 1R3923A 01, 1R3925A 01, 1R3930A 01, 1R3931A 01	22,801	—	—
Arts in Education	84.351	Direct Federal		1,742	—	—
English Language Acquisition State Grants	84.365	NYS ED	0R4151A01, 0R4164A01, 1R4142A01, 1R4151A01, 1R4151C01, 1R4164A01	32,027	—	—
	84.367	NYS ED	0R2640A 01, 0R2664A 01, 1R2640A 01, 1R2651A 01, 1R2651B 01, 1R2651C 01, 1R2664A 01	65,507	—	—
Supporting Effective Instruction State Grants						
Teacher and School Leader Incentive Grants	84.374	Direct Federal		6,306	—	—
Performance Partnership Pilots for Disconnected Youth	84.420	Direct Federal		40	—	—
Student Support and Academic Enrichment Program	84.424	NYS ED	0R1951A01, 0R1951B01, 0R1964A01, 1R1951A01, 1R1951B01, 1R1964A01	33,633	—	—
COVID-19 Education Stabilization Fund - GEER	84.425C	NYS ED	5895211729	85,179	—	—
COVID-19 Education Stabilization Fund - ESSER	84.425D	NYS ED	5890211729, 5891210001	828,574	—	—
<b>Total U.S. Department of Education</b>				2,169,594	—	—
<b>U.S. Department of Health and Human Services</b>						
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	NYS OFA	N/A	659	506	—
<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	12,447	6,737	—
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	17,263	16,945	—
Nutrition Services Incentive Program	93.053	NYS OFA	N/A	5,498	5,498	—
<i>Total Aging Cluster</i>				35,208	29,180	—
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	Direct Federal		71	—	—
National Family Caregiver Support - Title III Part E	93.052	NYS OFA	N/A	4,355	4,355	—
Training in General, Pediatric, and Public Health Dentistry	93.059	Direct Federal		467	—	—
Public Health Emergency Preparedness	93.069	PHS	19-DOHMH-01_AMD_1	12,940	—	—
Environmental Public Health and Emergency Response	93.070	FPHNY	84037, 83938	855	—	—
Medicare Enrollment Assistance Program	93.071	NYS OFA	N/A	276	—	—

\*\* Denotes programs with R&D Cluster expenditures

**THE CITY OF NEW YORK**  
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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 Federal Expenditures	Noncash Assistance
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance Guardianship Assistance	93.079	Direct Federal		\$ 725	\$ —	\$ —
Food and Drug Administration Research Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.090	NYS OCFS	2001NYGARD, 2101NYGARD	10,852	—	—
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.103	Direct Federal		351	—	—
Injury Prevention and Control Research, State and Community Based Programs	93.116	Direct Federal		4,236	—	—
Community Programs to Improve Minority Health Grant Program	93.118	Direct Federal		54	—	—
Projects for Assistance in Transition from Homelessness (PATH)	93.136	HRI	6211-02	151	—	—
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.137	Direct Federal		63	—	—
	93.150	NYS OMH	N/A	2,435	1,604	—
	93.153	Direct Federal		759	—	—
	93.153	Montefiore Medical Center	6H1XHA37016, H12HA24849	376	—	—
	93.153	NYU School of Medicine	17-A0-00-008205	234	—	—
Graduate Psychology Education	93.191	Direct Federal		203	—	—
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Direct Federal		395	—	—
Health Center Program Cluster - Health Center Program	93.224	Direct Federal		6,697	—	—
Research on Healthcare Costs, Quality and Outcomes	93.226	Direct Federal		11	—	—
Mental Health Research Grants**	93.242	CUNY	CM00000911-02, CM00001625-021 RF1 MH 120846-01	171	19	—
	93.242	Columbia University	PMH043520H	10	—	—
	93.242	AECOM	311088	6	—	—
	93.242	University of Rochester	R01MH107371-04	13	—	—
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		4,081	—	—
Poison Center Support and Enhancement Grant	93.253	Direct Federal		690	—	—
Occupational Safety and Health Program**	93.262	Direct Federal		7,254	—	—
	93.262	Stony Brook	90387/2/1166266	197	—	—
COVID-19 Immunization Cooperative Agreements	93.268	Direct Federal		21,828	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		11,337	—	142,817
Viral Hepatitis Prevention and Control	93.270	Direct Federal		788	—	—
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	18-A1-00-007933 17-A0-00-1000021-01	357	—	—
Minority Health and Health Disparities Research**	93.307	Boston University	5105521-1	153	—	—
Trans-NIH Research Support**	93.310	Columbia University	30T2OD026556-01S2	763	—	—
	93.310	NYU School of Medicine	16-A0-00-006256 / P# 112544	1	—	—
Public Health Preparedness and Response Science, Research, and Practice	93.316	FPHNY	83974	692	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	56401-200-943-20-21, 56401-200-200-20-02 56401-250-452-21-09	15	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		851,402	88	—
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		5,702	—	—
National Center for Advancing Translational Sciences**	93.350	NYU School of Medicine	15-A0-00-004185, 16-A0-00-007000-01	141	—	—
Nursing Research**	93.361	NYU School of Medicine	1R01NR019535-01	13	—	—
Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health or Healthcare Crises	93.391	NACCHO	2019-020702	27	—	—
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	NACCHO	2020-040202	148	—	—

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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 Federal Expenditures	Noncash Assistance
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	FPH	83981	\$ 69	\$ —	\$ —
COVID-19 Testing for the Uninsured	93.461	Direct Federal		96,616	—	—
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	HRI	6214-02	254	—	—
COVID-19 Provider Relief Fund	93.498	Direct Federal		1,036,628	—	—
MaryLee Allen Promoting Safe and Stable Families Program	93.556	NYS OCFS	2101NYFPSS; 2101NYCWSS; 2001NYFPSS; 2001NYCWSS; 2001NYCWC3	22,177	—	—
Temporary Assistance for Needy Families	93.558	Direct Federal		905	—	—
	93.558	NYS OTDA	N/A	1,255,717	—	—
	93.558	NYS OCFS	2001NYTANF; 2101NYTANF	145,099	—	—
Child Support Enforcement	93.563	Direct Federal		460	—	—
	93.563	NYS OTDA	N/A	61,536	—	—
Low-Income Home Energy Assistance	93.568	Direct Federal		29	—	—
	93.568	NYS OTDA	N/A	48,572	—	—
COVID-19 Community Services Block Grant	93.569	NYS DOS	T1001807	45,893	—	—
Community Services Block Grant	93.569	NYS DOS	C1001474	30,947	24,877	—
Community Services Block Grant Discretionary Awards	93.570	Direct Federal		10,148	—	—
<i>CCDF Cluster - Child Care and Development Block Grant</i>	93.575	Direct Federal		54	—	—
	93.575	NYS OCFS	2001NYCCDD; 2001NYCCDM; 2101NYCCDF; 2101NYCCDD; 2101NYCCDM, C029082	393,230	—	—
<i>Total CCDF Cluster</i>				393,284	—	—
Refugee and Entrant Assistance - Discretionary Grants	93.576	Direct Federal		11	—	—
	93.576	NYS OTDA	N/A	2,169	—	—
<i>Head Start Cluster - Head Start</i>	93.600	Direct Federal		72,200	—	—
Assistance for Torture Victims	93.604	Direct Federal		1,080	—	—
Foster Care - Title IV - E	93.658	Direct Federal		481	—	—
	93.658	NYS OTDA	2001NYFOST; 2101NYFOST	380	—	—
	93.658	NYS OCFS	2001NYFOST; 2101NYFOST	204,922	—	—
Adoption Assistance	93.659	NYS OCFS	2001NYADPT; 2101NYADPT	87,148	—	—
Social Services Block Grant	93.667	NYS OCFS	2001NYSOSR; 2101NYSOSR	239,854	19,291	—
Child Abuse and Neglect State Grants	93.669	NYS OCFS	1601NYCA01; 1701NYCA01; 1801NYNCAN; 1901NYNCAN	16	—	—
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	NYS DOH	2001NYCILP; 2101NYCILP	7,760	—	—
Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	93.686	Direct Federal		1,043	12	—
Mental and Behavioral Health Education and Training Grants	93.732	Direct Federal		177	—	—
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	Direct Federal		131	—	—
Children's Health Insurance Program (CHIP)	93.767	NYS DOH	C-022805	38,770	—	—

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**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<i>Medicaid Cluster:</i>						
Medical Assistance Program (Medicaid)	93.778	Direct Federal		\$ 9,163	\$ —	\$ —
	93.778	NYS DOH	1000036076	8,844,246	—	—
	93.778	NYS OFA	N/A	3,969	2,257	—
	93.778	NYS OMH	N/A	5,361	—	—
	93.778	NYS OTDA	N/A	2,353	—	—
<i>Total Medicaid Cluster</i>				8,865,092	2,257	—
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	NYS OFA	N/A	598	—	—
Opioid State Targeted Response	93.788	RF SUNY	H79T1081718 / PO# 143214	85	—	—
	93.788	NYS DOH	C-32124GG, C-32125GG	150	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	PHS	15-BHC-01, 15-BHC-02	693	—	—
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	Direct Federal		964	—	—
National Ebola Training and Education Center (NETEC)	93.825	Direct Federal		332	—	—
	93.825	Emory University	A367557 / DHHS# U3REP150549	639	—	—
Cardiovascular Diseases Research**	93.837	University of Buffalo	5R01HL13755804	14	—	—
	93.837	AECOM	P0640388	16	—	—
	93.837	NYU School of Medicine	1235, 1337	1	—	—
	93.837	Mount Sinai	1R01HL131418-05	16	—	—
Lung Diseases Research**	93.838	Mount Sinai	1R01HL142749-02	18	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research**	93.847	RF SUNY	85485	12	—	—
Allergy, Immunology and Transplantation Research**	93.855	Columbia University	1(GG007614-40)	90	—	—
	93.855	AECOM	311894	58	—	—
	93.855	UCLA	SUM1AI068636-14	16	—	—
	93.855	Duke University	ACTIV-1/8120	45	—	—
	93.855	PPD Investigative Services	ACTIV-2/A5401	334	—	—
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C33494GG	1,751	1,751	—
Primary Care Training and Enhancement	93.884	RF SUNY	K02HP32100	151	—	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-DOHMH-02_AMD_2, 19-BHC-01 / ACCT# P073720-1, P073721, 19-JMC-01 / ACCT# P076620, P076621	3,597	—	—
COVID-19 HIV Emergency Relief Project Grants	93.914	Direct Federal		995	961	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		83,275	75,898	—
	93.914	PHS	19-CCR-573, 18-CCR-583, 19-CCR-360, 16-HRM-567, 16-HRM-361, 16-MHV-505, 16-MHV-150	4,224	—	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	NYU School of Medicine	17-A0-00-1000300 / P# 109857	2,158	—	—
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grant	93.924	Direct Federal		1,610	—	—

\*\* Denotes programs with R&D Cluster expenditures

**THE CITY OF NEW YORK**  
**Consolidated Schedule of Expenditures of Federal Awards - Continued**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<i>Student Financial Assistance Cluster - Scholarships for Health Professions Students from Disadvantaged Backgrounds</i>	93.925	Emory University	A242587 / DHHS# U3REP150549	\$ 198	\$ —	\$ —
Healthy Start Initiative	93.926	FPHNY	84167	551	—	—
HIV Prevention Activities - Non-Governmental Organization Based	93.939	Direct Federal		253	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		29,316	5,786	—
	93.940	PHS	16-EBP-150, 18-NCT-573, 18-NCT-583, 18-NCT-360, 18-NCT-563, 18-NCT-115	1,207	—	—
Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance**	93.944	Direct Federal		1,161	15	—
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs**	93.946	Direct Federal		177	—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	C21181GG, C21187GG, C21179GG	17,626	13,308	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	C004357, 1R2251A 01	11,467	—	—
PPHF Geriatric Education Centers	93.969	MSKCC	5U01 QHP28705-04	76	—	—
Sexually Transmitted Diseases (STD) Prevention Control Grants	93.977	Direct Federal		4,090	—	—
Preventive Health and Health Services Block Grant	93.991	NYS DOH	C030509	471	—	—
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	4,631	—	—
Total U.S. Department of Health and Human Services				<u>13,830,796</u>	<u>179,908</u>	<u>142,817</u>
<b>Corporation for National and Community Services</b>						
AmeriCorps State and National	94.006	Direct Federal		213	—	—
<i>Foster Grandparent/Senior Companion Cluster - Foster Grandparent Program</i>	94.011	Direct Federal		1,447	—	—
Total Corporation for National and Community Services				<u>1,660</u>	<u>—</u>	<u>—</u>
<b>Social Security Administration</b>						
<i>Disability Insurance/SSI Cluster - Supplemental Security Income</i>	96.006	Direct Federal		108	—	—
Total Social Security Administration				<u>108</u>	<u>—</u>	<u>—</u>

\*\* Denotes programs with R&D Cluster expenditures

**THE CITY OF NEW YORK**  
**Consolidated Schedule of Expenditures of Federal Awards - Continued**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Homeland Security</b>						
National Urban Search and Rescue (US&R) Response System	97.025	Direct Federal		\$ 1,015	\$ —	\$ —
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	1,077,695	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	246,279	—	—
Hazard Mitigation Grant	97.039	NYS DHSES	N/A	375	—	—
Emergency Management Performance Grants	97.042	NYS DHSES	C833295, C971804	3,534	—	—
Assistance to Firefighters Grant	97.044	Direct Federal		1,336	—	—
BRIC: Building Resilient Infrastructure and Communities	97.047	NYS DHSES	C000828	712	—	—
Port Security Grant Program	97.056	Direct Federal		13,122	—	—
	97.056	NYS DHSES	N/A	1,039	—	—
Homeland Security Grant Program	97.067	Direct Federal		308	—	—
	97.067	NYS DHSES	C159470, C159473, C159480, C159493, C833283, C971800, C971803, C971863, C971870, C971880, C971890, C971892, T159489	139,953	—	—
Rail and Transit Security Grant Program	97.075	MTA	EMW-2017-RA-00024, EMW-2018-RA-00017, EMW-2019-RA-0004, EMW-2020-RA-0005	13,412	—	—
Homeland Security Biowatch Program	97.091	Direct Federal		1,956	—	—
Securing the Cities	97.106	Direct Federal		2,292	—	—
Presidential Residence Protection Security Grant	97.134	Direct Federal		9,308	—	—
Total U.S. Department of Homeland Security				1,512,336	—	—
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 21,641,025</b>	<b>\$ 255,823</b>	<b>\$ 219,819</b>
<b>TOTAL R&amp;D CLUSTER EXPENDITURES</b>				<b>\$ 11,037</b>	<b>\$ 34</b>	<b>\$ -</b>

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, 2021**

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**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, 2021, the Water Authority's bonds outstanding under the CWSRF and DWSRF programs were \$4.7 billion and \$1.1 billion, respectively.

# THE CITY OF NEW YORK SINGLE AUDIT REPORT

## Notes to Consolidated Schedule of Expenditures of Federal Awards - Continued For the year ended June 30, 2021

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During the year ended June 30, 2021, the Water Authority issued \$85.7 million of bonds to EFC under the DWSRF program and \$250.9 million under the CWSRF program. The Water Authority retired \$40.0 million and \$174.7 million and refunded \$103.9 million and \$297.7 million under the DWSRF and CWSRF programs, respectively. In addition, the Water Authority defeased with revenues \$1.1 million and \$9.0 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, 2021, the Water Authority drew-down from the CWSRF short-term financing program \$155.0 million. As of June 30, 2021, the Water Authority had \$155.0 million of outstanding notes under the CWSRF.

During the year ended June 30, 2021, 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, 2021, the Water Authority expended no Federal funds on project expenditures under the CWSRF and DWSRF programs.

## 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 1(a), above.

### **Reconciliation of Federal Expenditures related to Disaster Grants - Public Assistance (Presidentially Declared Disasters) ("Disaster Grant") FAL # 97.036; reported in the Consolidated SEFA to The City's Basic Financial Statements**

#### *Superstorm Sandy*

In connection with Superstorm Sandy ("Sandy") The City incurred costs for emergency response and storm related damages to, and destruction of, City buildings and other assets. In response to the damages caused by Sandy, former President Barack Obama signed a major disaster declaration authorizing the Federal Emergency Management Agency ("FEMA") to provide Public Assistance grants ("PA") to governmental entities for response and recovery efforts. The emergency declaration provides for the reimbursement of eligible costs for emergency work (categorized as Emergency Protective Measures and Debris Removal)

**THE CITY OF NEW YORK**  
**SINGLE AUDIT REPORT**  
**Notes to Consolidated Schedule of Expenditures of Federal Awards - Continued**  
**For the year ended June 30, 2021**

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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, 2021, 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 2021, The City had \$246.3 million of expenditures correlating to obligations through June 30, 2021. Any potential changes to this amount are predicated on adjustments to existing 2021 obligations and enhanced visibility of grant expenditure association.

Approximately \$2.7 million of the amount obligated in Fiscal Year 2021 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 - 2020, but are included in the Fiscal Year 2021 Consolidated SEFA. A reconciliation of The City’s Basic Financial Statements to the Federal Expenditures reported in The City’s Fiscal Year 2021 Consolidated SEFA, follows:

	<u>(in thousands)</u>
Total Fiscal Year 2021 Disaster Grant expenditures as reported in The City’s Basic Financial Statements	\$ 244,000
Add: Disaster Grant expenditures incurred prior to Fiscal Year 2021 for which obligations were made during Fiscal Year 2021	2,666
Less: Fiscal Year 2021 Disaster Grant expenditures for which no obligations had been made as of June 30, 2021, but for which obligations are expected to be made in future years	(388)
Fiscal Year 2021 Disaster grant expenditures included in the Consolidated SEFA	<u>\$ 246,278</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.

**THE CITY OF NEW YORK**  
**SINGLE AUDIT REPORT**  
**Notes to Consolidated Schedule of Expenditures of Federal Awards - Continued**  
**For the year ended June 30, 2021**

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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, 2021, regardless of which of The City’s fiscal year(s) the expenditures were actually incurred. Because FEMA obligations occurred subsequent to June 30, 2021,

For Fiscal Year 2021, The City incurred \$1,077.7 million of expenditures corresponding to obligations through June 30, 2021. Any potential changes to these amounts are predicated on adjustments to existing 2021 obligations and enhanced visibility of grant expenditures association.

Approximately \$669.7 million of the amount obligated in Fiscal Year 2021 corresponds to eligible expenditures incurred by The City in prior fiscal years, but are included in the Fiscal Year 2021 Consolidated SEFA.

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

	<i>(in thousands)</i>
Total Fiscal Year 2021 Disaster Grant expenditures as reported in The City’s Basic Financial Statements	\$ 2,943,317
Add: Disaster Grant expenditures incurred prior to Fiscal Year 2021 for which obligations were made during Fiscal Year 2021	669,703
Less: Fiscal Year 2021 Disaster Grant expenditures for which no obligations had been made as of June 30, 2021, but for which obligations are expected to be made in future years	<u>(2,535,325)</u>
Fiscal Year 2021 Disaster grant expenditures included in the Consolidated SEFA	<u>\$ 1,077,695</u>

**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. In Fiscal Year 2021, The City reported \$530.7 million expenditures in its Fiscal Year 2021 Consolidated SEFA, while \$511.6 million of CRF funded expenditures were reported in its Fiscal Year 2021 Basic Financial Statements.

**THE CITY OF NEW YORK  
SINGLE AUDIT REPORT**

**Notes to Consolidated Schedule of Expenditures of Federal Awards - Continued  
For the year ended June 30, 2021**

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

**6. REVOLVING LOAN FUNDS**

The accompanying Consolidated SEFA includes \$960,000, 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. Economic Development Administration (“EDA”), a bureau of the U.S. Department of Commerce. Both the BOC Capital Corporation (“BOC”) and TruFund Financial Services (“TruFund”) are Community Development Financial Institutions (“CDFIs”) engaged by the EDC to deploy Revolving Loan Fund amounts.

On June 5, 2021, the EDA approved EDC to transfer the February 28, 2021 loan and cash balances to BOC and TruFund to close out EDC’s participation in the RLF program. As of June 30, 2021, EDC did not have any further responsibilities for the RLF.

	TruFund	BOC	Total FAL #11.307
	(in thousands)		
Balance of RLF loans outstanding at February 28, 2021	\$ 207	\$ 174	\$ 381
Cash and investment balance in the RLF at February 28, 2021	1,070	1,227	2,297
Administrative expenses paid out of RLF income during fiscal year 2021	-	34	34
Unpaid principal of all loans written off during the recipient’s fiscal year	168	-	168
Federal share of the RLF	33.33%	33.33%	33.33%
Total fiscal year 2021 RLF expended	<u>\$ 482</u>	<u>\$ 478</u>	<u>\$ 960</u>



# THE CITY OF NEW YORK SINGLE AUDIT REPORT

## Notes to Consolidated Schedule of Expenditures of Federal Awards - Continued For the year ended June 30, 2021

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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, 2021**

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The accompanying Exhibits to the Consolidated Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis with respect to The City, The City of New York Health and Hospitals Corporation, The City of New York Department of Education, the New York City Economic Development Corporation and the District Attorney's Office of New York, which are covered by the City's Single Audit Report. These separate Exhibits are not a required part of the financial reporting package stipulated by Title 2 *U.S. Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Accordingly, such Exhibits should be used in conjunction with the Consolidated Schedule of Expenditures of Federal Awards from which they were derived.

The information presented in the accompanying Exhibits is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the Consolidated Schedule of Expenditures of Federal Awards for the year ended June 30, 2021.

**THE CITY OF NEW YORK**  
**Sub-Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Agriculture</b>						
Food Insecurity Nutrition Incentive Grants Program	10.331	FPHNY	83827, 84102	\$ 163	\$ —	\$ —
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	NYS ED	N/A	107	—	—
National School Lunch Program	10.555	NYS ED	N/A	185	—	—
Summer Food Service Program for Children	10.559	NYS DOH	U032609	9	—	—
<i>Total Child Nutrition Cluster</i>				301	—	—
Child and Adult Care Food Program	10.558	NYS DOH	6499	730	—	—
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Direct Federal		3,009	—	—
	10.561	NYS DOH	EWPH: DOH01-C33039GG-3450000 SFM: DOH01-C33659GG-3450000	1,114	—	—
	10.561	NYS OTDA	N/A	226,690	—	—
	10.561	NYS OCFS	1000036076	1,118	—	—
<i>Total SNAP Cluster</i>				231,931	—	—
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580	Direct Federal		222	—	—
Cooperative Forestry Assistance	10.664	Direct Federal		6,180	—	—
Emergency Watershed Protection Program	10.923	Direct Federal		2,975	—	—
Emergency Watershed Protection Program - Disaster Relief Appropriations Act	10.927	Direct Federal		1,894	—	—
<i>Total U.S. Department of Agriculture</i>				244,396	—	—
<b>U.S. Department of Commerce</b>						
Marine Debris Program	11.999	Direct Federal		70	—	—
<i>Total U.S. Department of Commerce</i>				70	—	—
<b>U.S. Department of Defense</b>						
Procurement Technical Assistance for Business Firms	12.002	Direct Federal		387	—	—
<i>Total U.S. Department of Defense</i>				387	—	—

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\*\* 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, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Housing and Urban Development</b>						
<i>CDBG - Entitlement Grants Cluster - Community Development</i>						
Block Grants/Entitlement Grants	14.218	Direct Federal		\$ 489,518	\$ —	\$ —
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	12011, 6791, 11036, 3962	11,400	8,103	—
COVID-19 Emergency Shelter Grants Program	14.231	Direct Federal		219,797	—	—
Emergency Shelter Grants Program	14.231	Direct Federal		11,053	119	—
Supportive Housing Program	14.235	Direct Federal		1,114	—	—
Home Investment Partnerships Program	14.239	Direct Federal		40,574	—	—
COVID-19 Housing Opportunities for Persons with AIDS	14.241	Direct Federal		4,431	541	—
Housing Opportunities for Persons with AIDS	14.241	Direct Federal		43,366	16,631	—
<i>Section 8 Project-Based Cluster:</i>						
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	Direct Federal		8,326	—	—
Lower Income Housing Assistance Program- Section 8 Moderate Rehabilitation	14.856	Direct Federal		5,815	—	—
<i>Total Section 8 Project-Based Cluster</i>				14,141	—	—
Continuum of Care Program	14.267	Direct Federal		43,629	—	—
<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		214,141	—	—
	14.269	NYS DOT	SANDR01, SANDR02	4,322	—	—
	14.269	NYS GOSR	N/A	4,205	—	—
National Disaster Resilience Competition	14.272	Direct Federal		28	—	—
<i>Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster</i>				222,696	—	—
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers	14.871	Direct Federal		533,997	—	—
Mainstream Vouchers	14.879	Direct Federal		1,144	—	—
<i>Total Housing Voucher Cluster</i>				535,141	—	—
Family Self-Sufficiency Program	14.896	Direct Federal		1,091	—	—
Lead Hazard Reduction Demonstration Grant Program	14.905	Direct Federal		702	—	—
<b>Total U.S. Department of Housing and Urban Development</b>				1,638,653	25,394	—
<b>U.S. Department of the Interior</b>						
Hurricane Sandy Disaster Relief - Coastal Resiliency Grants	15.153	Direct Federal		62	—	—
	15.153	NFWF	42959	1,924	1,924	—
<b>Total U.S. Department of the Interior</b>				1,986	1,924	—

\*\* 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, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Justice</b>						
Law Enforcement Assistance-Narcotics and Dangerous-Drugs Training	16.004	Direct Federal		\$ 4,360	\$ —	\$ —
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	Direct Federal		5,281	—	—
Law Enforcement Assistance-National Crime Information Center	16.304	Direct Federal		3	—	—
Services for Trafficking Victims	16.320	Direct Federal		213	—	—
Missing Children's Assistance	16.543	Direct Federal		355	—	—
National Institute of Justice Research, Evaluation, and Development						
Project Grants	16.560	Direct Federal		699	—	—
Crime Victim Assistance	16.575	NYS OVS	OVS01-C11014GG-1080200, C10758GG, C100069	961	—	—
Crime Victim Assistance/Discretionary Grants	16.582	Direct Federal		172	49	—
	16.582	NAVAA	CAP21-615	4	—	—
Violence Against Women Formula Grants	16.588	Direct Federal		86	—	—
	16.588	NYS DCJS	C652099, C652106, DCJ01-C00359GG-1090000, C652054, C652098	231	6	—
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	Direct Federal		523	10	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Federal		3,661	—	—
	16.738	NYS DCJS	2016-DJ-BX-0210, 2019-DJ-BX-0408	629	—	—
DNA Backlog Reduction Program	16.741	Direct Federal		1,034	—	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	Direct Federal		39	—	—
Smart Prosecution Initiative	16.825	Direct Federal		91	18	—
National Sexual Assault Kit Initiative	16.833	Direct Federal		459	—	—
Comprehensive Opioid Abuse Site-Based Program	16.838	Direct Federal		311	234	—
Equitable Sharing Program	16.922	Direct Federal		13,396	—	—
				32,508	317	—
Total U.S. Department of Justice						
<b>U.S. Department of Labor</b>						
Senior Community Service Employment Program	17.235	Direct Federal		1,288	—	—
	17.235	NYS OFA	C18014GG	3,271	—	—
Trade Adjustment Assistance	17.245	Direct Federal		418	—	—
<i>WIOA Cluster:</i>						
WIOA Adult Program	17.258	NYS DOL	AA-33247-19-55-A-36, AA-33785-20-55-A-36	29,867	16,029	—
WIOA Youth Activities	17.259	NYS DOL	N/A	21,467	15,146	—
WIOA Dislocated Worker Formula Grants	17.278	NYS DOL	AA-33247-19-55-A-36, AA-33785-20-55-A-36	11,294	4,980	—
<i>Total WIOA Cluster</i>				62,628	36,155	—
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	Direct Federal		504	—	—
				68,109	36,155	—
Total U.S. Department of Labor						

\*\* 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, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Transportation</b>						
Highway Research and Development Program	20.200	FHWA	N/A	\$ 851	\$ —	\$ —
<i>Highway Planning and Construction Cluster:</i>						
Highway Planning and Construction	20.205	Direct Federal		679	—	—
	20.205	NYS DOT	X761.25, X550.74, X027.08, X501.34, X550.45, X770.77, D035837, D035862, D035863, D017542, D034196, D035072, D032186, D036005, D040000, D040241, D035282, D033720, D034194, D034767, D033988, D033845, D033646, D035974, D035039, D035328, D030259, D032746, D034180, D034191, D033860, D035367, D035961, D035897, D040001, D035318, D033946, D035021, D035022, D035023, D035024, D036010, D034772, D035358, D035778, D035779, D035260, D035853, D035854, D035775, D03762, D033665, D036496, D032186, D035074, D034788, D033946, D035319, D033946, D035029, D032178, D033722, D034926, D034194, D034787, D035372, D033935, D033484, D035590, D035466, D034925, D035466, D034925, D035260, D035466, D036031, D036189, D035358, D035846, D034209, D032517, D040141, D036036, D032515, D040109, D035863, D034767, NY-2020-067	220,981	8,545	—
Recreational Trails Program	20.205	NYMTC	D000641, D035910	2,020	—	—
<i>Total Highway Planning and Construction Cluster</i>	20.219	NYS DOT	X770.91	2,318	2,318	—
				225,998	10,863	—
<i>Federal Transit Cluster:</i>						
Federal Transit - Capital Investment Grants	20.500	Direct Federal		1,520	—	—
COVID-19 Federal Transit - Formula Grants	20.507	Direct Federal		16,552	—	—
Federal Transit - Formula Grants	20.507	Direct Federal		8,906	—	—
<i>Total Federal Transit Cluster</i>				26,978	—	—
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	NYMTC	C033467	2,433	—	—
	20.505	NYS DOT	X772.17, D034016	681	302	—
<i>Transit Services Programs Cluster:</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Direct Federal		932	—	—
New Freedom Program	20.521	Direct Federal		692	—	—
<i>Total Transit Services Programs Cluster</i>				1,624	—	—

\*\* 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, 2021**  
**(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 Federal Expenditures	Noncash Assistance
Public Transportation Emergency Relief Program	20.527	Direct Federal		\$ 9,427	\$ —	\$ —
<i>Highway Safety Cluster</i> : State and Community Highway Safety	20.600	NYS GTSC	N/A	1,411	—	—
National Infrastructure Investments	20.933	Direct Federal		3,115	—	—
Technical Assistance Grants	20.710	Direct Federal		44	—	—
Total U.S. Department of Transportation				272,562	11,165	—
<b>U.S. Treasury</b>						
Equitable Sharing	21.016	Direct Federal		2,061	—	—
COVID-19 Coronavirus Relief Fund	21.019	Direct Federal		526,304	—	—
Emergency Rental Assistance Program	21.023	Direct Federal		1,449	—	—
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		964,753	—	—
Total U.S. Treasury				1,494,567	—	—
<b>National Endowment For The Arts</b>						
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct Federal		59	—	—
Total National Endowment For The Arts				59	—	—
<b>U.S. Department of Veterans Affairs</b>						
VA Homeless Providers Grant and Per Diem Program	64.024	Direct Federal		3,992	—	—
Total U.S. Department of Veterans Affairs				3,992	—	—
<b>U.S. Environmental Protection Agency</b>						
Long Island Sound Program	66.437	Direct Federal		11	—	—
Regional Wetland Program Development Grants	66.461	Direct Federal		82	—	—
Beach Monitoring and Notification Program Implementation Grants	66.472	NYS DOH	DOH01-C29641GG-3450000	26	—	—
Total U.S. Environmental Protection Agency				119	—	—
<b>U.S. Department of Education</b>						
<i>TRIO Cluster</i> - TRIO - Student Support Services	84.042	CUNY	N/A	89	—	—
Special Education - Grants for Infants and Families	84.181	NYS DOH	C36417GG	4,120	—	—
Performance Partnership Pilots for Disconnected Youth	84.420	Direct Federal		40	—	—
Total U.S. Department of Education				4,249	—	—

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**THE CITY OF NEW YORK**  
**Sub-Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Health and Human Services</b>						
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	NYS OFA	N/A	\$ 659	\$ 506	\$ —
<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	12,447	6,737	—
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	NYS OFA	N/A	17,263	16,945	—
Nutrition Services Incentive Program	93.053	NYS OFA	N/A	5,498	5,498	—
<i>Total Aging Cluster</i>				35,208	29,180	—
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	Direct Federal		71	—	—
National Family Caregiver Support - Title III, Part E	93.052	NYS OFA	N/A	4,355	4,355	—
Public Health Emergency Preparedness	93.069	PHS	19-DOHMH-01_AMD_1	12,940	—	—
Environmental Public Health and Emergency Response	93.070	FPHNY	84037, 83938	855	—	—
Medicare Enrollment Assistance Program	93.071	NYS OFA	N/A	276	—	—
Enhance Safety of Children Affected by Substance Abuse	93.087	Direct Federal		—	—	—
Guardianship Assistance	93.090	NYS OCFS	2001NYGARD, 2101NYGARD	10,852	—	—
Food and Drug Administration Research	93.103	Direct Federal		351	—	—
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Direct Federal		4,236	—	—
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	Direct Federal		54	—	—
Injury Prevention and Control Research, State and Community Based Programs	93.136	HRI	6211-02	151	—	—
Projects for Assistance in Transition from Homelessness (PATH)	93.150	NYS OMH	N/A	2,435	1,604	—
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Direct Federal		395	—	—
Research on Healthcare Costs, Quality and Outcomes	93.226	Direct Federal		11	—	—
Mental Health Research Grants**	93.242	CUNY	CM00000911-02, CM00001625-02	135	19	—
	93.242	Columbia University	PMH043520H	10	—	—
	93.242	AECOM	311088	6	—	—
Occupational Safety and Health Program**	93.262	Direct Federal		7,254	—	—
	93.262	Stony Brook	90387/2/1166266	197	—	—
COVID-19 Immunization Cooperative Agreements	93.268	Direct Federal		21,828	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		11,097	—	122,495
Viral Hepatitis Prevention and Control	93.270	Direct Federal		788	—	—
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	18-A1-00-007933	258	—	—
Public Health Preparedness and Response Science, Research, and Practice	93.316	FPHNY	83974	692	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	56401-200-943-20-21, 56401-200-200-20-02	10	—	—

\*\* 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, 2021**  
**(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 Federal Expenditures	Noncash Assistance
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		\$ 336,314	\$ 88	\$ —
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		5,702	—	—
Activities to Support State, Tribal, Local and Territorial (STLT)						
Health Department Response to Public Health or Healthcare Crises	93.391	NACCHO	2019-020702	27	—	—
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	NACCHO	2020-040202	148	—	—
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	FPH	83981	69	—	—
Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	93.478	HRI	6214-02	254	—	—
COVID-19 Provider Relief Fund	93.498	Direct Federal		6,133	—	—
MaryLee Allen Promoting Safe and Stable Families Program	93.556	NYS OCFS	2101NYFPSS; 2101NYCWSS; 2001NYFPSS; 2001NYCWSS; 2001NYCWC3	22,177	—	—
Temporary Assistance for Needy Families	93.558	Direct Federal		905	—	—
	93.558	NYS OTDA	N/A	1,255,717	—	—
	93.558	NYS OCFS	2001NYTANF; 2101NYTANF	145,099	—	—
Child Support Enforcement	93.563	Direct Federal		460	—	—
	93.563	NYS OTDA	N/A	61,536	—	—
Low-Income Home Energy Assistance	93.568	Direct Federal		29	—	—
	93.568	NYS OTDA	N/A	48,572	—	—
COVID-19 Community Services Block Grant	93.569	NYS DOS	T1001807	45,893	—	—
Community Services Block Grant	93.569	NYS DOS	C1001474	30,947	24,877	—
Community Services Block Grant Discretionary Awards	93.570	Direct Federal		10,148	—	—
<i>CCDF Cluster - Child Care and Development Block Grant</i>	93.575	Direct Federal		54	—	—
	93.575	NYS OCFS	2001NYCCDD; 2001NYCCDM; 2101NYCCDF; 2101NYCCDD; 2101NYCCDM, C029082	391,961	—	—
<i>Total CCDF Cluster</i>				392,015	—	—
Refugee and Entrant Assistance -- Discretionary Grants	93.576	Direct Federal		11	—	—
	93.576	NYS OTDA	N/A	2,169	—	—
Foster Care - Title IV - E	93.658	Direct Federal		481	—	—
	93.658	NYS OTDA	2001NYFOST; 2101NYFOST	380	—	—
	93.658	NYS OCFS	2001NYFOST; 2101NYFOST	204,922	—	—
Adoption Assistance	93.659	NYS OCFS	2001NYADPT; 2101NYADPT	87,148	—	—
Social Services Block Grant	93.667	NYS OCFS	2001NYSOSR; 2101NYSOSR	239,854	19,291	—
Child Abuse and Neglect State Grants	93.669	NYS OCFS	1601NYCA01; 1701NYCA01; 1801NYNCAN; 1901NYNCAN	16	—	—
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	NYS DOH	2001NYCILP; 2101NYCILP	7,760	—	—
Ending the HIV Epidemic: A Plan for America-Ryan White HIV/AIDS Program Parts A and B	93.686	Direct Federal		1,043	12	—
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	Direct Federal		131	—	—

\*\* 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, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<i>Medicaid Cluster:</i>						
Medical Assistance Program (Medicaid)	93.778	Direct Federal		\$ 9,163	\$ —	\$ —
	93.778	NYS DOH	1000036076	8,801,964	—	—
	93.778	NYS OFA	N/A	3,969	2,257	—
	93.778	NYS OMH	N/A	5,361	—	—
	93.778	NYS OTDA	N/A	2,353	—	—
<i>Total Medicaid Cluster</i>				8,822,810	2,257	—
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	NYS OFA	N/A	598	—	—
Capacity Building Assistance (CBA) for High-Impact HIV Prevention	93.834	Direct Federal		964	—	—
Allergy, Immunology and Transplantation Research**	93.855	AECOM	311894	58	—	—
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NYS DOH	C33494GG	1,751	1,751	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-DOHMH-02_AMD_2	1,169	—	—
COVID-19 HIV Emergency Relief Project Grants	93.914	Direct Federal		995	961	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		80,619	75,898	—
Healthy Start Initiative	93.926	FPHNY	84167	551	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		28,259	5,786	—
Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance**	93.944	Direct Federal		1,161	15	—
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs**	93.946	Direct Federal		177	—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	N/A	15,805	13,308	—
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	Direct Federal		4,090	—	—
Preventative Health and Health Services Block Grant	93.991	NYS DOH	C030509	245	—	—
Maternal and Child Health Services Block Grant to the States	93.994	NYS DOH	DOH01-C35728GG-3450000, DOH01-C30933GG-3450000	2,670	—	—
<i>Total U.S. Department of Health and Human Services</i>				11,983,106	179,908	122,495
<b>Corporation for National and Community Services</b>						
AmeriCorps State and National	94.006	Direct Federal		213	—	—
<i>Foster Grandparent/Senior Companion Cluster - Foster Grandparent Program</i>	94.011	Direct Federal		1,447	—	—
<i>Total Corporation for National and Community Service</i>				1,660	—	—

\*\* 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, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>Social Security Administration</b>						
<i>Disability Insurance/SSI Cluster - Supplemental Security Income</i>	96.006	Direct Federal		\$ 108	\$ —	\$ —
Total Social Security Administration				108	—	—
<b>U.S. Department of Homeland Security</b>						
National Urban Search and Rescue (US&R) Response System	97.025	Direct Federal		1,015	—	—
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	462,021	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Direct Federal				
	97.036	NYS DHSES	N/A	61,149	—	—
Hazard Mitigation Grant	97.039	NYS DHSES	N/A	375	—	—
Emergency Management Performance Grants	97.042	NYS DHSES	C833295, C971804	3,534	—	—
Assistance to Firefighters Grant	97.044	Direct Federal		1,336	—	—
BRIC: Building Resilient Infrastructure and Communities	97.047	NYS DHSES	C000828	712	—	—
Port Security Grant Program	97.056	Direct Federal		13,122	—	—
	97.056	NYS DHSES	N/A	1,039	—	—
Homeland Security Grant Program	97.067	Direct Federal		134	—	—
	97.067	NYS DHSES	C159470, C159473, C159480, C159493, C833283, C971800, C971803, C971863, C971870, C971880, C971890, C971892, T159489	139,953	—	—
Presidential Residence Protection Security Grant	97.134	Direct Federal		9,308	—	—
Rail and Transit Security Grant Program	97.075	MTA	EMW-2017-RA-00024, EMW-2018-RA-00017, EMW-2019-RA-0004, EMW-2020-RA-0005	13,412	—	—
Homeland Security Biowatch Program	97.091	Direct Federal		1,956	—	—
Securing the Cities	97.106	Direct Federal		2,292	—	—
Total U.S. Department of Homeland Security				711,358	—	—
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 16,457,889</b>	<b>\$ 254,863</b>	<b>\$ 122,495</b>
<b>TOTAL R&amp;D CLUSTER EXPENDITURES</b>				<b>\$ 9,256</b>	<b>\$ 34</b>	<b>\$ —</b>

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

**THE CITY OF NEW YORK**  
**HEALTH AND HOSPITALS CORPORATION**  
**Sub-Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Agriculture</b>						
Agriculture and Food Research Initiative (AFRI)	10.310	NYU School of Medicine	16-A1-00-007087-01 / P# 107423	\$ 65	\$ —	\$ —
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, C-30454GG	21,241	—	44,688
<i>Food Distribution Cluster</i> - Commodity Supplemental Food Program	10.565	NYS DOH	C-34842GG	636	—	—
Total U.S. Department of Agriculture				21,942	—	44,688
<b>U.S. Department of Justice</b>						
Crime Victim Assistance	16.575	NYS OVS	C-11011GG, C-11009GG, C-11010GG, C-11013GG, C-11012GG	1,136	—	—
	16.575	NYS DCJS	C662309	236	—	—
Violence Against Women Formula Grants	16.588	NYS DCJS	C00358GG, C00313GG	38	—	—
Total U.S. Department of Justice				1,410	—	—
<b>U.S. Treasury</b>						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct Federal		11,000	—	—
Total U.S. Treasury				11,000	—	—
<b>Federal Communications Commission</b>						
COVID-19 Telehealth Program	32.006	Direct Federal		414	—	—
Total Federal Communications Commission				414	—	—
<b>U.S. Department of Health and Human Services</b>						
Training in General, Pediatric, and Public Health Dentistry	93.059	Direct Federal		467	—	—
Community Programs to Improve Minority Health Grant Program	93.137	Direct Federal		63	—	—
Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	Direct Federal		759	—	—
	93.153	Montefiore Medical Center	6H1XHA37016, H12HA24849	376	—	—
	93.153	NYU School of Medicine	17-A0-00-008205	234	—	—
Graduate Psychology Education	93.191	Direct Federal		203	—	—
<i>Health Center Program Cluster</i> - Health Center Program	93.224	Direct Federal		6,697	—	—
Mental Health Research Grants**	93.242	University of Rochester	R01MH107371-04	13	—	—
	93.242	CUNY	1 RF1 MH 120846-01	36	—	—

\*\* 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, 2021  
(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 Federal Expenditures	Noncash Assistance
Substance Abuse and Mental Health Services - Projects of						
Regional and National Significance	93.243	Direct Federal		\$ 37	\$ —	\$ —
Poison Center Support and Enhancement Grant	93.253	Direct Federal		690	—	—
Immunization Cooperative Agreements	93.268	Direct Federal		240	—	20,322
Drug Abuse and Addiction Research Programs**	93.279	NYU School of Medicine	17-A0-00-1000021-01	99	—	—
Minority Health and Health Disparities Research**	93.307	Boston University	5105521-1	153	—	—
Trans-NIH Research Support**	93.310	Columbia University	30T2OD026556-01S2	763	—	—
	93.310	NYU School of Medicine	16-A0-00-006256 / P# 112544	1	—	—
CSELS Partnership: Strengthening Public Health Laboratories	93.322	APHL	56401-250-452-21-09	5	—	—
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Direct Federal		515,088	—	—
National Center for Advancing Translational Sciences	93.350	NYU School of Medicine	15-A0-00-004185, 16-A0-00-007000-01	141	—	—
Nursing Research**	93.361	NYU School of Medicine	1R01NR019535-01	13	—	—
COVID-19 Testing for the Uninsured	93.461	Direct Federal		96,616	—	—
COVID-19 Provider Relief Fund	93.498	Direct Federal		1,030,495	—	—
CCDF Cluster - Child Care and Development Block Grant	93.575	NYS OCFS	C029082	1,269	—	—
Assistance for Torture Victims	93.604	Direct Federal		1,080	—	—
Mental and Behavioral Health Education and Training Grants	93.732	Direct Federal		177	—	—
Children's Health Insurance Program (CHIP)	93.767	NYS DOH	C-022805	38,770	—	—
Opioid State Targeted Response	93.788	RF SUNY	H79T1081718 / PO# 143214	85	—	—
	93.788	NYS DOH	C-32124GG, C-32125GG	150	—	—
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	PHS	15-BHC-01, 15-BHC-02	693	—	—
National Ebola Training and Education Center (NETEC)	93.825	Direct Federal		332	—	—
	93.825	Emory University	A367557 / DHHS# U3REP150549	639	—	—
Cardiovascular Diseases Research**	93.837	University of Buffalo	5R01HL13755804	14	—	—
	93.837	AECOM	P0640388	16	—	—
	93.837	NYU School of Medicine	1235, 1337	1	—	—
	93.837	Mount Sinai	1R01HL131418-05	16	—	—
Lung Diseases Research**	93.838	Mount Sinai	1R01HL142749-02	18	—	—
Diabetes, Digestive, and Kidney Diseases Extramural Research**	93.847	RF SUNY	85485	12	—	—
Allergy, Immunology and Transplantation Research**	93.855	Columbia University	1(GG007614-40)	90	—	—
	93.855	UCLA	5UM1AI068636-14	16	—	—
	93.855	Duke University	ACTIV-1/8120	45	—	—
	93.855	PPD Investigative Services	ACTIV-2/A5401	334	—	—
Primary Care Training and Enhancement	93.884	RF SUNY	K02HP32100	151	—	—
National Bioterrorism Hospital Preparedness Program	93.889	PHS	19-BHC-01 / ACCT# P073720-1, P073721, 19-JMC-01 / ACCT# P076620, P076621	2,428	—	—
HIV Emergency Relief Project Grants	93.914	Direct Federal		2,656	—	—
	93.914	PHS	19-CCR-573, 18-CCR-583, 19-CCR-360, 16-HRM-567, 16-HRM-361, 16-MHV-505, 16-MHV-150	4,224	—	—

\*\* 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, 2021**  
**(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 Federal Expenditures	Noncash Assistance
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	NYU School of Medicine	17-A0-00-1000300 / P# 109857	\$ 2,158	\$ —	\$ —
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grant	93.924	Direct Federal		1,610	—	—
<i>Student Financial Cluster</i> - Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	Emory University	A242587 / DHHS# U3REP150549	198	—	—
HIV Prevention Activities - Non-Governmental Organization Based	93.939	Direct Federal		253	—	—
HIV Prevention Activities - Health Department Based	93.940	Direct Federal		1,057	—	—
	93.940	PHS	16-EBP-150, 18-NCT-573, 18-NCT-583, 18-NCT-360, 18-NCT-563, 18-NCT-115	1,207	—	—
Block Grants for Community Mental Health Services	93.958	NYS OMH	C21181GG, C21187GG, C21179GG	1,821	—	—
PPHF Geriatric Education Centers	93.969	MSKCC	5U01 QHP28705-04	76	—	—
Preventive Health and Health Services Block Grant	93.991	NYS DOH	C-028947	226	—	—
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	1,961	—	—
Total U.S. Department of Health and Human Services				1,716,972	—	20,322
<b>U.S. Department of Homeland Security</b>						
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	592,813	—	—
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	6,394	—	—
Homeland Security Grant Program	97.067	Direct Federal		174	—	—
Total U.S. Department of Homeland Security				599,381	—	—
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 2,351,119</b>	<b>\$ —</b>	<b>\$ 65,010</b>
<b>TOTAL R&amp;D CLUSTER EXPENDITURES</b>				<b>\$ 1,781</b>	<b>\$ —</b>	<b>\$ —</b>

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

**THE CITY OF NEW YORK**  
**DEPARTMENT OF EDUCATION**  
**Sub-Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Agriculture</b>						
<i>Child Nutrition Cluster:</i>						
National School Lunch Program	10.555	NYS ED	N/A	\$ —	\$ —	\$ 32,314
COVID-19 Summer Food Service Program for Children	10.559	NYS ED	1R13919 01	215,993	—	—
Summer Food Service Program for Children	10.559	NYS ED	1R13919 01	39,503	—	—
<i>Total Child Nutrition Cluster</i>				255,496	—	32,314
Child and Adult Care Food Program	10.558	NYS DOH	N/A	2,357	—	—
Child Nutrition Discretionary Grants Limited Availability	10.579	NYS ED	0R1458A 01	244	—	—
Fresh Fruit and Vegetable Program	10.582	NYS ED	1R1458B 01	452	—	—
Total U.S. Department of Agriculture				258,549	—	32,314
<b>U.S. Department of Defense</b>						
Troops to Teachers Grant Program	12.620	Direct Federal		16	—	—
Total U.S. Department of Defense				16	—	—
<b>U.S. Department of Housing and Urban Development</b>						
<i>CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster:</i>						
National Disaster Resilience Competition	14.272	Direct Federal		617	—	—
Total CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster				617	—	—
Total U.S. Department of Housing and Urban Development				617	—	—
<b>U.S. Department of the Interior</b>						
Youth and Veteran Organizations Conservation Activities	15.931	Direct Federal		99	—	—
Total U.S. Department of the Interior				99	—	—

**THE CITY OF NEW YORK**  
**DEPARTMENT OF EDUCATION**  
**Sub-Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Education</b>						
Title I Grants to Local Educational Agencies	84.010	NYS ED	0R4507L 01, 0R4509K 01, 0R4510K 01, 0R4516K 01, 0R4525K 01, 0R4530K 01, 0R4551J 01, 154507M 01, 154517J 01, 1R4502B 01, 1R4503B 01, 1R4507M 01, 1R4507N 01, 1R4507P 01, 1R4508H 01, 1R4510L 01, 1R4510M 01, 1R4511L 01, 1R4511M 01, 1R4512H 01, 1R4513B 01, 1R4513J 01, 1R4513K 01, 1R4515B 01, 1R4517J 01, 1R4519E 01, 1R4519F 01, 1R4523H 01, 1R4524B 01, 1R4527B 01, 1R4527L 01, 1R4528L 01, 1R4530B 01, 1R4532L 01, 1R4551H 01, 1R4551J 01, 1R4551M 01, 9R4501S 01, 9R4502S 01, 9R4503H 01, 9R4510S 01, 9R4513S 01, 9R4515S 01, 9R4521S 01, 9R4522S 01, 9R4524S 01, 9R4527S 01, 9R4528S 01, 9R4528S 01, 9R4530S 01, 9R4531S 01, 0R1235A 01, 0R1240A 01, 0R1251C 01, 0R1251K 01, 0R1251L 01, 0R1251N 01, 0R1264A 01, 1R1235A 01, 1R1240A 01, 1R1251A 01, 1R1251B 01, 1R1251D 01, 1R1251H 01, 1R1251J 01, 1R1251K 01, 1R1251L 01, 1R1251N 01, 1R1264A 01	\$ 750,966	\$ —	\$ —
<i>Special Education Cluster:</i>						
Special Education - Grants to States	84.027	NYS ED	1R1551B 01	302,693	—	—
Special Education - Preschool Grants	84.173	NYS ED	1R1551A 01	6,485	—	—
<i>Total Special Education Cluster</i>				<u>309,178</u>	<u>—</u>	<u>—</u>
Impact Aid	84.041	Direct Federal		5,250	—	—
Career and Technical Education - Basic Grants to States	84.048	NYS ED	1R0551A 01, 1R0579A 01	13,172	—	—
Magnet Schools Assistance	84.165	Direct Federal		8,537	—	—
Education for Homeless Children and Youth	84.196	NYS ED	1R3660A 01	2,473	—	—
Twenty-First Century Community Learning Centers	84.287	NYS ED	1R3901A 01, 1R3902A 01, 1R3903A 01, 1R3904A 01, 1R3905A 01, 1R3906A01, 1R3907A 01, 1R3910A 01, 1R3911A 01, 1R3912A 01, 1R3913A 01, 1R3914A01, 1R3915A 01, 1R3916A 01, 1R3918A 01, 1R3919A 01, 1R3920A 01, 1R3921A01, 1R3922A 01, 1R3923A 01, 1R3925A 01, 1R3930A 01, 1R3931A 01	22,801	—	—
Arts in Education	84.351	Direct Federal		1,742	—	—
English Language Acquisition State Grants	84.365	NYS ED	0R4151A01, 0R4164A01, 1R4142A01, 1R4151A01, 1R4151C01, 1R4164A01	32,027	—	—
Supporting Effective Instruction State Grants	84.367	NYS ED	0R2640A 01, 0R2664A 01, 1R2640A 01, 1R2651A 01, 1R2651B 01, 1R2651C 01, 1R2664A 01	65,507	—	—
Teacher and School Leader Incentive Grants	84.374	Direct Federal		6,306	—	—
Student Support and Academic Enrichment Program	84.424	NYS ED	0R1951A01, 0R1951B01, 0R1964A01, 1R1951A01, 1R1951B01, 1R1964A01	33,633	—	—
Education Stabilization Fund	84.425C	NYS ED	5895211729	85,179	—	—
Education Stabilization Fund	84.425D	NYS ED	5890211729, 5891210001	828,574	—	—
<b>Total U.S. Department of Education</b>				<u>2,165,345</u>	<u>—</u>	<u>—</u>



**THE CITY OF NEW YORK**  
**DEPARTMENT OF EDUCATION**  
**Sub-Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Health &amp; Human Services</b>						
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	Direct Federal		\$ 725	\$ —	\$ —
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Direct Federal		4,044	—	—
<i>Head Start Cluster</i> - Head Start	93.600	Direct Federal		72,200	—	—
<i>Medicaid Cluster</i> : Medical Assistance Program (Medicaid)	93.778	NYS DOH	N/A	42,282	—	—
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NYS OASAS	C004357, 1R2251A 01	11,467	—	—
Total U.S. Department of Health & Human Services				130,718	—	—
<b>U.S. Department of Homeland Security</b>						
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	22,861	—	—
Total U.S. Department of Homeland Security				22,861	—	—
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 2,578,205</b>	<b>\$ —</b>	<b>\$ 32,314</b>

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

**THE CITY OF NEW YORK**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**Sub-Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
<b>U.S. Department of Commerce</b>						
<i>Economic Development Cluster - Economic Adjustment Assistance</i>	11.307	Direct Federal		\$ 960	\$ 960	\$ —
Total U.S. Department of Commerce				960	960	—
<b>U.S. Department of Housing and Urban Development</b>						
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	LMDC	N/A	4,290	—	—
<i>CDBG - Disaster Recovery Grants - Pub. L No. 113-2 Cluster - Hurricane Sandy</i>	14.269	Direct Federal		4,101	—	—
Community Development Block Grant Disaster Recovery Grants (CDBG-DR)				8,391	—	—
Total U.S. Department of Housing and Urban Development						
<b>U.S. Department of Transportation</b>						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Direct Federal		1,243	—	—
Public Transportation Emergency Relief Program	20.527	Direct Federal		2	—	—
National Infrastructure Investments	20.933	Direct Federal		1,850	—	—
Total U.S. Department of Transportation				3,095	—	—
<b>U.S. Department of Treasury</b>						
COVID-19 Coronavirus Relief Fund	21.019	Direct Federal		4,423	—	—
Total U.S. Department of Treasury				4,423	—	—
<b>U.S. Environmental Protection Agency</b>						
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct Federal		84	—	—
Total U.S. Environmental Protection Agency				84	—	—
<b>U.S. Department of Homeland Security</b>						
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	NYS DHSES	N/A	178,736	—	—
Total U.S. Department of Homeland Security				178,736	—	—
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 195,689</b>	<b>\$ 960</b>	<b>\$ —</b>

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

**THE CITY OF NEW YORK**  
**DISTRICT ATTORNEY'S OFFICE OF NEW YORK**  
**Sub-Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2021**  
**(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 Federal Expenditures	Noncash Assistance
U.S. Department of Justice Equitable Sharing Program	16.922	Direct Federal		\$ 41,578	\$ —	\$ —
Total U.S. Department of Justice				<u>41,578</u>	<u>—</u>	<u>—</u>
U.S. Treasury Equitable Sharing	21.016	Direct Federal		16,545	—	—
Total U.S. Treasury				<u>16,545</u>	<u>—</u>	<u>—</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b><u>\$ 58,123</u></b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>

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

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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, 2021, 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 29, 2021.

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

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

### **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.

*Grant Thornton LLP*

New York, New York

October 29, 2021, except for the Consolidated Schedule of Expenditures of Federal Awards, which is as of September 30, 2022

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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, 2021. 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, 2021 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* 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of The City's compliance.

**Basis for qualified opinion on Temporary Assistance for Needy Families, Community Services Block Grant, Coronavirus Relief Fund, Coronavirus State and Local Fiscal Recovery Funds, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS**

As described in the accompanying schedule of findings and questioned costs, The City did not comply with the requirements regarding FAL 93.558 Temporary Assistance for Needy Families as described in finding number 2021-006 for Eligibility, FAL 93.569 Community Services Block Grant as described in finding number 2021-007 for Eligibility, FAL 20.019 Coronavirus Relief Fund as described in finding number 2021-008 for Reporting, FAL 21.027 Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2021-009 for Period of Performance, FAL 14.239 HOME Investment Partnerships Program as described in finding number 2021-011 for Allowable Costs and Eligibility, and FAL 14.241 Housing Opportunities for Persons with AIDS as described in finding number 2021-012 for Eligibility. Compliance with such requirements is necessary, in our opinion, for The City to comply with the requirements applicable to each program.

**Qualified opinion on Temporary Assistance for Needy Families, Community Services Block Grant, Coronavirus Relief Fund, Coronavirus State and Local Fiscal Recovery Funds, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion on Temporary Assistance for Needy Families, Community Services Block Grant, Coronavirus Relief Fund, Coronavirus State and Local Fiscal Recovery Funds, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS paragraph, 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 Temporary Assistance for Needy Families, Community Services Block Grant, Coronavirus Relief Fund, Coronavirus State and Local Fiscal Recovery Funds, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS for the year ended June 30, 2021.

**Unmodified opinion on each of the other major federal programs**

In our opinion, The City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

**Other matters**

The results of our audit procedures disclosed instances of noncompliance, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003, 2021-004, 2021-005, and 2021-010, 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. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-006, 2021-007, 2021-008, 2021-009, 2021-011, and 2021-012, that we consider to be material weaknesses in The City's internal control over compliance. We also identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned



costs as items 2021-002, 2021-005, 2021-010, 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  
September 30, 2022

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

**Federal Awards:**

Internal control over each major program:

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

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

Temporary Assistance for Needy Families, Community Services Block Grant, Coronavirus Relief Fund, and Coronavirus State and Local Fiscal Recovery Funds	Qualified
Other major federal programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Subpart F, section 200.516(a) of the Uniform Guidance?  yes  no

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**IDENTIFICATION OF MAJOR FEDERAL PROGRAMS:**

<b>Federal Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>
<b>Department of Agriculture:</b>	
<i>Child Nutrition Cluster:</i>	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
<b>Department of Housing and Urban Development:</b>	
HOME Investment Partnerships Program	14.239
Housing Opportunities for Persons with Aids	14.241
<b>Department of Transportation:</b>	
<i>Federal Transit Cluster:</i>	
Federal Transit - Capital Investment Grants	20.500
Federal Transit - Formula Grants	20.507
Public Transportation Emergency Relief Program	20.527
<b>Treasury:</b>	
Equitable Sharing	21.016
Coronavirus Relief Fund	21.019
Coronavirus State and Local Fiscal Recovery Funds	21.027
<b>Department of Education:</b>	
<i>Special Education Cluster:</i>	
Special Education - Grants to States (IDEA, Part B)	84.027
Speical Education - Preschool Grants (IDEA Preschool)	84.173
Twenty-First Century Community Learning Centers	84.287
Student Support and Academic Enrichment Program	84.424
Education Stabilization Fund	84.425

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<b>Federal Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>
<b>Department of Health and Human Services:</b>	
<i>Aging Cluster:</i>	
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
Guardianship Assistance	93.090
Immunization Cooperative Agreements	93.268
COVID-19 Testing for the Uninsured	93.461
Provider Relief Fund	93.498
Temporary Assistance for Needy Families	93.558
Low-Income Home Energy Assistance	93.568
Community Services Block Grant	93.569
Social Services Block Grant	93.667
<i>Medicaid Cluster:</i> Medical Assistance Program	93.778
Block Grants for Prevention and Treatment of Substance Abuse	93.959
<b>Department of Homeland Security:</b>	
Homeland Security Grant Program	97.067

Dollar threshold used to distinguish between type A and type B programs: \$32,791,266

Auditee qualified as low-risk auditee? X yes       no

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**New York City Department of Education (“DOE”)**

**Finding #: 2021-001**

**Funding Year(s): 9/1/2019-8/31/2021**

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

**Contract Numbers: 0R1251H01, 0R4507M01, 0R4512H01, 0R4525K01, 0R4527B01, 0R4532L01, 0R4551H01, 0R4551J01**

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

**Contract Numbers: 0R0551A01**

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

**Contract Numbers: 0R3901A01, 0R3902A01, 0R3906A01, 0R3910A01, 0R3915A01, 0R3921A01, 0R3923A01, 0R3930A01**

**English Language Acquisition Grants (FAL #84.365)**

**Contract Number: 0R4151C01, 0R4164A01**

**Student Support and Academic Enrichment (FAL #84.424)**

**Contract Numbers: 0R1951A01, 0R1964A01**

**Pass-Through Agency: New York State Department of Education**

**Federal Agency: U.S. Department of Education**

**Type of Finding: Reporting Compliance**

**Criteria:**

As stipulated by the New York State Education Department (“NYSED”) Fiscal Guidelines for Federal and State Grants, program recipients are required to submit to NYSED a signed copy of the Final Expenditure Report for a Federal Project (“FS-10F”) within 90 days following the end of the grant award period.

**Condition/Context:**

Of the seventy-one (71) FS-10F reports submitted by the DOE during fiscal year 2021, we selected a sample of twenty-one (21) FS-10F reports and found that all 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, such reports were submitted between 16 and 163 days late.
- Career & Technical Education - Basic Grants to States (FAL #84.048): the one (1) FS-10F report tested was submitted 29 days late.
- Twenty-First Century Community Learning Centers (FAL #84.287): of the eight (8) FS-10F reports tested, such reports were submitted between 98 and 165 days late.
- English Language Acquisition Grants (FAL #84.365): of the two (2) FS-10F reports tested, such reports were submitted between 99 and 117 days late.
- Student Support and Academic Enrichment (FAL #84.424): of the two (2) FS-10F reports tested, such reports were submitted between 103 and 197 days late.

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**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 #2020-001, included on pages 200 and 201 of the Fiscal 2020 Single Audit report.

**Recommendation:**

We recommend the DOE consider establishing procedures and operational practices whereby disposition of open encumbrances is accelerated such that all FS-10F expenditure reports are prepared and submitted within the required 90-day timeframe.

**Views of Responsible Official:**

The DOE continues to recognize the importance of fiscal reporting requirements and has developed and maintains processes and procedures to monitor grant award programs with respect to the timely submission of Final Expenditure Reports (“FS-10F”). In addition to the established measures taken in prior years, for FY21 a new report listing encumbrances open in excess of 29 days was developed by the Division of Financial Operations (“DFO”), System Development and Support, in conjunction with the Office of Revenue Operations (“ORO”), and contains separate tabs reflecting whether a good or service has received, partially received, certified or received in full. This report has been placed on the Cognos menu of each of Field Support Centers to assist in identifying bottlenecks and obstacles that need to be addressed. We had hoped that as program staff become familiar with this report it would serve as a tool for addressing open items. Unfortunately, large staff turnover hampered this effort.

The DOE reviews programs/schools throughout the award and re-enforces established reporting guidelines to facilitate timely submission of expenditure reports. The DOE continues to closely track grant expenditures throughout the grant period, monitoring programs/schools to facilitate accurate and complete records, as well as work with appropriate State Education officials to facilitate the completion and submission of financial expenditure reports.

The DOE has incorporated applicable deadlines related to encumbrances and payment certifications into the Fiscal 2022 close calendar in an effort to continue to reinforce the need for the timely payment and/or takedown of open encumbrances. This message is regularly stressed at close meetings and through e-mails to applicable parties throughout the course of the close process.

With respect to the audit finding, the DOE will reemphasize the importance of closing applicable transactions to facilitate timely submission of FS-10F reports.

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New York City Department of Education (“DOE”)

**Finding #: 2021-002**

**Funding Year(s): 3/13/2020-9/30/2023**

**Education Stabilization Fund (ESF) (FAL #84.425D)**

**Contract Number: 5891210001**

**Pass-Through Agency: New York State Department of Education**

**Federal Agency: U.S. Department of Education**

**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:**

From a non-statistical sample of sixty-five (65) salary charges subject to testing, we identified four (4) exceptions where the payroll costs charged to the grant were in excess of the appropriate amount based on each individuals approved salaries. Total payroll costs charged to the program were \$283,990,091; total payroll charges subjected to testing were \$214,465; and the calculated error totaled \$11,431.

**Cause/Effect:**

While the DOE has established policies and procedures to help ensure only allowable costs and activities are charged to the program, certain payroll charges were double the amount of the individuals’ approved salaries at the time of the charge. DOE management indicated that such salaries were incorrectly charged during one specific payroll period during the year due to a system error, and the error was not identified until after the incorrect costs were charged to the program.

**Questioned Costs:**

Known questioned costs totaled \$11,431.

**Identification as a Repeat Finding:**

This is not a repeat finding

**Recommendation:**

We recommend that the DOE strengthen controls over 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.

**Views of Responsible Official:**

The Department determined the payroll error was a one-time occurrence. All overpayments related to this incident were identified and rectified. Because final claims have not been submitted for the Education Stabilization Fund (“ESF”), the Department has not submitted the identified incorrect payroll expenses to the grantor for



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reimbursement. The Office of Revenue Operations (the “Revenue Office”) will adjust the Department’s ESF expenditures to account for any recoveries related to these errors.

The Revenue Office has also confirmed that payroll charges that are recovered within the fiscal year are credited back to the program in question, so any overpayments would be offset by a corresponding credit. For charges that are recovered in the following year, the Revenue Office will work with Payroll to identify any payroll charges booked to a grant that were recovered in a later fiscal year. In both cases, the Revenue Office will verify that the Department’s ESF expenditures properly account for any recoveries in a timely manner.

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**New York City Police Department (“NYPD”)**

**Finding #: 2021-003**

**Funding Year(s): 7/1/2020-6/30/2021**

**Port Security Grant Program (FAL #97.056)**

**Contract Number: EMW-2015-PU-APP-00314, EMW-2016-PU-00322, EMW-2017-PU-00122**

**Federal Agency: U.S. Department of Homeland Security**

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

**Criteria:**

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

**Condition/Context:**

The New York City Police Department (“NYPD”) utilizes the Grants Tracking System (“GTS”), a citywide web-based inventory program, designed to standardize the tracking of federally funded equipment. Further, NYPD Command-designated grants coordinators are responsible for monitoring the equipment and updating the inventory on a periodic basis in accordance with federal guidelines. The NYPD Grants Unit periodically generates an inventory listing from GTS that includes the biennial inventory count due date for each item and distributes it to the assigned NYPD Command designated grant coordinators to ensure the inventory count is conducted timely and in accordance with federal requirements. After the completion of biennial inventory count, the NYPD Command-designated grants coordinators update the inventory count information to GTS.

From a judgmentally selected sample of twenty-two (22) pieces of equipment subjected to testing, we identified five (5) items where the NYPD Command-designated grants coordinators did not conduct the physical inventory count within the required two-year period.

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

**Questioned Costs:**

None identified.

**Identification as a Repeat Finding:**

This finding is similar to finding #2020-004, included on pages 206 through 207 of the Fiscal 2020 Single Audit report.

**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.

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**Views of Responsible Official:**

The NYPD has implemented additional levels of inventory asset verification and validation by assigning a single point of contact (within the Grants Unit) other than the Grant Manager to access the Grant Tracking System (“GTS”). The GTS has also been updated and access has been provided to at least two individuals within each command to ensure compliance and redundancy. The new version of GTS will automatically email the project manager for each individual item that needs to be inspected and checked into the system at least two weeks prior to the expiration of the inventory due date. In addition, on a regular basis the Grants Unit manager will also email the command points of contact reminding them of their Asset Inventory requirement as a follow up to the alerts they will automatically receive from GTS. Because all equipment entries are now being monitored regularly by the Grants Unit, in addition to the individual commands receiving automatic emails instructing them to update their inventory, we do not anticipate any further Inventory Verification issues.

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**New York City Fire Department (“FDNY”)**

**Finding #: 2021-004**

**Funding Year(s): 7/1/2020-6/30/2021**

**Port Security Grant Program (FAL #97.056)**

**Contract Number: EMW-2015-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”) utilizes the Grants Tracking System (“GTS”), a citywide 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 GTS.

From a judgmentally selected sample of eighteen (18) pieces of equipment subjected to testing, we identified one (1) item where FDNY did not conduct the physical inventory count within the required two-year period.

**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 required inventory counts were not consistently completed within the stipulated timeframe. FDNY management indicated that the inventory counts were 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 finding is similar to finding #2020-005, included on pages 208 through 209 of the Fiscal 2020 Single Audit report.

**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.

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**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.

The exemption is for a single piece of equipment that was due for inventory prior to the corrective action implementation date (June 2021) noted in last year's response.

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

**Finding #: 2021-005**

**Funding Year(s): 07/01/2020 - 06/30/2021**

**New York City Department for the Aging:**

**Aging Cluster (FAL #93.044, 93.045 & 93.053)**

**Contract Number: N/A**

**Pass-Through Agency: New York State Office for the Aging**

**Social Services Block Grant (FAL #93.667)**

**Contract Number: 2001-NYSOSR and 2101-NYSOSR**

**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: Subrecipient Monitoring Compliance and Internal Control (Significant Deficiency)**

**Criteria:**

The subrecipient monitoring requirements of 2 CFR 200.332(a)(1) stipulate that pass-through entities include specific Federal award information within sub-award contracts. Such information, among other things, should include:

- i. Subrecipient’s unique identifying number;
- ii. Federal Award Identification Number;
- iii. Federal Award Date of award to City Agency by the Federal agency;
- iv. Name of Federal awarding agency; and
- v. Assistance Listing title

Additionally, per 2 CFR 200.332(f) pass-through entities should verify that every subrecipient that expends \$750,000 or more in Federal awards during their fiscal year has a single or program-specific audit conducted for that fiscal year in accordance with 2 CFR 200.501.

**Condition/Context:**

Of the forty (40) subrecipient contracts under the Aging Cluster and forty (40) subrecipient contracts under ALN #93.667 that were selected for testing, none of the contracts included any of the data points described above (i.-v.) in accordance with 2 CFR 200.332(a)(1).

Additionally, for seventeen (18) subrecipients under the Aging Cluster and twenty (20) subrecipients under ALN #93.667, DFTA did not obtain evidence that the subrecipient had a single audit conducted during the most recent fiscal year, and did not verify that the subrecipient did not meet the threshold which would require such audit to be completed in accordance with 2 CFR 200.501.

**Cause/Effect:**

While DFTA has established subrecipient monitoring procedures, such procedures did not adequately contemplate all of the required elements and/or data points necessary to be included in all of their respective subrecipient agreements. Missing or incomplete required data elements could result in subrecipients not having sufficient information to appropriately comply with Uniform Guidance reporting and/or other program specific compliance requirements.

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Additionally, DFTA did not have procedures in place to either ensure that any subrecipient that met the applicable threshold provides their most recent single audit report, or to verify that the subrecipient did not meet the threshold and therefore submission of the single audit report is not applicable. Without each subrecipients' single audit report, DFTA may not have the appropriate amount of information to properly evaluate each subrecipients' risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring procedures to be followed for each subrecipient.

**Questioned Costs:**

None identified.

**Identification as a Repeat Finding:**

This is not a repeat finding.

**Recommendation:**

We recommend that DFTA create a comprehensive internal control structure which ensures that all subrecipient compliance requirements are being met, including a review of all subrecipient contracts and related amendments, to ensure every subrecipient agreement contains all of the required information stipulated by 2 CFR 200.332(a)(1), as well as ensuring that they either collect the most recent single audit report from each subrecipient, or if it is not provided, that DFTA appropriately verifies with the subrecipient that the entity did not expend \$750,000 or more of federal awards within the respective fiscal year.

**Views of Responsible Official:**

DFTA agrees with the recommendation and have implemented and will implement additional procedures to meet the compliance requirements. Firstly, we have contacted the New York State Office for the Aging to obtain Federal Award Identification Numbers. We have also developed a form for providers to attest to whether they meet the threshold for needing to complete a Single Audit and will send instructions to providers on the new process for reviewing their Single Audit results.

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**New York City Human Resources Administration (“HRA”)**

**Finding #: 2021-006**

**Funding Year(s): 10/1/2019-9/30/2021**

**Temporary Assistance for Needy Families (FAL #93.558)**

**Contract Numbers: 21-ADM-03, 20-ADM-11**

**Pass-Through Agency: NYS Office of Temporary and Disability Assistance**

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

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

**Criteria:**

As stipulated by the New York State Office of Temporary and Disability Assistance (“NYSOTDA”) Temporary Assistance for Needy Families Plan and Executive Certification, the categories of persons who may be eligible for TANF benefits include households containing individuals less than 18 years of age, 18-year-olds regularly attending school at the secondary level and women with no children who have a medically verified pregnancy. Additionally, the amount of assets that a family may own and qualify for TANF financial assistance is \$2,000, except for households in which any member is age 60 or over in which case \$3,000 in assets can be owned.

**Condition/Context:**

We selected a non-statistical sample of forty (40) households who received TANF benefits during FY2021 and found that five (5) of the households tested had errors as follows:

- Two (2) of the households did not contain an individual less than 18 years or age, an 18-year-old regularly attending school at the secondary level or a woman with no children who had a medically verified pregnancy, making these households ineligible for TANF funded benefits.
- Per review of the Welfare Management System Bank Match for the household, it was noted that three (3) of the households had assets over \$2,000, with no members over the age of 60. In addition, HRA failed to follow-up and verify the resources for the respective household at the time of the eligibility review process.

Total TANF Benefits charged to the grant were \$523,117,263 and total TANF benefits subjected to testing were \$6,579.

**Cause/Effect:**

While HRA has established eligibility determination procedures, we noted oversights in the review of the household’s eligibility, where bank statements and age of the household members were not reviewed during the eligibility redetermination process.

**Questioned Costs:**

Known questioned costs of \$786.

**Identification as a Repeat Finding:**

This is not a repeat finding.



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**SINGLE AUDIT REPORT**  
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**For the year ended June 30, 2021**

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**Recommendation:**

We recommend that HRA strengthen their internal controls governing the eligibility requirements, including implementing a review checklist to ensure the household meets every eligibility requirement per the NYSOTDA TANF Plan and Executive Certification during the redetermination process.

**Views of Responsible Official:**

During the audit period there were unprecedented volumes of applications and recertifications that needed to be completed, which resulted in assignment of program staff that were not as familiar with some of the rules related to the 60-month time limits and threshold resource limits. As such, during the review processes the staff responsible for these actions failed to identify the need to make the appropriate changes and follow-up as per our normal procedures.

Further, our systems automated processes designed to identify clients that had children who turned 18 and would be called in for follow-up and would normally result in an update to the case category were suspended as the agency was not calling clients into the locations during the pandemic. That left the recertification as the only place to catch the case and update the case category, which did not occur as required.

In an effort to address both the findings above, the Cash Assistance (CA) Program will implement the following corrective actions:

- Time Limit Tracking and Case Category Updates
  - Until the systems automated call-in processes begin again, the CA Program will request monthly a list of cases where the last child on the case turned 18 in the previous month to review and manually update the case category as needed. This will prevent the case from receiving TANF funds the month after the child turns 18, even without any call-in actions and prior to waiting for the six-month mail recertification or the 12-month recertification process to identify it. The report will be issued the first week of each month for all cases where the last child turned 18 the month before. CA Program expects to be able to implement this corrective action beginning September 2022.
  - The CA Program will reinstate the process to call-in case members that recently turned 18-years old and assess for employment/education needs, at which point the CA Program will take action to update the case category as appropriate. This is contingent on the return of the other employment related call-in processes and won't be in operation until 1<sup>st</sup> Quarter 2023.
  - CA Program requested back to basics training to remind staff about the 60-month Family Assistance (FA) time limits. A training request was made with a completion date of September 2022 requested. The training will cover the underlying rules for TANF category determinations, what the responsibility of the program is when households have no minor children in the household, as well as any exemptions from the switch from FA to Safety Net Assistance.
- Excess Resources
  - CA Program requested back to basics training to remind and emphasize to staff this particular eligibility requirement. As increased populations of clients become income eligible for CA benefits, the import of recognizing households with excess resources becomes more important. To that end, a training request was made with a completion date of September 2022 requested. The training will cover what counts as resources and how much resources are allowed along with exemptions to the resource test.

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SINGLE AUDIT REPORT  
Schedule of Findings and Questioned Costs - Continued  
For the year ended June 30, 2021**

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**New York City Department of Youth and Community Development (“DYCD”)**

**Finding #: 2021-007**

**Funding Year(s): 4/1/2020 – 9/30/2022**

**Community Services Block Grant (FAL #93.569)**

**Contract Number: T1001807**

**Pass-Through Agency: State of New York Department of State**

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

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

**Criteria:**

As stipulated by the Community Services Block Grant (“CSBG”) Coronavirus Aid, Relief, and Economic Security (“CARES”) Act Supplemental State Plan, CSBG CARES Act funds may only be used to fund services provided to households with income that is equal to or less than 200% of the federal poverty guidelines.

Additionally, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

**Condition/Context:**

For the period of September 2020 through June 2021, the City provided free day care services for children on days they were scheduled for remote learning because of the COVID-19 pandemic in its Learning Labs program. While participation in Learning Labs was not contingent upon household income, DYCD was responsible for determining the expenditures to be funded by the CSBG CARES Act by identifying those individuals who met the income requirements.

We selected a sample of forty (40) individuals who received free day care services during fiscal year 2021 and identified five (5) exceptions, as follows:

- One (1) of the households of the individuals attested to income over 200% of the federal poverty guidelines, but was misclassified as low-income resulting in them being incorrectly included in the calculation of related expenditures for CSBG CARES Act funding.
- DYCD did not obtain income information for four (4) of the households of the individuals selected for testing, and therefore did not ensure each household met the income requirements that would make the related expenditures eligible for CSBG CARES Act funding.

Additionally, for all forty (40) individuals tested, DYCD was unable to provide documentation to support that a review and approval of income eligibility was performed.

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**Schedule of Findings and Questioned Costs - Continued**  
**For the year ended June 30, 2021**

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**Cause/Effect:**

While DYCD had a process in place to assess eligibility of individuals in the calculation of expenditures for CSBG CARES Act funding, this process did not include the documentation of a comprehensive review to ensure that all information needed to determine eligibility was received and met the requirements. As a result, CSBG CARES Act funding was used to fund services provided to some individuals that may not have met all of the income requirements.

**Questioned Costs:**

DYCD determined the amount charged to the grant based on the lesser of (1) the total amount DYCD reimbursed each day care center for program expenditures or (2) DYCD's calculated CSBG Eligible amount based on days of attendance at each center and the daily cost of attendance. For three (3) of the findings, there are known questioned costs totaling \$9,620. For two (2) of the findings, the total amount charged to the grant for the day care center was based on the total of the invoices reimbursed, and not days of attendance. As such, there were no known questioned costs identified for these findings.

**Identification as a Repeat Finding:**

This is not a repeat finding.

**Recommendation:**

We recommend that DYCD strengthen their internal controls governing the eligibility determination process, including creating a comprehensive review checklist to ensure each participant meets every eligibility requirement and that appropriate supervisory review and approval is consistently performed and documented.

**Views of Responsible Official:**

The Learning Labs Program (the "Program") was established as an emergency service in response to the COVID-19 pandemic to provide childcare to families during the workday and to provide students an in-person learning environment on remote learning days during the 2020-2021 school year, when schools were operating on a blended learning schedule.

The Program was open to all families in need of the service and participation in the Program was not subject to household income restrictions. Applicants were asked to provide their household income and household size as part of the application process, though providing income was optional. After the start of the Program, the City decided to utilize its CSBG CARES Act allocation to fund part of the Program expenditures related to the provision of services to households that met CSBG CARES Act requirements.

In order to determine the Program costs eligible for CSBG CARES Act funding, DYCD utilized the household income and household size information, where provided by the participant, to identify participants whose household incomes were below the applicable poverty guidelines. As indicated by the exceptions noted by the auditors, some participants were mistakenly included in this group when income was either higher than the poverty guidelines or not provided by the participant.

As the Program only operated during the 2020-2021 school year and CSBG CARES Act funding was fully exhausted in FY 2021, improvements to internal controls going forward for this specific Program are not possible. However, DYCD agrees that the Learning Lab Program's internal controls should have been more robust and will implement stronger internal controls over the eligibility determination process for similar programs in the future.

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**Schedule of Findings and Questioned Costs - Continued**  
**For the year ended June 30, 2021**

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These internal controls would be consistent with DYCD's already established procedures in place for its regular CSBG-funded programs (described below), which were audited without findings during the same Single Audit.

- Income attestation is required on all regular CSBG provided program applications.
- Regular CSBG programs are offered to residents whose addresses are located in census tracts that are designed as "low income" or "high poverty" in the City's designated Neighborhood Development Areas ("NDA").
  - DYCD's database provides information as to whether each prospective program participant resides in any of the NDAs and specifically which one. The CSBG Income Attestation Form provides an additional affirmation whether a participant resides in an NDA or not and that they are CSBG eligible based on household income.
- Participant file review is done during program site visits. Samples of participant folders are reviewed on each visit.
  - Providers are cited in site visit reports if income attestation is missing and will have a grace period to get the application completed if an income attestation is missing.
  - Providers must enter the exact income amount in DYCD's Participant Tracking System.

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Schedule of Findings and Questioned Costs - Continued  
For the year ended June 30, 2021**

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New York City Office of Management and Budget (“OMB”)

**Finding #: 2021-008**

**Funding Year(s): 3/1/2020 – 12/30/2021**

**Coronavirus Relief Fund (FAL #21.019)**

**Contract Numbers: N/A**

**Federal Agency: U.S. Department of Treasury**

**Type of Finding: Reporting Material Noncompliance and Internal Control (Material Weakness)**

**Criteria:**

As stipulated by the Department of Treasury (“DOT”) Coronavirus Relief Fund Prime Recipient Quarterly Grant Solutions Submissions Closeout Procedures Guide, recipients are required to submit a report detailing COVID-19 related obligations and expenditures incurred during the covered period to the DOT through the GrantSolutions portal on a quarterly basis, no later than ten days after each calendar quarter.

**Condition/Context:**

Of the two (2) quarterly reports selected for testing, we found the following:

- The report for the period of October 1, 2020 through December 31, 2020 was not submitted
- The report for the period of January 1, 2021 through March 31, 2021 was submitted 80 days after the extended due date

**Cause/Effect:**

OMB did not have processes and controls in place to ensure that the required reports were accurately completed and submitted on a timely basis. This resulted in OMB missing the filing window and failing to submit their December 31, 2020 report. Additionally, OMB did not submit the March 31, 2021 report within the stipulated 10-day period due to an error within their report that prevented the report from being submitted in the GrantSolutions portal. The Department of Treasury (“DOT”) provided OMB with a nine day extension and provided instruction to OMB to fix the error within the extension period. OMB made the correction and submitted the report 80 days after the extended due date.

**Questioned Costs:**

None identified.

**Identification as a Repeat Finding:**

This is not a repeat finding

**Recommendation:**

We recommend that the OMB establish procedures and implement appropriate internal controls over the reporting process to ensure all quarterly reports are prepared accurately, properly reviewed and submitted within the required 10-day timeframe.

**THE CITY OF NEW YORK**  
**SINGLE AUDIT REPORT**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the year ended June 30, 2021**

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**Views of Responsible Official:**

OMB concurs with the auditor's findings that the report for the period of October 1, 2020, through December 31, 2020, was not submitted and that the report for the period of January 1, 2021, through March 31, 2021, was not submitted in a timely manner. Given the cumulative nature of the reporting in the GrantSolutions portal, information for Quarter 3, which was not submitted, and Quarter 4, which was not submitted timely, were ultimately reported in Quarter 5. OMB also understands the importance of having adequate processes and controls in place to ensure timely reporting. The reports for Quarters 1 and 2 had previously been submitted in a timely manner and we submitted the reports for Quarters 5 through 10 in a timely manner.

**THE CITY OF NEW YORK  
SINGLE AUDIT REPORT  
Schedule of Findings and Questioned Costs - Continued  
For the year ended June 30, 2021**

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**New York City Office of Management and Budget (“OMB”)**

**Finding #: 2021-009**

**Funding Year(s): 3/3/2021 – 12/31/2024**

**Coronavirus State and Local Fiscal Recovery Funds (FAL #21.027)**

**Contract Numbers: N/A**

**Federal Agency: U.S. Department of Treasury**

**Type of Finding: Period of Performance Material Noncompliance and Internal Control (Material Weakness)**

**Criteria:**

As stipulated by the Coronavirus State and Local Fiscal Recovery Funds (“CSLFRF”) Interim Final Rule, a recipient may only use funds to cover costs incurred during the period beginning March 3, 2021 through December 31, 2024.

**Condition/Context:**

Prior to performing our period of performance testing, OMB identified \$3,504,131 of non-payroll expenditures that were charged to the CSLFRF grant that were incurred prior to March 3, 2021. After excluding the \$3,504,131 of expenditures from the total population of non-payroll expenditures charged to the CSLFRF grant, we selected a non-statistical sample of forty (40) non-payroll expenditures that were incurred during the first month of the period of performance for testing and did not identify any additional instances of noncompliance. Total non-payroll expenditures charged to the grant were \$268,575,678 and total non-payroll expenditures subjected to testing were \$1,925,830.

In addition, we selected a non-statistical sample of forty (40) payroll expenditures that were incurred during the first month of the period of performance for testing and identified twenty-five (25) exceptions due to the fact that some of the payroll costs were incurred prior to March 3, 2021. Total payroll costs charged to the program were \$696,282,901; total payroll charges subjected to testing were \$69,796; and, the payroll charges incurred prior to March 3, 2021 were \$16,077.

**Cause/Effect:**

We were informed that to determine the expenditures that were allowed to be charged to the CSLFRF grant, OMB utilized the date the expenditure was recorded within the general ledger, rather than the date the underlying expenditure was incurred. Because OMB did not have appropriate controls in place to ensure expenditures were incurred within the applicable period of performance, expenditures totaling \$3,520,208, as identified above, were incorrectly charged to the program.

**Questioned Costs:**

Known questioned costs of \$3,520,208.

**Identification as a Repeat Finding:**

This is not a repeat finding.

**Recommendation:**

We recommend that the OMB establish internal control policies and procedures to ensure that only expenditures incurred within the applicable period of performance are charged to the federal program.

**THE CITY OF NEW YORK**  
**SINGLE AUDIT REPORT**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the year ended June 30, 2021**

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**Views of Responsible Official:**

We agree with the auditors' findings, and we will continue to work diligently over the next six months to ensure that the root cause of the issue is addressed. We would also like to acknowledge the inherent challenge involved in distributing FY21 funds given that there was very limited time to allocate funds to over 30 City agencies between the grant beginning in March 2021 and the close of the fiscal year in June 2021.

We will conduct a thorough review of expenditures reported across all City agencies and any expenditures incurred prior to March 3, 2021 and reported as CSLFRF eligible expenditures will be adjusted from the City's Financial Management System and reports made to Treasury will be updated to reflect these adjustments. Going forward, we will conduct more thorough reviews of expenditures prior to allocating CSLFRF funds to ensure that the grant is used only for eligible costs within the period of performance.



**THE CITY OF NEW YORK  
SINGLE AUDIT REPORT  
Schedule of Findings and Questioned Costs - Continued  
For the year ended June 30, 2021**

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

**Finding #: 2021-010**

**Funding Year(s): 07/01/2020 - 06/30/2021**

**New York City Department of Health and Mental Hygiene:  
Housing Opportunities for Persons with AIDS (FAL #14.241)**

**Contract Number: N/A**

**Pass-Through Agency: N/A**

**Federal Agency: Department of Housing and Urban Development**

**Type of Finding: Subrecipient Monitoring Compliance and Internal Control (Significant Deficiency)**

**Criteria:**

The subrecipient monitoring requirements of 2 CFR 200.332(a)(1) stipulate that pass-through entities include specific Federal award information within sub-award contracts. Such information, among other things, should include:

- i. Subrecipient's unique entity identifier;
- ii. Federal Award Identification Number;
- iii. Federal Award Date of award to the City Agency by the Federal agency;
- iv. Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
- v. Assistance Listings number and Title
- vi. Indirect cost rate for the Federal award

**Condition/Context:**

Of the five (5) subrecipient contracts selected for testing, none of the contracts included any of the data points described above (i. – vi.) in accordance with 2 CFR 200.332(a)(1).

**Cause/Effect:**

While DOHMH has established subrecipient monitoring procedures, such procedures did not adequately contemplate all of the required elements and/or data points necessary to be included in all of their respective subrecipient agreements. Missing or incomplete required data elements could result in subrecipients not having sufficient information to appropriately comply with Uniform Guidance reporting and/or other program specific compliance requirements.

**Questioned Costs:**

None identified.

**Identification as a Repeat Finding:**

This is not a repeat finding.

**Recommendation:**

We recommend that DOHMH create a comprehensive internal control structure which ensures that all subrecipient compliance requirements are being met, including a review of all subrecipient contracts and related amendments, to ensure every subrecipient agreement contains all of the required information stipulated by 2 CFR 200.332(a)(1).

**THE CITY OF NEW YORK**  
**SINGLE AUDIT REPORT**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the year ended June 30, 2021**

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**Views of Responsible Official:**

We agree with the recommendation provided above and have been working on an internal control structure to address the compliance requirements. Subsequently, we have corrected the award notifications and sent them out on December 16, 2021. Moving forward, we will continue to edit our structure to ensure that all notification letters are sent with the required information and in a timely manner.

**THE CITY OF NEW YORK  
SINGLE AUDIT REPORT  
Schedule of Findings and Questioned Costs - Continued  
For the year ended June 30, 2021**

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**New York City Human Resources Administration (“HRA”)**

**Finding #: 2021-011**

**Funding Year(s): 10/19/2017-9/1/2025**

**HOME Investment Partnerships Program (FAL #14.239)**

**Contract Numbers: M-17-MC-36-0204**

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

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

**Criteria:**

In accordance with 23 CFR sections 1.9, 172.11(a), 420.113(a), and 630.106(a), costs incurred under federal awards are considered allowable and reimbursable when such costs are deemed necessary and reasonable; incurred subsequent to the date of authorization to proceed and in accordance with the conditions contained in the project agreement and the plans specifications; and, not included as costs used to meet cost sharing or matching requirements, among other things.

As stipulated by 24 CFR §92.209, tenant-based rental assistance (“TBRA”) may only be provided to very low- and low-income families. The participating jurisdiction must determine that the family is very low- or low-income before the assistance is provided. During the period of assistance, the participating jurisdiction must annually determine that the family continues to be low-income. Also, the maximum monthly assistance that a participating jurisdiction may pay to, or on behalf of, a family may not exceed the difference between a rent standard for the unit size established by the participating jurisdiction and 30% of the family's monthly adjusted income.

Additionally, the participating jurisdiction must disapprove a lease if the rent is not reasonable, based on rents that are charged for comparable unassisted rental units.

Additionally, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

**Condition/Context:**

The New York City Human Resources Administration (“HRA”) utilizes the Housing Assistance Payment System (“HAPS”) to assess beneficiaries’ eligibility to receive tenant based rental assistance through the HOME Investment Partnerships Program (“HOME”). To assess eligibility, HRA program staff obtain income supporting documentation to determine if the household met the low-income requirement and to calculate the maximum subsidy amount to be paid by HRA. Additionally, a rent reasonableness valuation is performed which compares the current beneficiary’s rental amount to rents charged for comparable units to ensure reasonableness of the rent. Upon the completion of the eligibility determination by an HRA staff member, a designated program supervisor reviews and approves the eligibility determination, subsidy amount, and tenant share within HAPS.

**THE CITY OF NEW YORK**  
**SINGLE AUDIT REPORT**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the year ended June 30, 2021**

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We selected a non-statistical sample of forty (40) rental assistance payments made on behalf of tenants during FY2021 and found that twenty-two (22) of the selections had errors as follows:

- For twenty-two (22) of the selections, HRA was not able to provide documentation to support the participant's annual income. Further, for eight (8) of the twenty-two (22), HRA was also not able to provide the HOME TBRA Certification Information Form, which is utilized to calculate and support HRA's share of the monthly rent to be paid on behalf of the participant.
- For nine (9) of the selections, HRA was not able to provide documentation to support that a rent reasonableness assessment was performed.
- For one (1) selection, it was noted that HRA's share of monthly rent was determined to be \$760, however, due to a manual input error, the amount actually paid on behalf of the tenant was \$785.
- For two (2) of the selections, HRA was not able to provide documentation to support that the eligibility determination and the related calculation was properly reviewed and approved by a supervisor.

Total TBRA payments charged to the grant were \$4,994,185 and total TBRA benefits subjected to testing were \$51,659.

**Cause/Effect:**

While HRA has a process in place to assess the eligibility of tenants and calculate the monthly TBRA payments on behalf of those tenants to ensure allowability of costs incurred, a comprehensive review was not consistently performed and documented to ensure the appropriate evidence and related approvals were maintained to support those determinations and calculations. As a result, costs were incurred on behalf of certain tenants that may not have met all of the eligibility requirements, or an incorrect amount may have been paid on their behalf.

**Questioned Costs:**

Known questioned costs totaled \$26,249.

**Identification as a Repeat Finding:**

This is not a repeat finding

**Recommendation:**

We recommend that HRA strengthen their internal controls governing the eligibility determination process, including creating a comprehensive review checklist to ensure each tenant meets every eligibility requirement and HRA's portion of the TBRA payments are properly calculated, and that appropriate supervisory review and approval is consistently performed and documented prior to processing payments and charging costs to the grant.

**Views of Responsible Official:**

HRA had challenges in retaining some recertification documentation during the pandemic when staff were working from home and then ultimately leaving the Agency prior to the return to office. These HOME TBRA tenants had been originally found eligible over five years ago and have been recertified annually every year following.

HRA agrees to create a checklist to aid and document the eligibility review and approval process. Also, the payment system already requires supervisor approval before annual payments can be set up, so no payment can go out without supervisor approval. HRA will ensure that these reviews and approvals of eligibility support are adequately documented and maintained.

**THE CITY OF NEW YORK  
SINGLE AUDIT REPORT  
Schedule of Findings and Questioned Costs - Continued  
For the year ended June 30, 2021**

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**New York City Human Resources Administration (“HRA”)**

**Finding #: 2021-012**

**Funding Year(s): 7/1/2020 – 6/30/2021**

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

**Contract Numbers: NYH20F002; NYH21F002**

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

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

**Criteria:**

As stipulated by 24 CFR Section 574.3, to be eligible to receive HOPWA funded benefits, a participant must be diagnosed with an acquired immunodeficiency syndrome or related diseases and be a low-income individual, as determined by the Secretary of Housing and Urban Development. HRA utilizes the household income of eligible participants to calculate the monthly rental assistance payment to be made on their behalf.

Additionally, as stipulated by 2 CFR Section 200.303, recipients of Federal Awards are required to establish and maintain an internal control environment that complies with either the guidance in “Standards for Internal Control in the Federal Government” (the “Green Book”) issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for the federal funding streams it administers.

**Condition/Context:**

We noted that certain rental assistance payments were calculated using an incorrect household income amount. From a non-statistical sample of forty (40) rental assistance payments made on behalf of tenants during FY2021 that were selected for testing, we identified twelve (12) exceptions, as follows:

- For three (3) of the selections, HRA utilized household income that was higher than their actual income, which caused HRA’s monthly rental assistance payment for the selected period to be less than it should have been.
- For nine (9) of the selections, HRA utilized household income that was lower than their actual income, which caused HRA’s monthly rental assistance payment for the selected period to be higher than it should have been. The excess payments for these selections totaled \$1,713.

Total rental assistance payments charged to the grant were \$16,631,091 and total HOPWA rent subsidies subjected to testing were \$52,598.

**Cause/Effect:**

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

**Questioned Costs:**

Known questioned costs totaled \$1,713

**Identification as a Repeat Finding:**

This is not a repeat finding

**THE CITY OF NEW YORK**  
**SINGLE AUDIT REPORT**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the year ended June 30, 2021**

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**Recommendation:**

We recommend that HRA strengthen their internal controls governing the eligibility process, including ensuring the household income utilized to calculate the monthly rental assistance amount is accurate prior to processing payments and charging costs to the grant.

**Views of Responsible Official:**

Rental assistance payments made on behalf of tenants residing in supportive housing are calculated by contracted supportive housing vendors, not directly by HRA. To ensure continual compliance with federal HOPWA grant requirements, HRA will enhance its monitoring of contract vendors during annual monitoring visits. This includes sampling of rent payments made to verify calculation of rent payment is appropriate, payments made are timely, and tenant income documentation is appropriately budgeted in rent payment calculation.

**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, 2021**

**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, 2021**

<u>State Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State Contract Number</u>	<u>Expenditures</u>
<b>New York City Department of Transportation</b>			
Marchiselli/Bond Match for Federal Aid Highway Projects	20.205	D034250, D034788, D033646, D033935, D034645, D035775, D035372, D035362, D035846, D035853	\$ 11,747,337
State Dedicated Funds (SDF)	-	D035590	333,877
<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	138,228,117
State-aid Multi-Modal Program	-	D033056, D025847, D027548	<u>1,937,552</u>
<i>Total Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component Cluster</i>			<u>140,165,669</u>
State Transit Operating Assistance (STOA)	-	STOA	144,392,630
Arterial Highway Maintenance	-	D007634	12,540,054
Federal Transit Administration	-	NY040097, NY950050, NY030468, NY950045, NY550009, NY030469, NY040098, NY040102, NY950061, NY950013, HWK100BUS	1,767,818
State Personal Income Tax Funds	-	D035260, D035362	4,154,847
Accelerated Transit Capital (ATC)/			
Modernization and Enhancement Program (MEP)	-	K007390	19,435,829
Local Waterfront Revitalization Program	-	D032516	<u>54,117</u>
<b>TOTAL STATE TRANSPORTATION ASSISTANCE AWARDS EXPENDED</b>			<u><u>\$ 334,592,178</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, 2021

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### 1. BASIS OF PRESENTATION

**Reporting Entity - General** - The City of New York (“The City”) is a municipal corporation governed by the Mayor and the City Council. The City’s operations also include those normally performed at the county level and accordingly, transactions applicable to the operations of the five counties that comprise The City are included in the accompanying basic financial statements.

The financial reporting entity consists of The City and its component units, as detailed in Note A.1 of The City’s basic financial statements, which are legally separate organizations for which The City is financially accountable.

The accompanying Schedule of Expenditures of State of New York Department of Transportation Assistance Awards (“SESA”) presents the expenditures related only to the financial assistance programs provided by the New York State Department of Transportation to the New York City Department of Transportation.

### 2. BASIS OF ACCOUNTING

The basis of accounting determines when transactions are reported in The City’s basic financial statements. Specifically, the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which The City either gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations which are recorded on the accrual basis of accounting. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The accompanying SESA was prepared on the accrual basis of accounting and presents the state awards expenditures of the reporting entity as defined in Note 1 above.

Indirect costs included in the reported expenditures are calculated based on The City’s Cost Allocation Plan, approved by the U.S. Department of Health and Human Services. Such Cost Allocation Plan lists the amount allocated to the New York City Department of Transportation.

### 3. MATCHING COSTS

Matching costs (i.e., the non-state share of certain program costs) provided by The City are not included in the accompanying SESA.

### 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

The regulations and guidelines governing the preparation of state financial reports vary by state agency and among programs administered by the same agency. Accordingly, the amounts reported in the state financial reports do not necessarily agree with the amounts reported in the accompanying SESA which is prepared on the basis described in Notes 1 and 2, above.

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**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, 2021. The City’s major NYSDOT Programs are identified in the summary of auditor’s results section of the accompanying NYSDOT Programs schedule of findings and questioned costs.

### **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, 2021.

**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 NYSCRR, 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 NYSDOT Program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a NYSDOT Program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a NYSDOT Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 NYSCRR. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

New York, New York  
September 30, 2022

**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, 2021**

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**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

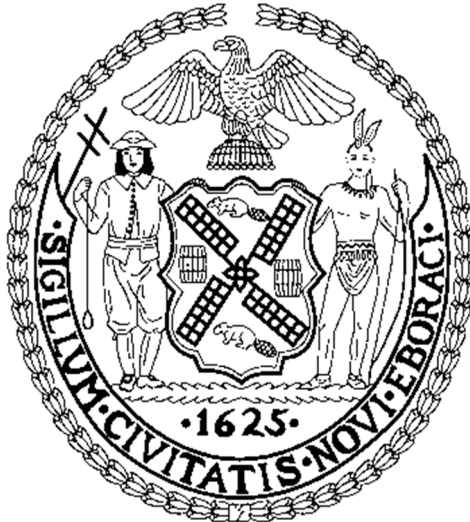
Identification of State of New York Department of Transportation Assistance Award Programs Tested:

<u>State Grantor Program Title</u>	<u>Identifying Number(s)</u>
State Transit Operating Assistance (STOA) Arterial Highway Maintenance	STOA D007634

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.



**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, 2021**



THE CITY OF NEW YORK

September 30, 2022

**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, 2021. 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, 2021

<b>Finding No.</b>	2021-001
<b>Department(s)</b>	New York City Department of Education
<b>Program(s)</b>	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 84.424, Student Support and Academic Enrichment Program
<b>Corrective Action(s)</b>	<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, for FY21 a new report listing encumbrances open in excess of 29 days was developed by the Division of Financial Operations (DFO), System Development and Support, in conjunction with the Office of Revenue Operations (ORO), and contains separate tabs reflecting whether a good or service has received, partially received, certified or received in full. This report has been placed on the Cognos menu of each of Field Support Centers to assist in identifying bottlenecks and obstacles that need to be addressed. We had hoped that that as program staff become familiar with this report it would serve as a tool for addressing open items. Unfortunately, large staff turnover hampered this effort.</p> <p>The DOE reviews programs/schools throughout the award and re-enforces established reporting guidelines to facilitate timely submission of expenditure reports. The DOE continues to closely track grant expenditures throughout the grant period, monitoring programs/schools to facilitate accurate and complete records, as well as work with appropriate State Education officials to facilitate the completion and submission of financial expenditure reports.</p> <p>The DOE has incorporated applicable deadlines related to encumbrances and payment certifications into the Fiscal 2022 close calendar in an effort to continue to reinforce the need for the timely payment and/or takedown of open encumbrances. This message is regularly stressed at close meetings and through e-mails to applicable parties throughout the course of the close process.</p> <p>With respect to the audit finding, the DOE will reemphasize the importance of closing applicable transactions to facilitate timely submission of FS-10F reports.</p>
<b>Anticipated Completion Date</b>	Spring 2023 and ongoing
<b>Person(s) Responsible for Implementation</b>	Barry Elkayam Executive , Office of Revenue Operations (718) 935-5050

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-002
<b>Department(s)</b>	New York City Department of Education
<b>Program(s)</b>	Assistance Listing Number 84.425D, Education Stabilization Fund
<b>Corrective Action(s)</b>	<p>The Department determined the payroll error was a one-time occurrence. All overpayments related to this incident were identified and rectified. Because final claims have not been submitted for the Emergency Stabilization Fund (“ESF”), the Department has not submitted the identified incorrect payroll expenses to the grantor for reimbursement. The Office of Revenue Operations (the “Revenue Office”) will adjust the Department’s ESF expenditures to account for any recoveries related to these errors.</p> <p>The Revenue Office has also confirmed that payroll charges that are recovered within the fiscal year are credited back to the program in question, so any overpayments would be offset by a corresponding credit. For charges that are recovered in the following year, the Revenue Office will work with Payroll to identify any payroll charges booked to a grant that were recovered in a later fiscal year. In both cases, the Revenue Office will verify that the Department’s ESF expenditures properly account for any recoveries in a timely manner.</p>
<b>Anticipated Completion Date</b>	December 2022
<b>Person(s) Responsible for Implementation</b>	Michael Hadaway Director (718) 935-3464



**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-003
<b>Department(s)</b>	New York City Police Department
<b>Program(s)</b>	Assistance Listing Number 97.056, Port Security Grant Program
<b>Corrective Action(s)</b>	<p>The NYPD has implemented additional levels of inventory asset verification and validation by assigning a single point of contact (within the Grants Unit) other than the Grant Manager to access the Grant Tracking System (GTS). The GTS has also been updated and access has been provided to at least two individuals within each command to ensure compliance and redundancy. The new version of GTS will automatically email the project manager for each individual item that needs to be inspected and checked into the system at least 2 weeks prior to the expiration of the inventory due date. In addition, on a regular basis the Grants Unit manager will also email the command points of contact reminding them of their Asset Inventory requirement as a follow up to the alerts they will automatically receive from GTS. Because all equipment entries are now being monitored regularly by the Grants Unit, in addition to the individual commands receiving automatic emails instructing them to update their inventory, we do not anticipate any further Inventory Verification issues.</p>
<b>Anticipated Completion Date</b>	July 2022
<b>Person(s) Responsible for Implementation</b>	Kristine Ryan Deputy Commissioner, Management and Budget (646) 610-6670

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-004
<b>Department(s)</b>	New York City Fire Department
<b>Program(s)</b>	Assistance Listing Number 97.056, Port Security Grant Program
<b>Corrective Action(s)</b>	<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> <p>The exemption is for a single piece of equipment that was due for inventory prior to the corrective action implementation date (June 2021) noted in last year's response.</p>
<b>Anticipated Completion Date</b>	June 2022
<b>Person(s) Responsible for Implementation</b>	Vincent Barrett GTS Administrator (718) 999-1218

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-005
<b>Department(s)</b>	New York City Department for the Aging
<b>Program(s)</b>	Assistance Listing Numbers: 93.044, 93.045, & 93.053, Aging Cluster 93.667, Social Services Block Grant
<b>Corrective Action(s)</b>	DFTA agrees with the recommendation and have implemented and will implement additional procedures to meet the compliance requirements. Firstly, we have contacted the New York State Office for the Aging to obtain Federal Award Identification Numbers. We have also developed a form for providers to attest to whether they meet the threshold for needing to complete a Single Audit and will send instructions to providers on the new process for reviewing their Single Audit results.
<b>Anticipated Completion Date</b>	September 30, 2022
<b>Person(s) Responsible for Implementation</b>	Jose Mercado Chief Financial Officer (212) 602-4471

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-006
<b>Department(s)</b>	New York City Human Resources Administration
<b>Program(s)</b>	Assistance Listing Number 93.558, Temporary Assistance for Needy Families
<b>Corrective Action(s)</b>	<p>During the audit period there were unprecedented volumes of applications and recertifications that needed to be completed, which resulted in assignment of program staff that were not as familiar with some of the rules related to the 60-month time limits and threshold resource limits. As such, during the review processes the staff responsible for these actions failed to identify the need to make the appropriate changes and follow-up as per our normal procedures.</p> <p>Further, our systems automated processes designed to identify clients that had children who turned 18 and would be called in for follow-up and would normally result in an update to the case category were suspended as the agency was not calling clients into the locations during the pandemic. That left the recertification as the only place to catch the case and update the case category, which did not occur as required.</p> <p>In an effort to address both the findings above, the Cash Assistance (CA) Program will implement the following corrective actions:</p> <ul style="list-style-type: none"><li>• Time Limit Tracking and Case Category Updates<ul style="list-style-type: none"><li>○ Until the systems automated call-in processes begin again, the CA Program will request monthly a list of cases where the last child on the case turned 18 in the previous month to review and manually update the case category as needed. This will prevent the case from receiving TANF funds the month after the child turns 18, even without any call-in actions and prior to waiting for the 6-month mail recertification or the 12-month recertification process to identify it. The report will be issued the first week of each month for all cases where the last child turned 18 the month before. CA Program expects to be able to implement this corrective action beginning September 2022.</li><li>○ The CA Program will reinstate the process to call-in case members that recently turned 18-years old and assess for employment/education needs, at which point the CA Program will take action to update the case category as appropriate. This is contingent on the return of the other employment related call-in processes and won't be in operation until 1<sup>st</sup> Quarter 2023.</li><li>○ CA Program requested back to basics training to remind staff about the 60-month Family Assistance (FA) time limits. A training request was made with a completion date of September 2022 requested. The training will cover the underlying rules for TANF category determinations, what the responsibility of the program is when households have no minor children in the household, as well as any exemptions from the switch from FA to Safety Net Assistance.</li></ul></li></ul>

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

- Excess Resources
  - CA Program requested back to basics training to remind and emphasize to staff this particular eligibility requirement. As increased populations of clients become income eligible for CA benefits, the import of recognizing households with excess resources becomes more important. To that end, a training request was made with a completion date of September 2022 requested. The training will cover what counts as resources and how much resources are allowed along with exemptions to the resource test.

**Anticipated  
Completion Date**

**Monthly case reviews: Ongoing process improvement beginning September 2022**  
**Call-in process reinstatement: 1<sup>st</sup> Quarter 2023**  
**Time limit training: To be completed September 2022**  
**Excess resources training: To be completed September 2022**

**Person(s)  
Responsible for  
Implementation**

Ramon E. Flores  
Assistant Deputy Commissioner  
(929) 221-6934  
FloresRa@hra.nyc.gov

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

**Finding No.** 2021-007

**Department(s)** New York City Department of Youth and Community Development

**Program(s)** Assistance Listing Number 93.569, Community Services Block Grant

**Corrective Action(s)** The Learning Labs Program (the “Program”) was established as an emergency service in response to the COVID-19 pandemic to provide childcare to families during the workday and to provide students an in-person learning environment on remote learning days during the 2020-2021 school year, when schools were operating on a blended learning schedule.

The Program was open to all families in need of the service and participation in the Program was not subject to household income restrictions. Applicants were asked to provide their household income and household size as part of the application process, though providing income was optional. After the start of the Program, the City decided to utilize its CSBG CARES Act allocation to fund part of the Program expenditures related to the provision of services to households that met CSBG CARES Act requirements.

In order to determine the Program costs eligible for CSBG CARES Act funding, DYCD utilized the household income and household size information, where provided by the participant, to identify participants whose household incomes were below the applicable poverty guidelines. As indicated by the exceptions noted by the auditors, some participants were mistakenly included in this group when income was either higher than the poverty guidelines or not provided by the participant.

As the Program only operated during the 2020-2021 school year and CSBG CARES Act funding was fully exhausted in FY 2021, improvements to internal controls going forward for this specific Program are not possible. However, DYCD agrees that the Learning Lab Program’s internal controls should have been more robust and will implement stronger internal controls over the eligibility determination process for similar programs in the future. These internal controls would be consistent with DYCD’s already established procedures in place for its regular CSBG-funded programs (described below), which were audited without findings during the same Single Audit.

- Income attestation is required on all regular CSBG provided program applications.
- Regular CSBG programs are offered to residents whose addresses are located in census tracts that are designed as “low income” or “high poverty” in the City’s designated Neighborhood Development Areas (“NDA”).
  - DYCD’s database provides information as to whether each prospective program participant resides in any of the NDAs and specifically which one. The CSBG Income Attestation Form provides an additional affirmation whether a participant resides in an NDA or not and that they are CSBG eligible based on household income.

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

- Participant file review is done during program site visits. Samples of participant folders are reviewed on each visit.
  - Providers are cited in site visit reports if income attestation is missing and will have a grace period to get the application completed if an income attestation is missing.
  - Providers must enter the exact income amount in DYCD's Participant Tracking System.

**Anticipated  
Completion Date**

Not applicable – The Learning Labs Program has ended. As noted above, stronger internal controls will be implemented in any future programs.

**Person(s)  
Responsible for  
Implementation**

Mike Bobbitt  
Deputy Commissioner  
Community Development  
(646) 343-6450

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-008
<b>Department(s)</b>	New York City Office of Management and Budget
<b>Program(s)</b>	Assistance Listing Number 21.019, Coronavirus Relief Fund
<b>Corrective Action(s)</b>	OMB concurs with the auditor's findings that the report for the period of October 1, 2020, through December 31, 2020, was not submitted and that the report for the period of January 1, 2021, through March 31, 2021, was not submitted in a timely manner. Given the cumulative nature of the reporting in the GrantSolutions portal, information for Quarter 3, which was not submitted, and Quarter 4, which was not submitted timely, were ultimately reported in Quarter 5. OMB also understands the importance of having adequate processes and controls in place to ensure timely reporting. The reports for Quarters 1 and 2 had previously been submitted in a timely manner and we submitted the reports for Quarters 5 through 10 in a timely manner.
<b>Anticipated Completion Date</b>	Completed
<b>Person(s) Responsible for Implementation</b>	Roselyn Ogbonnaya-Odor Unit Head, Compliance and Monitoring (212) 788-6179



**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-009
<b>Department(s)</b>	New York City Office of Management and Budget
<b>Program(s)</b>	Assistance Listing Number 21.027, Coronavirus State and Local Fiscal Recovery Funds
<b>Corrective Action(s)</b>	<p>We agree with the auditors' findings, and we will continue to work diligently over the next six months to ensure that the root cause of the issue is addressed. We would also like to acknowledge the inherent challenge involved in distributing FY21 funds given that there was very limited time to allocate funds to over 30 City agencies between the grant beginning in March 2021 and the close of the fiscal year in June 2021.</p> <p>We will conduct a thorough review of expenditures reported across all City agencies and any expenditures incurred prior to March 3, 2021 and reported as CSLFRF eligible expenditures will be adjusted from the City's Financial Management System and reports made to Treasury will be updated to reflect these adjustments. Going forward, we will conduct more thorough reviews of expenditures prior to allocating CSLFRF funds to ensure that the grant is used only for eligible costs within the period of performance.</p>
<b>Anticipated Completion Date</b>	March 31, 2023
<b>Person(s) Responsible for Implementation</b>	Kimberly Buzdygon Unit Head, Stimulus and Recovery Grants Analysis (212) 788-8249

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-010
<b>Department(s)</b>	New York City Department of Health and Mental Hygiene
<b>Program(s)</b>	Assistance Listing Number 14.241, Housing Opportunities for Persons with AIDS
<b>Corrective Action(s)</b>	We agree with the recommendation provided above and have been working on an internal control structure to address the compliance requirements. Subsequently, we have corrected the award notifications and sent them out on December 16, 2021. Moving forward, we will continue to edit our structure to ensure that all notification letters are sent with the required information and in a timely manner.
<b>Anticipated Completion Date</b>	January 31, 2023
<b>Person(s) Responsible for Implementation</b>	Guadalupe Plummer Director of HIV Care and Treatment Program GDominguez@health.nyc.gov  Jenny Fernandez Director of Administration JFernandez1@healthy.nyc.gov

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-011
<b>Department(s)</b>	New York City Human Resources Administration
<b>Program(s)</b>	Assistance Listing Number 14.239, HOME Investment Partnerships Program
<b>Corrective Action(s)</b>	<p>HRA had challenges in retaining some recertification documentation during the pandemic when staff were working from home and then ultimately leaving the Agency prior to the return to office. These HOME TBRA tenants had been originally found eligible over five years ago and have been recertified annually every year following.</p> <p>HRA agrees to create a checklist to aid and document the eligibility review and approval process. Also, the payment system already requires supervisor approval before annual payments can be set up, so no payment can go out without supervisor approval. HRA will ensure that these reviews and approvals of eligibility support are adequately documented and maintained.</p>
<b>Anticipated Completion Date</b>	November 2022 and ongoing
<b>Person(s) Responsible for Implementation</b>	<p>Dori Hopkins-Figeroux Director of the HOME TBRA Unit (929) 252-6089</p> <p>Dwana Abraham Assistant Deputy Commissioner (929) 221-6726</p>

**THE CITY OF NEW YORK**  
**SINGLE AUDIT CORRECTIVE ACTION PLAN**  
For the Fiscal Year Ended June 30, 2021

<b>Finding No.</b>	2021-012
<b>Department(s)</b>	New York City Human Resources Administration
<b>Program(s)</b>	Assistance Listing Number 14.241, Housing Opportunities for Persons with AIDS
<b>Corrective Action(s)</b>	Rental assistance payments made on behalf of tenants residing in supportive housing are calculated by contracted supportive housing vendors, not directly by HRA. To ensure continual compliance with federal HOPWA grant requirements, HRA will enhance its monitoring of contract vendors during annual monitoring visits. This includes sampling of rent payments made to verify calculation of rent payment is appropriate, payments made are timely, and tenant income documentation is appropriately budgeted in rent payment calculation.
<b>Anticipated Completion Date</b>	April 30, 2023
<b>Person(s) Responsible for Implementation</b>	Jacqueline Dudley Deputy Commissioner, HIV/AIDS Services Administration (HASA) (929) 252-2872

**THE CITY OF NEW YORK**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Fiscal Year Ended June 30, 2021

<b>City Agency</b>	<b>Index #</b>	<b>Page</b>	<b>Program Name</b>	<b>Summary of Finding</b>	<b>Status</b>
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 2021-001 - 84.010, 84.048, 84.287, 84.365, and 84.424
	03-18 - 84.027, 84.173	164	Education Agencies (84.010)		
	04-18 - 84.027, 84.173	176	Special Education – Grants to		
	05-18 - 84.027, 84.173	190	States (84.027)		
	06-18 - 84.010, 84.027, 84.173, 84.287, 84.318, 84.365, 84.367	199	Career and Technical Education – Basic Grants to States (84.048) Special Education Pre-school Grants (84.173)		
	07-12 - 84.027, 84.173	209	Twenty-First Century Community		
	07-13 - 84.048	211	Learning Centers (84.287)		
	08-08 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.318, 84.357, 84.365	197	Education Technology State Grants (84.318) Reading First State Grants (84.357)		
	09-11 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.318, 84.357	211	English Language Acquisition Grants (84.365) Improving Teach Quality State Grants (84.367)		
	10-15 - 84.027, 84.048, 84.173, 84.287, 84.318, 84.357	229	School Improvement Grants (84.377) Recovery Act – Education		
	11-08 - 84.010, 84.027, 84.048, 84.173, 84.287, 84.365	227	Technology State Grants (84.386) School Improvement Grant, Recovery Act (84.388)		
	12-09 - 84.027, 84.048, 84.173, 84.287, 84.386	236	State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top		
	13-005 - 84.027, 84.048, 84.173, 84.287, 84.365, 84.367, 84.386, 84.395	237	Incentive Grants, Recovery Act (84.395) Preschool Development Grants (84.419)		
	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,	199			

**THE CITY OF NEW YORK**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Fiscal Year Ended June 30, 2021

<u>City Agency</u>	<u>Index #</u>	<u>Page</u>	<u>Program Name</u>	<u>Summary of Finding</u>	<u>Status</u>
	84.365, 84.377, 84.419				
	2020-001 - 84.010, 84.048, 84.287, 84.365, 84.377, 84.419	200			
Housing Preservation and Development	08-03 - 14.239	187	HOME Investment Partnerships Program (14.239)	Missing certification of repair	Requirement waived in FY 2021
	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			
	2020-002 - 14.239	202			
Department of Transportation	2019-004 – 20.205, 20.219	205	<i>Highway Planning and Construction Cluster:</i>	Unallowable cost	Corrective actions implemented
	2020-006 - 20.205, 20.219	210	Recreational Trails Program (20.219) Highway Planning and Construction (20.205)		
Administration for Children’s Services	2020-003 - 93.658	204	Foster Care Title IV-E	Eligibility	Corrective actions implemented
New York City Police Department	2020-004 - 97.056	206	Port Security Grant Program	Equipment and real property management	Repeat: CAP in current year report; refer to index 2021- 003 - 97.056
New York City Fire Department	2020-005 - 97.056	208	Port Security Grant Program	Equipment and real property management	Repeat: CAP in current year report; refer to index 2021- 004 - 97.056
New York City Health + Hospitals	2020-007 - 93.323	212	Epidemiology and Laboratory Capacity for Infectious Diseases	Unallowable cost	Corrective actions implemented



**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, 2021**



THE CITY OF NEW YORK

September 30, 2022

**To the New York State Department of Transportation:**

With respect to the New York City Single Audit for the fiscal year ended June 30, 2021, 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