New York City, New York

New York City's 'AA' Long-Term Issuer Default Rating and GO bond rating reflect the city's exceptionally strong budget monitoring and controls, supporting Fitch Ratings' 'aa' financial resilience assessment. The financial resilience assessment reflects the city's 'High' revenue control, 'Midrange' expenditure control and Fitch's expectation that it will maintain reserves at or above 7.5% of spending.

For the purposes of the available reserves calculation, Fitch includes unrestricted general fund reserves (the sum of committed, assigned and unassigned), the available balance in the retirees' health benefits trust (RHBT) and the fiscal year-end budget stabilization, as well as discretionary transfers of surplus for prepayment of certain of the following year's operating expenditures. The available balance as of fiscal 2024 (ended June 30) was $11.4 billion, equal to 10.1% of expenditures and transfers out, and consistent with the 'aa' financial resilience assessment.

The city's demographic and economic trend and level metrics are mixed relative to Fitch's local government rated portfolio. 'High' educational attainment levels and 'Midrange' income and unemployment levels mitigate the city's declining population trends, despite the most recent U.S. Census population estimate for the past two years showing modest yoy growth.

These factors help offset the city's elevated long-term liability burden, which Fitch assesses as 'Weak' due to the very high liabilities-to-personal income metric of 24.5%, elevated carrying costs and 'Moderate' liabilities compared to total governmental revenues relative to Fitch's local government rated portfolio. Fitch expects the city's long-term liabilities to remain elevated compared to personal income levels. This expectation is based on future debt needs, but offset by future principal amortization, the status of the city's net pension liabilities (NPLs) over time (assuming actuarial assumptions are met) and improvement in the resource base.

The ratings additionally reflect the application of a positive one-notch Additional Analytical Factor recognizing the city's important role and significant contributions to the New York-Newark-Jersey City, NY-NJ-PA metropolitan statistical area (MSA). In 2023, the MSA was the largest contributor (8.3%) among all MSAs to nominal U.S. GDP.

The city experienced record revenue performance and strong economic recovery coming out of the pandemic, as well as improvement in reserve levels, which will help management navigate future economic downturns. Fitch expects revenue growth to slow during fiscal 2026 following near-term economic interruptions associated with elevated interest rates, uncertain effects of new tariffs and slower job growth, especially amongst higher-paying industries. Additional challenges include uncertainty around the effect of recent federal policy decisions, including with respect to Medicaid, on the city and city-related entities, including New York City Health and Hospitals Corporation (NYCHHC), as well as additional city funding requirements imposed by the state as it too manages federal policy changes.

Fitch expects the city to maintain its strong budget and fiscal management practices, including maintaining general fund operational stability while keeping reserves at close to or better than current levels. Continued careful expense management and the use of budgetary tools support these expectations. Prepayment of expenses and availability of reserves will further mitigate risks associated with unexpected cost pressures or revenue shortfalls.

Ratings

Long-Term IDR	AA
Outlooks	
Long-Term IDR	Stable

New Issues

$1,784,895,000 Fiscal 2026 Series A, B and C General Obligation Bonds	AA–

Sale Date

Aug. 5 and Aug. 6 via negotiation. The proceeds of the subseries A-1 bonds will be used for general city capital purposes. The proceeds of the subseries B-1, B-2, C-1 and C-2 will be used to redeem a portion of the city's outstanding GO bonds.

Outstanding Debt

Issuer Ratings Information

Applicable Criteria

U.S. Public Finance Local Government Rating Criteria (April 2024)

Related Research

Fitch Rates NYC Health and Hospitals Corp's $241MM Health System Bonds Ser 2025A 'AA-' (July 2025)

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Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Failure to implement available policy measures to address budgetary challenges, which would be contrary to the city's past practices and Fitch's expectations, contributing to a sustained erosion of the city's reserve cushion to below 7.5% of spending, which would lead to a change in the financial resilience assessment to below 'aa';
- An approximate 40% sustained increase in long-term liabilities associated with debt and NPLs and carrying costs, assuming current levels of personal income and governmental resources and spending;
- Weakened underlying economic and demographic performance, particularly around median household income (MHI) and unemployment rates;
- Lack of improvement in reducing long-term other post-employment benefits (OPEB) costs leading to growing unfunded OPEB liabilities above currently high levels when compared to personal income.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Fitch's expectation that maintenance of available reserves will be above 10% of general fund spending;
- An approximate 35% decrease in long-term liabilities and carrying costs, assuming current levels of personal income, governmental revenues and spending;
- Notable improvement in the city's demographic and economic strengths metrics, evidenced most notably by higher resident income and improved population trends.

Security

The city’s GO bonds carry a pledge of New York City's full faith and credit, supported by a levy by the city of ad valorem taxes (without limit as to rate or amount) on all real property within the city subject to taxation. The city is not subject to New York State's property tax cap.

Fitch’s Local Government Rating Model

The Local Government Rating Model generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio. (The Model Implied Rating will be the IDR except in certain circumstances explained in the applicable criteria.) The Model Implied Rating is expressed via a numerical value calibrated to Fitch's long-term rating scale, which ranges from 10.0 or higher (AAA), 9.0 (AA+), 8.0 (AA) and so forth down to 1.0 (BBB- and below).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

Rating Headroom & Positioning

New York City Model Implied Rating: 'AA' (Numerical Value: 8.55)

- **Metric Profile:** 'AA-' (Numerical Value: 7.55)
- **Net Additional Analytical Factor Notching:** +1.0

Individual Additional Analytical Notching Factors:

- **Economic and Institutional Strength:** +1.0

New York City's Model Implied Rating is 'AA'. The associated numerical value of 8.55 is in the middle of the 8.0 to 9.0 range for a 'AA' rating.

Current Developments

Fiscal 2025 Revenue Performance Exceeds Budget

The city's adopted budget for fiscal 2025 (YE June 30) was $112 billion, up approximately 5% from the original fiscal 2024 budget, and assumed a $3.2 billion (4.3%) increase yoy in total tax revenues driven by higher personal income taxes and pass-through entity tax growth following record bonus activity, continued wage growth and strong capital gains activity. The city's June 2025 financial plan for the 2026 through 2029 fiscal years (the financial plan) forecasts a $3.3 billion increase in total tax revenues over budgeted total tax revenues, equivalent to 3.8% of city funds revenues (excludes state, federal and other categorical grants) for fiscal 2025.

The financial plan also reflects reduced expenditure assumptions associated primarily with lower-than-anticipated spending for asylum seekers, as the migrant population has been declining. Additional spending for city programs, New York public schools and additional police officers along with a use of the general reserve and capital stabilization reserves of $1.18 billion and $250 million, respectively, is forecast to result in a $3.8 billion surplus prepayment for fiscal 2026. This is down moderately from the surplus prepayment of $4.4 billion for fiscal 2025.

The adopted fiscal 2026 budget is $115.9 billion and eliminates the November 2024 financial plan budget gap of $5.5 billion. It reflects the upward revision of tax revenues that occurred in fiscal 2025 and budget savings across fiscal 2025 and fiscal 2026; however, yoy tax revenues are projected to increase only moderately in fiscal 2026 (+1%) with slightly higher growth through the next three fiscal years of the financial plan. Reserves are forecast to remain at $8.5 billion. Expenditure savings are associated primarily with lower asylum seeker expenses, and a moderate reduction in pension costs offset by an increase in agency expenses and city council initiatives.

As a result of the revenue and expense changes, the projected outyear budget gaps are lower for fiscal years 2027, 2028 and 2029 than for the city's November 2024 financial plan, and are now $5.0 billion, $6.1 billion and $6.0 billion, respectively. Fitch views these as manageable and generally in line with historical budget gaps and below more recent years' budget gaps. Revenues are conservatively budgeted, with only moderate increases in property tax revenues due to changes in taxable billable assessed value (TBAV) of 3.0% for fiscal 2026.

Personal income tax (PIT) revenues are projected to decline in fiscal 2026 by 2.2%, following projected 17.5% yoy growth in fiscal 2025. PIT revenues are projected to resume growth, but at more moderate levels of 1.6% in fiscal 2027, and then 4.9% and 4.2% for fiscal years 2028 and 2029, respectively. City projections indicate sales and use tax revenue will continue to see moderate growth of 3.8%, 3.3%, 4.0%, and 3.7% in fiscals 2026, 2027, 2028 and 2029, respectively. Labor- and agency-related expenses, as well as growing debt service costs, will continue to drive expenditure increases through the final three years of the plan.

Profile

Fitch considers the city's status as an international center for numerous industries and a major tourism destination, as well as its proven resilience through the pandemic-related downturn and prior severe economic disruptions, as credit strengths. Employment recovery had lagged national trends following the pandemic, but job growth picked up notably during calendar years 2022 and 2023, and employment now exceeds pre-pandemic levels. More recent job growth, since June 2024, has been associated mostly with the healthcare and education sectors.

The local economy and operating budget remain strongly linked to the financial activities sector, which accounts for 25% of earnings versus 10% for the U.S., according to 2023 data. Professional and business services accounted for 21% of earnings during the same period, and this sector, along with the financial activities sector, has a higher share of wage earnings than the other service-producing and governmental sectors in the city, based on 2023 data.

The city's economic profile features high wealth levels; per capita personal income was approximately 129% of the U.S. average in 2023. However, the city's above-average individual poverty rate of 17.2% exceeds the national rate of 12.5%, indicative of some income disparity and the demand for social services, as seen in other large urban U.S. cities.

Estimated census figures for July 2024 report New York City's population at 8,478,072, a 3.7% decrease from 2020. New York City is the most populous city in the U.S., with a larger population than the combined populations of Los Angeles and Chicago, the next two most populous cities in the nation.

The city's tourism sector is an important driver of revenues, with a reported record of nearly 67 million visitors in 2019 and 64 million visitors in 2024, according to New York City Tourism + Conventions. Tourism activity remains sound in 2025, based on reports, but the level of international visitors is forecast to decline yoy.

Fitch does not expect current hybrid work-from-home arrangements to change materially in the near term; however, a number of Wall Street firms have moved to bring workers back to five days a week in person. Hybrid work arrangements have adversely affected mostly class 4 commercial property values and occupancy levels. City management expects growth in the commercial office base to be modest, with growth in new properties and particularly new trophy buildings offset by older, class 4 office stock. Manhattan office vacancy rates remain high by historical standards, but according to management, an uptick in office leasing this year has contributed to a reduction in vacancy rates below its peak. Additionally, the pipeline for office conversions to residential units is fairly robust, supporting future stock in new residential rental unit supply.

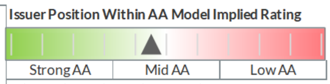
Depending on the magnitude of decline, a change in a property's market value is typically phased in over five years. The TBAV is the basis for the tax levy and is based on the lower of the actual value (45% of the current year market value) or transitional assessed value (the cumulative value of the phase-ins from the five-year market value changes). This phase-in of changes in value helps mitigate potential volatility of tax revenue changes and their impact on annual operating budgets.

The fiscal 2025 TBAV of $300 billion was up by 4% yoy, following growth of 4% in fiscal 2024 and 7% in fiscal 2023 and a 5% decline in fiscal 2022 due to the pandemic. Class 4 TBAV, which consists of commercial properties such as office buildings, factories, stores and vacant land, increased 2.3% in fiscal 2025. The increases are being supported by demand for new trophy buildings. The financial plan assumes city-wide TBAV to increase 3.0% in 2026, and property tax revenues to rise by 1.8%. Growth in revenues is expected to resume to more typical levels in fiscal 2027 at 3.9%, 3.0% in fiscal 2028 and 3.0% in fiscal 2029.

Key Drivers

Issuer: New York City (NY)		**Financial Profile**	0.0
Type: City General Obligation		**Demographic & Economic Strength**	1.0
Current: AA, RO:Sta (2025/04/04)		**Long-Term Liability Burden**	0.0
Fiscal Year	2024	**AAF Notching Total(4)**	1.0
Metric Profile	7.55	**MIR - Metric**	8.55
Metric Profile Mapping	AA-	**MIR - Mapping**	AA

Issuer Position Within AA Model Implied Rating



Rating position post application of analytical overlay

		Analyst Input	Metric		Composite		
Metric	**2024**	**2024**	**Percentile**	**Weight**	**Percentile / Value**	**Assessment**	**Weight**
Financial Profile							
Financial Resilience Components							
Available Reserves (FB/Expenditures: 5-Year Low) (%)	8.6						
Revenue Control Assessment	High	High					
Expenditure Control Assessment	Midrange	Midrange				aa	35%
Budgetary Flexibility	High Midrange	High Midrange					
Financial Resilience	aa	aa		100%			
Lowest Cumulative 3 Year Revenue Performance (+/-) since 2008 (%)	5.5					Strongest	0%
Revenue Volatility(1)			93%	100%			
Demographic and Economic Strength							
Trend							
Population Trend (%)(2)	-0.2	-0.2	6%	100%	6%	Weakest	8%
Unemployment Rate as Percentage of National Rate (%)(5)	132.5		19%	33%			
Population w/ Bachelor's Degree and Higher (%)(2)	41.0		76%	33%	42%	Midrange	26%
MHI as a % of the Portfolio Median (2)	**89.1**		32%	33%			
Concentration & Size							
Population Size(2)(3)	8,390,888	8,478,072	100%	50%	100%	Strongest	9%
Economic Concentration (%)(2)(3)	28.1	36.6	100%	50%			
Long-Term Liability Burden							
Liabilities/Personal Income (%)	23.1	24.5	1%	35%			
Liabilities/Governmental Revenues (%)(6)	152.5	161.9	58%	25%	28%	Weak	21%
Carrying Costs/Governmental Expenditures (%)	**17.5**		31%	40%			

(1) Model directly uses revenue volatility. Percentiles are for information only: metric percentile represents the issuer; composite percentile represents the average of the issuer's class. The Revenue Volatility metric represents the issuer's revenue volatility relative to the median revenue volatility of the total issuer portfolio.

Revenue Volatility is treated asymmetrically, where weight is marginal for issuers that exhibit low to moderate revenue volatility. For issuers with higher revenue volatility, this factor will moderately lower the metric profile, implying a somewhat reduced weighting for all other variables in these instances.

(2) Population, Concentration, MHI and Educational Attainment data is lagged by one year e.g. 2021data is used and displayed for fiscal year 2022.

(3) Percentiles represent the class. Economic concentration is defined as the sum of the absolute deviation of the issuer from the national average proportion across major economic sectors.

Sector data is on the county level for all entities or the MSA level for cities that span multiple counties. If data is unavailable for an issuer, median figures based on reported data for all counties within the issuer's state are used as proxy values.

(4) Additional Analytical Factors (AAF) have a potential notching range of +2/-2 for each of the three categories and an overall IDR notching range of +3/-3.

(5) County level data used for sub-county entities when prior year's data is unavailable. If county data is unavailable, MSA data is used. MSA level data is used for cities that span multiple counties.

(6) As a proxy for per capita personal income for sub-county levels of local government, Fitch calculates the ratio of money income to per capita income for the county in which the rated entity is located and applies that ratio to the entity's money income. The estimated per capita personal income figure is multiplied by population to estimate total personal income.

Source: Fitch Ratings

Financial Profile

Financial Resilience - 'aa'

New York City's financial resilience is driven by the combination of its 'High' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

- **Revenue control assessment:** High
- **Expenditure control assessment:** Midrange
- **Budgetary flexibility assessment:** High Midrange
- **Minimum fund balance for current financial resilience assessment:** >=7.5%
- **Current year fund balance to expenditure ratio:** 10.1% (2024)
- **Lowest fund balance to expenditure ratio for the fiscal-year period 2020-2024:** 8.6% (2020)

Revenue Volatility - 'Strongest'

New York City's weakest historic three-year revenue performance is neutral to the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

- **Lowest three-year revenue performance (based on revenues dating back to 2005):** 5.5% increase for the three-year period ending fiscal 2011

- **Median Fitch portfolio issuer decline:** -4.3% (2024)

State-Specific Revenue/Expenditure Context & Budgetary Control

The city's operating levy is generally below the 2.5% cap, even including a portion of GO debt service, affording sound flexibility to offset what Fitch anticipates would be a modest revenue decline during a moderate recession. Components of the sales and income tax rates are subject to periodic state legislative renewal. Fitch considers such approval pro forma, although modest changes to certain components (such as increases in or expansions of exclusions) are expected.

New York City's responsibilities are very broad. The largest expenditure category is education, typically representing one-third of general fund spending, followed by health and social services at 20%-25%. Public safety's portion is normally 10%-15% of spending, a relatively low share for a local government, reflecting the breadth of the city's service demands. Fitch believes the city retains reasonable flexibility to contain growth in employee compensation or to reduce headcount, if necessary.

The city provides ongoing financial support for NYCHHC, including the non-federal share of supplemental Medicaid. While the current financial plan projects declining annual appropriations to NYCHHC beginning in fiscal 2026, unexpected increases, particularly associated with changes in Medicaid, could speed the pace of expected spending growth and/or reduce the city's flexibility to reduce spending in an economic downturn.

The city-funded portion of medical assistance payments, inclusive of NYCHHC, is expected to be $6.3 billion, $6.5 billion, $6.6 billion, $6.8 billion and $6.9 billion in fiscal years 2025 through 2029, respectively. These payments primarily include the city's capped share of local Medicaid expenditures as well as the non-federal share of supplemental Medicaid payments to NYCHHC.

Other cost pressures have not been fully considered in the current financial plan. These include recent federal policy decisions that if legally enforceable and fully implemented would impact federal funds payable to the city and city-related entities. The city has received notices from the federal government pausing or terminating the receipt of federal funds by the city. The city continues to take appropriate actions to seek to maintain such aid, including through litigation. Many of the proposed federal spending reductions are targeted at the state level, and it is still unknown to what extent, if any, the state will pass those impacts down to the city or city-related entities such as NYCHHC.

Other cost pressures not fully incorporated into the financial plan include state-mandated tuition for special education students placed by families in private school settings and the phase-in of maximum class size requirements for grades K through 12.

Additionally, the city council has passed a series of bills that revise the city's housing rental assistance voucher program for individuals and families who are experiencing or are at risk of homelessness. The bills change and expand existing eligibility requirements and would lead to a substantial increase in future costs to the city that are not reflected in the financial plan. The bills have been subject to litigation. On August 1, 2024, the NY State Supreme Court denied the petition from the Legal Aid Society and city council, ruling that the mayor had established that the four bills are invalid as pre-empted by state law. The Legal Aid Society and city council appealed this decision and on July 10, 2025, the Appellate Division held that the laws are not pre-empted by state law. It directed the commissioner of social services to make an appropriate submission to the state for its review. The city is considering options, including appeal. If these laws are passed, they will likely cost the city several billion dollars to implement over the course of the financial plan.

Additional Insight

Due to prior state law and city charter constraints on using a traditional reserve fund, the city utilizes alternative budget tools. Following a city charter amendment in 2021, a state law was passed to allow for a revenue stabilization fund using annual operating surpluses. This has supported improvement in unrestricted reserves for the city, and combined with the RHBT and discretionary transfers for prepayments supports the 'aa' resilience assessment.

Demographic and Economic Strength

Population Trend - 'Weakest'

Based on the median of 10-year annual percentage change in population, New York City's population trend is assessed as 'Weakest' relative to Fitch's rating portfolio.

Population trend: -0.2% (2024) Analyst Input (6th percentile) (vs. -0.2% 2023 median of 10-year annual percentage change in population)

Unemployment, Educational Attainment and MHI Level - 'Midrange'

The overall strength of New York City's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2024 are assessed as 'Midrange' on a composite basis, performing at the 42nd percentile of Fitch's local government rating portfolio. This is due to high education attainment levels offsetting low median-issuer indexed adjusted MHI and high unemployment rate.

- **Unemployment rate as a percentage of national rate:** 132.5% 2024 (19th percentile), relative to the national rate of 4.0%
- **Percent of population with a bachelor's degree or higher:** 41.0% (2023) (76th percentile)
- **MHI as a percent of the portfolio median:** 89.1% (2023) (32nd percentile)

Economic Concentration and Population Size - 'Strongest'

New York City's population in 2024 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the fifth percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

- **Population size:** 8,478,072 (2024) Analyst Input (above the 15th percentile) (vs. 8,390,888 2023 Actual)
- **Economic concentration:** 36.6% Analyst Input (above the 15th percentile) (vs. 28.1% 2024 Actual)

Additional Analytical Factors and Notching

Demographic and Economic Strength Additional Analytical Factors and Notching: +1.0 notch (for Economic and Institutional Strength)

A one-notch positive Additional Analytical Factor has been applied to recognize the city's important role and significant contributions to the growing New York-Newark-Jersey City, NY-NJ-PA MSA, the largest MSA in the nation. The MSA accounts for close to 10.3 million jobs and ranks as the largest job market in the nation.

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts or non-recurring events that may otherwise skew the time series.

The most recent 2024 data for population and unemployment was used instead of the 2023 data.

Long-Term Liability Burden

Long-Term Liability Burden - 'Weak'

New York City's carrying costs to governmental expenditures and liabilities to personal income remain weak while liabilities to governmental revenue remain midrange. The long-term liability composite metric in 2024 is at the 28th percentile, indicating a somewhat elevated liability burden relative to the Fitch's local government rating portfolio.

- **Liabilities to personal income:** 24.5% Analyst Input (1st percentile) (vs. 23.1% 2024 Actual)
- **Liabilities to governmental revenue:** 161.9% Analyst Input (58th percentile) (vs. 152.5% 2024 Actual)
- **Carrying costs to governmental expenditures:** 17.5% (2024) (31st percentile)

Pension Adjustments

On an aggregate basis for all pension plans as of the most recent measurement date, the reported asset to liability ratio was 85.5%, or an estimated 74.8%, using Fitch's standard 6% rate of return adjustment. The Fitch-adjusted NPL was equal to $70.7 billion, or about 9.3% of personal income.

Additional Insight

The city's capital plan is extensive, and debt service costs are projected to ramp up gradually based on planned issuances but remain manageable. Additional GO bond and Transitional Finance Authority revenue debt issuance of approximately $57 billion is projected for the fiscal period 2026 through 2029. Debt issuances will be managed to ensure compliance with the city’s policy to maintain debt service costs below 15% of tax revenues, and project spending can be deferred if economic situations warrant such action.

The city maintains five pension systems, of which two (for the police and firefighters) are single-employer plans. Although the other three are cost-sharing plans, the city bears the responsibility for the majority of the liabilities and virtually all the liabilities for the two education-related plans. The city consistently pays the pension actuarially determined employer contribution, as required by charter.

The unfunded OPEB liability was approximately 13% of personal income at fiscal year-end 2024 and management established an irrevocable trust in 2006, the RHBT, to help manage these costs. Actual annual benefit costs have trended at reasonable levels when compared to the city's operating budget and represent a manageable percentage of fixed-cost spending, excluding RHBT contributions above pay-as-you-go. Efforts to control growth in these costs are ongoing. Fitch anticipates that management will continue to manage these benefits to control cost growth and these long-term liabilities.

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts or non-recurring events that may otherwise skew the time series.

Direct debt was adjusted to reflect principal amortization through the end of fiscal 2025. It includes the non-refunding portion of this issuance, the city’s planned subseries A-2 issuance, the NYCHHC planned series 2025A issuance, along with non-refunding city GO bond and Transitional Finance Authority revenue bond issuances occurring after fiscal year-end 2024.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to either their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Financial Summary

($000, Audited Fiscal Years Ended June 30)	2020	2021	2022	2023	2024
General Fund Revenues					
Property Tax	29,815,935	31,464,469	29,582,214	31,644,665	32,987,024
Sales Tax	8,478,110	7,602,688	10,008,292	10,585,017	10,666,812
Income Tax	21,453,175	23,734,802	26,256,890	27,541,691	26,824,409
Other Tax	3,342,452	2,731,908	3,749,483	3,665,405	3,698,485
Intergovernmental	25,703,790	28,093,804	32,095,225	28,101,752	31,538,821
Other Revenue	5,824,688	5,554,838	5,103,421	6,241,020	6,671,856
Total	**94,618,150**	**99,182,509**	**106,795,525**	**107,779,550**	**112,387,407**
General Fund Expenditures					
General Government	4,541,574	4,429,366	4,225,605	4,388,563	4,793,947
Public Safety	10,790,905	10,548,189	11,936,786	12,069,764	12,355,921
Educational	**29,019,817**	**29,347,794**	**32,414,343**	**32,101,643**	**33,994,906**
Lease Payments for Debt Service	100,583	97,051	139,906	81,977	96,135
Other Expenditures	43,396,560	46,681,526	50,216,532	51,529,226	54,030,071
Total	**87,849,439**	**91,103,926**	**98,933,172**	**100,171,173**	**105,270,980**
Transfers In and Other Sources	136,064	96,428	147,672	169,391	217,898
Transfers Out and Other Sources	6,945,583	8,588,610	6,706,208	7,717,226	7,493,075
Net Transfers & Other	**-6,809,519**	**-8,492,182**	**-6,558,536**	**-7,547,835**	**-7,275,177**
Adjustment for Bond Proceeds and Extraordinary One-Time Uses	—	—	—	—	—
Net Op. Surplus (Deficit) After Transfers	-40,808	-413,599	1,303,817	60,542	-158,750
Net Op. Surplus (Deficit)/ (Total Expenditures + Transfers Out and Other Uses)(%)	-0.04	-0.41	1.23	0.06	-0.14
Total Fund Balance	3,245,101	2,831,502	4,135,319	4,195,861	4,037,111
Unrestricted Fund Balance	493,239	498,550	1,953,849	1,958,996	1,964,329
Other Available Fund Balances	7,619,489	10,327,507	11,490,499	10,797,410	9,434,911
Total Available Unrestricted Reserves (GF + Other)	**8,112,728**	**10,826,057**	**13,444,348**	**12,756,406**	**11,399,240**
Available Reserves as % of Spending (Adj for Bond Proceeds and Other One-Time Uses)	8.6	10.9	12.7	11.8	10.1

Source: Fitch Ratings, Fitch Solutions, New York City

Long-Term Liability Burden

($000, Audited Fiscal Year Ended June 30)	2024
Direct Debt	105,789,741
Less: Self-Supporting Debt	—
Net Direct Debt	105,789,741
Fitch Adjusted NPL	70,732,534
Net Direct Debt + Fitch-Adjusted net pension liabilities (NPL)	**176,522,275**
Population	8,478,072
Per Capita Personal Income (2023)	90,149
Estimated Personal Income ($000)	764,289,713
Net Debt + Fitch-Adjusted NPL/Personal Income (%)	23.1
Total Governmental Revenues	115,782,787
Net Direct Debt + Fitch Adjusted NPL as Percentage of Governmental Revenue (%)	**152.5**
Debt Service (Net of State Support)	10,422,230
Actuarially Determined Pension Contributions	9,249,068
Actual OPEB Contributions	3,198,585
Total Governmental Expenditures	130,706,031
Carrying Costs/Governmental Expenditures (%)	**17.5**

Note: Figures above do not reflect any analyst input adjustments.
Source: Fitch Ratings, Fitch Solutions, New York City

Summary

Description	Final Value
Budgetary Flexibility Assessments	
Revenue Control Assessment	High
Expenditure Control Assessment	Midrange
Collective Bargaining and Resolution Framework	Midrange
Workforce Outcomes	Midrange
Cost Drivers	Midrange
Metrics Assessments	
Financial Profile - Financial Resilience	aa
Financial Profile - Revenue Volatility	Strongest
Demographic & Economic Strength - Trend	Weakest
Demographic & Economic Strength - Level	Midrange
Demographic & Economic Strength - Concentration & Size	Strongest
Long-Term Liability Burden	Weak
Metric Profile Mapping	AA-
Metric Profile	7.55
Additional Analytical Factors	
Total Notching - capped	**1**
Financial Profile	
Fiscal Oversight	
Revenue Capacity	
Contingent Risks	
Non-Recurring Support or Spending Deferrals	
Political Risks	
Management Practices	
Demographic & Economic Strength	**1**
Economic and Institutional Strength	1
Revenue Concentration Risks	
School District Resources	
Long-Term Liability Burden	
Pension Funding Assumptions	
Pension Contributions	
OPEB	
Debt Structure	
Capital Demands and Affordability	
Model Implied Rating - Mapping	AA
Model Implied Rating - Metric	8.55
Outliers and Developing Situations Considerations	No
Notching Rationale - 1	
Notching Rationale - 2	
Issuer Default Rating/ Issuer Default Credit Opinion	AA
Outlook/Watch	RO: Stable

Source: Fitch Ratings

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.