

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, 2025 and 2024. 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). Subject to certain conditions, the Act and the City Charter also require the City to prepare and balance its expense budget covering all expenditures other than capital items, as proposed in the Preliminary Budget and Executive Budget submitted by the Mayor and as adopted by the City Council, so that the results of such budget will not show a deficit when reported in accordance with Generally Accepted Accounting Principles (GAAP), with the exception of certain pollution remediation costs and without regard to certain fund balances. In addition, the expense budget must remain in balance with each budget modification. The City is required to be in balance at the end of each fiscal year. The Plan is broader in scope than the expense budget; it comprises General Fund revenues and expenditures, Capital Projects Fund revenues and expenditures, and all short and long-term financing.

Governmental Funds

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

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

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

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

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

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

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

The OPEB Plan is composed of The New York City Retiree Health Benefits Trust (the Trust) and postemployment benefits other than pensions (OPEB) paid for directly by the City out of its general resources rather than through the Trust. The Trust is used to accumulate assets to pay for some of the OPEB provided by the City to its retired employees. The OPEB Plan is reported in the City’s financial statements as an Other Employee Benefit Trust Fund. The OPEB Plan was established for the exclusive benefit of the City’s retired employees and their dependents in providing the following current postemployment benefits: a health insurance program, Medicare Part B premium reimbursements, and welfare fund contributions. The City is not required to provide funding for the OPEB Plan other than the “pay-as-you-go” amounts necessary to provide current benefits to eligible retirees and their dependents. The City contributed approximately \$4.1 billion and \$3.2 billion to the OPEB Plan for Fiscal Years 2025 and 2024, respectively.

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

Notes to Financial Statements

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

Financial Reporting Entity

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

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

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

Blended Component Units

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

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

Business-Type Activities

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

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

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

- Brooklyn Bridge Park Corporation (BBPC)
- The Trust for Governors Island (TGI)
- New York City Tax Lien Trusts (NYCTL Trusts):
 - NYCTL 1998-2 Trust
 - NYCTL 2021-A Trust
 - NYCTL 2025-A Trust
- WTC Captive Insurance Company, Inc. (WTC Captive)

Discretely Presented Component Units

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

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

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

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

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

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

In the government-wide financial statements all of the activities of the City, aside from its discretely presented component units and business-type activities, are reported as governmental activities.

The City's governmental activities showed a relatively stable financial position in Fiscal Year 2025, with only a minimal \$0.5 billion, or 0.2%, decrease in net position from current year operations. However, the beginning net position was restated by \$2.5 billion to apply the cumulative effect of the adoption of GASB Statement No. 101, *Compensated Absences*, which was necessary to recognize the change in accounting principle. Total revenues increased by approximately 4.4% from Fiscal Year 2024 to Fiscal Year 2025, a significant gain driven primarily by higher collections of real estate and personal income taxes. This consistent growth in the primary governments revenue from Fiscal Year 2023 to Fiscal Year 2025 not only include taxes but, operating grants and charges for services as well, over the past three fiscal years. The revenue increase over the past few years helped offset volatile expenses. Other components for the changes in net position can be found on page 14.

For the City's business-type activities, net position changed by \$215 million, or 25.1% for Fiscal Year 2025. During Fiscal Year 2024 and 2023, net position decreased by \$36.6 million and increased by \$8.8 million, respectively.

Key elements of these changes are as follows:

	Changes in Net Position (in thousands) Governmental Activities		
	2025	2024	2023
Revenues:			
Program revenues:			
Charges for services	\$ 6,342,716	\$ 5,872,817	\$ 5,760,252
Operating grants and contributions . . .	29,894,787	31,497,588	27,915,470
Capital grants and contributions	798,646	892,051	620,108
General revenues:			
Taxes	80,900,330	74,740,155	74,233,151
Investment income	851,925	861,896	622,175
Unrestricted Federal and State aid . . .	94,732	85,456	234,329
Tax equivalency and PILOT—HYIC . .	489,516	401,756	336,315
Tobacco settlement—TSASC	147,422	156,917	192,085
Interest income from leases—BBP and TGI	—	—	—
Transfer from (to) residual liability (obligation)—WTC Captive	—	—	—
Decrease in allowance for doubtful accounts	—	—	—
Other revenue	134,122	154,556	154,457
Total revenues	119,654,196	114,663,192	110,068,342
Expenses:			
General government	9,186,394	10,134,809	3,873,117
Public safety and judicial	22,532,053	22,898,272	22,448,788
Education	37,499,336	39,905,434	35,586,049
City University	1,284,823	1,362,990	1,295,751
Social Services	22,315,172	21,082,523	20,705,483
Environmental protection	5,008,453	5,006,020	5,073,949
Transportation services	4,801,379	4,422,108	3,741,062
Parks, recreation and cultural activities	1,342,602	1,200,745	1,153,522
Housing	5,303,329	5,121,886	3,701,177
Health (including payments to NYC Health + Hospitals)	6,460,034	6,351,159	5,328,352
Libraries	539,620	508,681	509,290
Debt service interest	3,852,220	3,553,143	3,188,811
Brooklyn Bridge Park Corp.	—	—	—
The Trust for Governor's Island	—	—	—
WTC Captive Insurance Co.	—	—	—
New York City Tax Lien Trusts	—	—	—
Total expenses	120,125,415	121,547,770	106,605,351
Change in net position	(471,219)	(6,884,578)	3,462,991
Net position (deficit), beginning of year—as previously reported	(198,095,960)	(191,211,382)	(194,672,684)
Restatement of beginning net position (deficit)	2,478,573	—	(1,689)
Net position (deficit), beginning of year—as restated	(195,617,387)	—	—
Net position (deficit)—ending	<u><u>\$ (196,088,606)</u></u>	<u><u>\$ (198,095,960)</u></u>	<u><u>\$ (191,211,382)</u></u>

Changes in Net Position (Continued)						
(in thousands)						
	Business-type Activities			Total Primary Government		
	2025	2024	2023	2025	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 11,411	\$ 8,904	\$ 8,679	\$ 6,354,127	\$ 5,881,721	\$ 5,768,931
Operating grants and contributions ...	273,913	19,754	19,200	30,168,700	31,517,342	27,934,670
Capital grants and contributions	36,511	37,238	37,011	835,157	929,289	657,119
General revenues:						
Taxes	23,855	22,993	20,257	80,924,185	74,763,148	74,253,408
Investment income	83,695	137,471	71,946	935,620	999,367	694,121
Unrestricted Federal and State aid ...	—	—	—	94,732	85,456	234,329
Tax equivalency and PILOT—HYIC	—	—	—	489,516	401,756	336,315
Tobacco settlement—TSASC	—	—	—	147,422	156,917	192,085
Interest income from leases—BBP and TGI	11,045	10,578	10,344	11,045	10,578	10,344
Transfer from (to) residual liability (obligation)—WTC Captive	(10,172)	(11,273)	14,084	(10,172)	(11,273)	14,084
Decrease in allowance for doubtful accounts	—	293,834	—	—	293,834	—
Other revenue	(394)	352	248	133,728	154,908	154,705
Total revenues	429,864	519,851	181,769	120,084,060	115,183,043	110,250,111
Expenses:						
General government	—	—	—	9,186,394	10,134,809	3,873,117
Public safety and judicial	—	—	—	22,532,053	22,898,272	22,448,788
Education	—	—	—	37,499,336	39,905,434	35,586,049
City University	—	—	—	1,284,823	1,362,990	1,295,751
Social Services	—	—	—	22,315,172	21,082,523	20,705,483
Environmental protection	—	—	—	5,008,453	5,006,020	5,073,949
Transportation services	—	—	—	4,801,379	4,422,108	3,741,062
Parks, recreation and cultural activities	—	—	—	1,342,602	1,200,745	1,153,522
Housing	—	—	—	5,303,329	5,121,886	3,701,177
Health (including payments to NYC Health + Hospitals)	—	—	—	6,460,034	6,351,159	5,328,352
Libraries	—	—	—	539,620	508,681	509,290
Debt service interest	—	—	—	3,852,220	3,553,143	3,188,811
Brooklyn Bridge Park Corp.	42,220	38,839	38,558	42,220	38,839	38,558
The Trust for Governor's Island	60,598	57,496	54,135	60,598	57,496	54,135
WTC Captive Insurance Co.	1,769	1,726	1,752	1,769	1,726	1,752
New York City Tax Lien Trusts	110,632	458,353	78,515	110,632	458,353	78,515
Total expenses	215,219	556,414	172,960	120,340,634	122,104,184	106,778,311
Change in net position	214,645	(36,563)	8,809	(256,574)	(6,921,141)	3,471,800
Net position (deficit), beginning of year—as previously reported	855,215	891,778	882,969	(197,240,745)	(190,319,604)	(193,789,715)
Restatement of beginning net position (deficit)	225	—	—	2,478,798	—	(1,689)
Net position (deficit), beginning of year—as restated	855,440	—	—	(194,761,947)	—	—
Net position (deficit)—ending	\$ 1,070,085	\$ 855,215	\$ 891,778	\$ (195,018,521)	\$ (197,240,745)	\$ (190,319,604)

In Fiscal Year 2025, the government-wide revenues increased from Fiscal Year 2024 by approximately \$5 billion and government-wide expenses decreased by approximately \$1.4 billion.

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

- Tax revenues, net of refunds, increased overall.
 - The increase in tax revenues were a result of the following:
 - The increase in real estate taxes resulted from growth in billable assessed value during the fiscal year.
 - The increase in sales and use taxes reflect a general increase in consumption activity.
 - The increase in personal income taxes withholding revenue is driven by a robust labor market and record high Wall Street bonuses, coupled with higher non-withholding revenue driven by strength in financial markets
 - For other income taxes, unincorporated business income taxes increased due to strong performance among unincorporated finance and non-finance businesses, with particularly significant gains in the securities and commodities sectors. Pass-through entity taxes also increased, driven by higher prior-year settlement payments and continued strength in the financial markets.
 - For all other taxes, the increase in hotel room occupancy taxes was driven by higher hotel occupancy and increase in room rates. The rise in Payment in Lieu of Taxes resulted from the City receiving additional payments from Hudson Yards Infrastructure Corporation and Battery Park City Authority during the fiscal year. The increase in conveyance of real property taxes is due to an increase in the volume of residential and commercial properties sold.
 - Operating grants and contributions decreased due to the decline in Federal revenues in FY 2025, primarily in Education Foundation Aid and Federal Stimulus.

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

- The increase in government-wide expenses were a result of the following:
 - Social Services expenses grew due to increased spending at the Department of Social Services, particularly for rental assistance costs and public assistance costs.
 - Environmental Protection expenses increased due to an increase in hiring, collective bargaining increases, higher water and wastewater treatment chemical costs, higher wastewater treatment disposal costs, and added investments in technology and cybersecurity measures.
 - Cultural Activities and Libraries expenses increased due to the restoration of prior year spending reductions and increased funding for the cultural institutions group.
 - Public Safety and Judicial expenses increased due to the reinstatement of the Mayor's Office of Criminal Justice department code and the recognition of expenses within this department code.
 - Transportation expenses increased as a result of higher Department of Transportation's cost driven by rising costs of construction materials such as steel and concrete, as well as collective bargaining increases.
- The decrease in government-wide expenses were a result of following:
 - General Government expenses decreased due to the Office of Technology and Innovation's implementation of prior year savings initiatives and changes to procurement schedules.

In Fiscal Year 2024, the governmental activities revenues increased from Fiscal Year 2023 by approximately \$4.6 billion and expense increased by approximately \$15 billion.

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

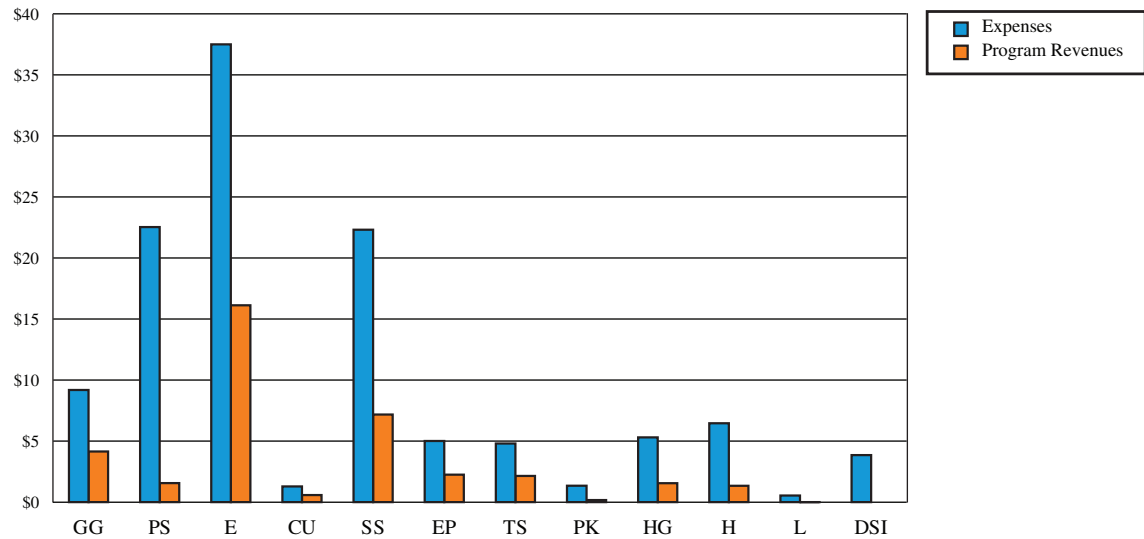
- Tax revenues, net of refunds, increased overall.
 - The increase in tax revenues were a result of the following:
 - The increase in real estate taxes resulted from growth in billable assessed value during the fiscal year.
 - The increase in sales and use taxes reflect a general increase in consumption activity.
 - For all other taxes, the increase in hotel room occupancy taxes was due to higher hotel occupancy and increase in room rates. The increase in Payment in Lieu of Taxes was due to the City receiving additional payments from Hudson Yards Infrastructure Corporation and Battery Park City Authority during the fiscal year.
 - The decreases in tax revenues were a result of the following:
 - The decrease in Personal income tax was due to decline in non-wage related payments and higher refunds issuance to settle overpayments by the taxpayers.
 - The decrease in mortgage taxes reflects lower mortgage origination demands due to higher mortgage interest rates.
 - The decrease in conveyance of real property taxes was due to a decline in the volume of residential and commercial properties sold.
 - Operating grants and contributions increased as a result of higher Federal and State revenues in FY 2024, primarily in Education Foundation Aid, Asylum Seeker and Federal Stimulus.

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

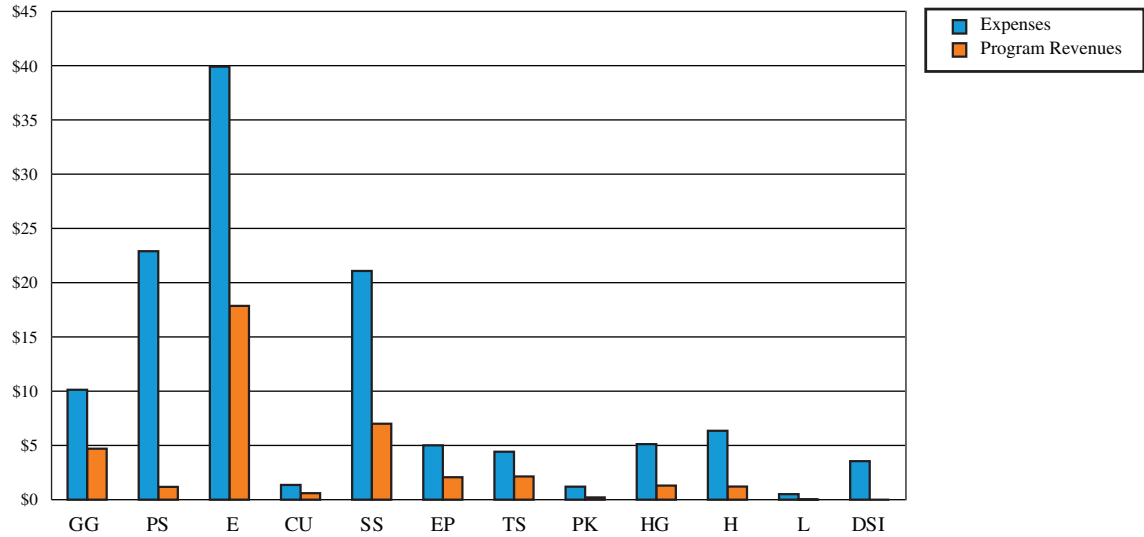
- The increase in governmental activities expenses were a result of the following:
 - Education expenses increased due to collective bargaining agreements, growth in mandated costs for special education pupils and increased charter school expenses.
 - Social Services expenses increased due to increased spending on daycare by the Administration for Children's Services. Additionally, HRA expenses increased due to growth in the Cash Assistance caseload, growing utilization and cost of Rental Assistance vouchers as well as Medicaid Initiative payments.
 - Housing expenses increased due to housing voucher rent increases, full roll-out of the Emergency Housing Voucher program, new shelter and service costs associated with the Asylum Seekers response, and increased funding for the New York City Housing Authority.
 - General Government expenses increased due to an increase in Department of Citywide Administrative Services expenses for costs related to Asylum seekers. Additionally, Department of Youth and Community Development expenses increased due to the transfer of the Office of Neighborhood Safety (ONS) and the expansion of two Youth Workforce Programs.
 - Health expenses increased due to cost related to Asylum seekers.
 - Transportation expenses increased due to MTA's decreased fare revenues, escalating MTA costs, and the State mandated higher City contributions.
- The decrease in governmental activities expenses were a result of following:
 - Transit expenses decreased due to the Taxi and Limousine Commission's Medallion Relief Program, which was put in place to help Taxi operators pay off their loans. The funding for the program was disbursed in FY23.

The following charts compare the amounts of expenses and program revenues for Fiscal Years 2025 and 2024:

Expenses and Program Revenues — Governmental Activities
for the Fiscal Year ended June 30, 2025
(in billions)



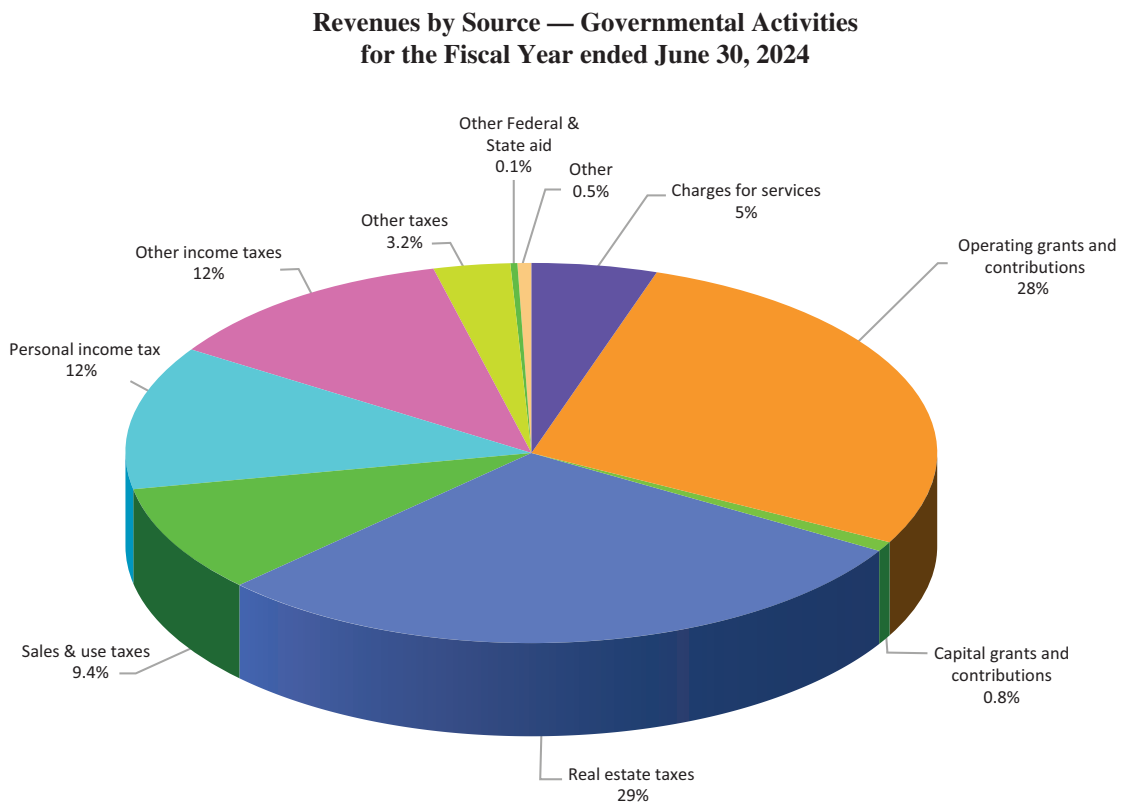
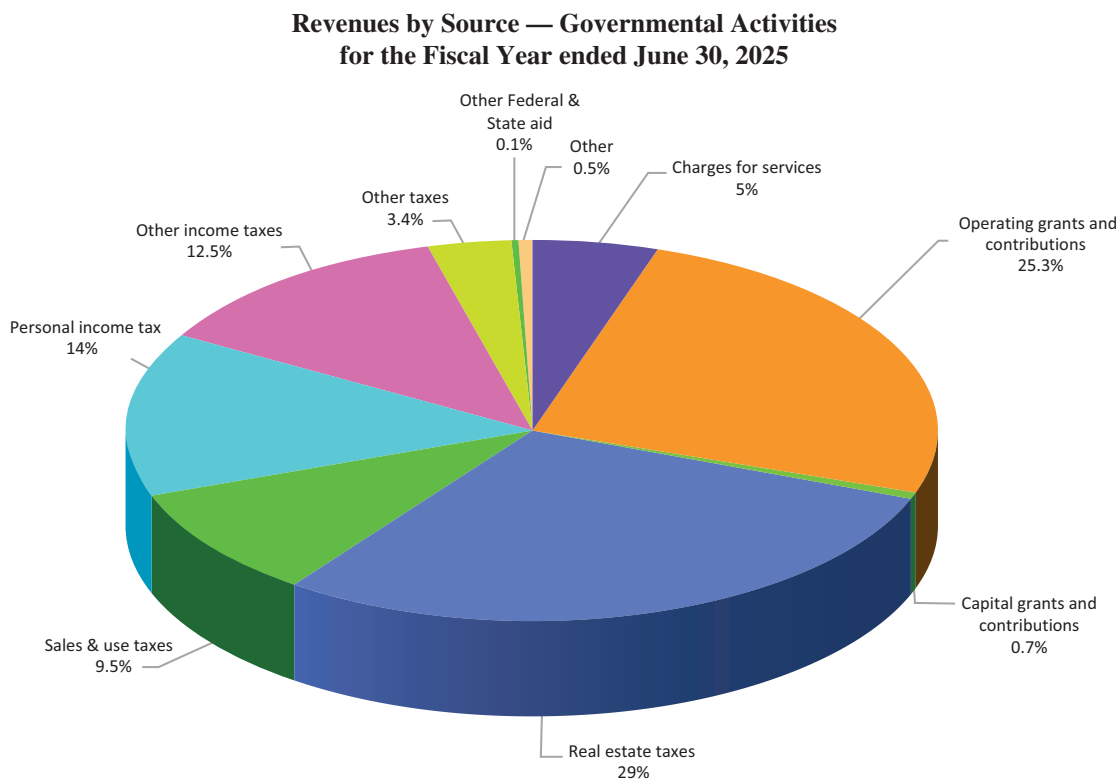
Expenses and Program Revenues — Governmental Activities
for the Fiscal Year ended June 30, 2024
(in billions)



Functions/Programs

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

The following charts compare the amounts of program and general revenues for Fiscal Years 2025 and 2024:



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 2025, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$196.1 billion, a decrease in the net deficit of \$2.0 billion from June 30, 2024, which in turn compares with an increase to the net deficit of \$6.9 billion over the prior Fiscal Year 2023.

The City's financial outlook improved in Fiscal Year 2025. The governmental activities net deficit decreased from Fiscal Year 2024 to Fiscal Year 2025, driven by a decrease in total liabilities while assets increased. Key factors included the issuance of additional City and Transitional Finance Authority (TFA) bonds, revenue from a tax lien sale held during the year, and a reduction in the net pension liability as a result of a decrease in TRS liability due primarily to larger than expected investment returns of the Qualified Pension Plan. Furthermore, capital assets increased by roughly 4% from Fiscal Year 2024 to Fiscal Year 2025 (with further explanation found in Note D.2). Alternatively, the net position for business-type activities increased by approximately 25%, a change mostly due to an increase in accounts receivable across those reporting entities.

See table below for further details:

	Net Position (in thousands)		
	Governmental Activities		
	2025	2024	2023
Current and other assets	\$ 72,613,838	\$ 70,149,401	\$ 69,908,740
Capital assets (net of depreciation)	88,901,418	85,398,719	85,227,489
Total assets	161,515,256	155,548,120	155,136,229
Deferred outflows of resources	8,703,573	11,583,198	15,276,936
Long-term liabilities outstanding	276,760,114	277,201,062	272,052,464
Other liabilities	42,959,658	44,109,102	43,379,932
Total liabilities	319,719,772	321,310,164	315,432,396
Deferred inflows of resources	46,587,663	43,917,114	46,192,151
Net position:			
Net investment in capital assets	(12,897,842)	(11,783,734)	(7,200,892)
Restricted	6,016,833	4,185,558	4,623,670
Unrestricted (deficit)	(189,207,597)	(190,497,784)	(188,634,160)
Total net position (deficit)	<u>\$(196,088,606)</u>	<u>\$(198,095,960)</u>	<u>\$(191,211,382)</u>

Net Position - (continued)						
(in thousands)						
	Business-Type Activities			Total Primary Government		
	2025	2024	2023	2025	2024	2023
Current and other assets	\$ 1,115,481	\$ 812,376	\$ 855,291	\$ 73,729,319	\$ 70,961,777	\$ 70,764,031
Capital assets (net of depreciation)	604,225	614,169	622,583	89,505,643	86,012,888	85,850,072
Total assets	<u>1,719,706</u>	<u>1,426,545</u>	<u>1,477,874</u>	<u>163,234,962</u>	<u>156,974,665</u>	<u>156,614,103</u>
Deferred outflows of resources	—	—	—	8,703,573	11,583,198	15,276,936
Long-term liabilities outstanding	427,050	387,725	389,828	277,187,164	277,588,787	272,442,292
Other liabilities	74,851	32,505	42,622	43,034,509	44,141,607	43,422,554
Total liabilities	<u>501,901</u>	<u>420,230</u>	<u>432,450</u>	<u>320,221,673</u>	<u>321,730,394</u>	<u>315,864,846</u>
Deferred inflows of resources	147,720	151,100	153,646	46,735,383	44,068,214	46,345,797
Net position:						
Net investment in capital assets	604,117	613,958	622,272	(12,293,725)	(11,169,776)	(6,578,620)
Restricted	465,968	241,257	269,506	6,482,801	4,426,815	4,893,176
Unrestricted (deficit)	—	—	—	(189,207,597)	(190,497,784)	(188,634,160)
Total net position (deficit)	<u>\$ 1,070,085</u>	<u>\$ 855,215</u>	<u>\$ 891,778</u>	<u>\$(195,018,521)</u>	<u>\$(197,240,745)</u>	<u>\$(190,319,604)</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, 2025 and 2024:

	Components of Net Position (Deficit)	
	2025	2024
	(in billions)	
Net Investment in Capital Assets		
Some City-owned assets have a depreciable life used for financial reporting that is different from the period over which the related debt principal is being repaid. However, debt is amortized within the applicable period as dictated by governing State Local Finance Law and Federal Tax Law	\$ (12.9)	\$ (11.8)
Net Position Restricted for:		
Capital Projects	2.1	0.3
Debt Service	1.9	1.8
Operations	2.0	2.1
Total restricted net position	<u>6.0</u>	<u>4.2</u>
Unrestricted Net Position		
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 (including premiums and discounts) for non-City owned assets at year end	(31.6)	(26.1)
Certain long-term obligations do not require funding in the current period:		
Net OPEB liability	(96.4)	(98.3)
Judgments and claims	(8.9)	(6.6)
Compensated absences	(4.4)	(6.6)
Net Pension liability	(27.1)	(35.7)
Landfill closure and postclosure care costs	(1.2)	(1.2)
Deferred outflows of resources	8.7	11.6
Deferred inflows of resources	(26.0)	(25.1)
Other	(2.3)	(2.5)
Total unrestricted net position	<u>(189.2)</u>	<u>(190.5)</u>
Total net position (deficit).	<u><u>\$(196.1)</u></u>	<u><u>\$(198.1)</u></u>

The following table provides Fiscal Year ended June 30, 2025, pension statistics by pension system as of the dates of the most recent actuarial valuations:

	Summary of City Pension Information Fiscal Year 2025					
	<u>NYCERS*</u>	<u>TRS**</u>	<u>BERS**</u>	<u>POLICE*</u>	<u>FIRE*</u>	<u>Total</u>
City Membership (active, inactive and retired) as of 6/30/24.	227,646	263,527	58,783	92,906	27,750	670,612
			(in billions, except %)			
Total Pension Liability (TPL)	\$ 62.0	\$ 87.6	\$ 7.4	\$ 67.7	\$ 28.8	\$ 253.5
Less Plan Fiduciary Net Position (PFNP).	54.4	79.2	7.6	62.4	22.9	226.5
Net Pension Liability (NPL)	<u>\$ 7.6</u>	<u>\$ 8.4</u>	<u>\$ (0.2)</u>	<u>\$ 5.3</u>	<u>\$ 5.9</u>	<u>\$ 27.0</u>
PFNP as a % of TPL***	87.7%	90.4%	102.7%	92.2%	79.5%	89.3%
Pension Expense	\$ 1.4	\$ 1.9	\$ 0.1	\$ 1.3	\$ 1.0	\$ 5.7

* Includes QPP and VSFs

** QPP only

*** Calculated based on whole dollar unrounded amounts.

The following table provides Fiscal Year ended June 30, 2024 pension statistics by pension system as of the dates of the most recent actuarial valuations:

	Summary of City Pension Information Fiscal Year 2024					
	<u>NYCERS*</u>	<u>TRS**</u>	<u>BERS**</u>	<u>POLICE*</u>	<u>FIRE*</u>	<u>Total</u>
City Membership (active, inactive and retired) as of 6/30/23.	225,452	260,439	58,280	91,979	27,651	663,801
			(in billions, except %)			
Total Pension Liability (TPL)	\$ 61.6	\$ 84.0	\$ 7.0	\$ 65.8	\$ 27.8	\$ 246.2
Less Plan Fiduciary Net Position (PFNP).	51.9	72.0	6.8	58.7	21.1	210.5
Net Pension Liability (NPL)	<u>\$ 9.7</u>	<u>\$ 12.0</u>	<u>\$ 0.2</u>	<u>\$ 7.1</u>	<u>\$ 6.7</u>	<u>\$ 35.7</u>
PFNP as a % of TPL***	84.3%	85.7%	97.1%	89.2%	75.9%	85.5%
Pension Expense	\$ 2.3	\$ 2.6	\$ 0.1	\$ 1.9	\$ 1.3	\$ 8.2

* Includes QPP and VSFs

** QPP only

*** Calculated based on whole dollar unrounded amounts.

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

**Financial Analysis of the
Governmental Funds**

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

	Governmental Funds					
	General Fund	Capital Projects Fund	General Debt Service Fund	Nonmajor Governmental Funds	Adjustment/ Eliminations	Total
	(in thousands)					
Fund Balances (deficit), June 30, 2023 . . .	\$ 4,195,861	\$ (6,346,587)	\$ 2,835,203	\$ 4,888,591	\$ —	\$ 5,573,068
Revenues	112,387,407	2,502,186	52,934	6,994,386	(6,154,126)	115,782,787
Expenditures	(105,270,980)	(14,524,464)	(4,312,735)	(11,906,788)	5,308,936	(130,706,031)
Other financing sources (uses)	(7,275,177)	10,877,079	3,395,720	4,965,232	845,190	12,808,044
Fund Balances (deficit), June 30, 2024 . . .	4,037,111	(7,491,786)	1,971,122	4,941,421	—	3,457,868
Revenues	117,208,228	2,810,544	61,653	7,060,156	(6,044,340)	121,096,241
Expenditures	(109,610,157)	(15,578,006)	(4,353,789)	(15,373,313)	4,933,771	(139,981,494)
Other financing sources (uses)	(7,628,526)	15,557,243	3,778,495	8,528,455	1,110,569	21,346,236
Fund Balances (deficit), June 30, 2025 . . .	\$ 4,006,656	\$ (4,702,005)	\$ 1,457,481	\$ 5,156,719	\$ —	\$ 5,918,851

The City's General Fund is required to adopt an annual budget prepared on a basis generally consistent with Generally Accepted Accounting Principles (GAAP). Fiscal year-end surpluses are deposits into the Revenue Stabilization Fund and can be used in future fiscal years. If the City anticipates that the General Fund will have an operating surplus, the City can make discretionary transfers to the General Debt Service Fund and other payments that reduce the amount of the General Fund surplus for financial reporting purposes and reduce the need for expenditures in the succeeding fiscal year or years. After expenditures and transfers, the General Fund reported an operating surplus of \$5 million, not including restricted fund activities.

The General Fund saw a 0.8% decrease in its fund balance between FY2024 and FY2025. Correspondingly, the Revenue Stabilization Fund balance increased by \$5 million. Additional information on the exclusion of restricted fund activities can be found in Note A.20 of the Basic Financial Statements.

The General Debt Service Fund receives transfers (discretionary and other) from the General Fund from which it pays the City's debt service requirements. Its fund balance at June 30, 2025 can be attributed principally to transfers (discretionary transfer and other) from the General Fund totaling \$1.4 billion in Fiscal Year 2025 for Fiscal Year 2026 debt service. Similar transfers in Fiscal Year 2024 of \$2.0 billion for Fiscal Year 2025 debt service also primarily account for the General Debt Service Fund balance at June 30, 2024.

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, 2025 and 2024 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 2025 General Fund expenditures include approximately \$211.0 million of pollution remediation expenditures associated with projects which were originally included in the City's capital program. The City also reported \$205.9 million of City bond proceeds and \$5.1 million of other revenues (New York City Municipal Water Finance Authority bond proceeds transferred to the City) supporting the \$211.0 million of pollution remediation expenditures in the General Fund for Fiscal Year 2025. While overall expenditures decreased across most functional areas because projects were deferred to future fiscal years without current year costs, Housing expenditures increased due to the ongoing lead and asbestos abatement programs.

In Fiscal Year 2024, \$217.9 million of City bond proceeds and \$6.8 million of other revenues supported the \$224.7 million of pollution remediation expenditures reported in the General Fund. For additional information on the City's pollution remediation obligations, see Note D.5 of the basic financials.

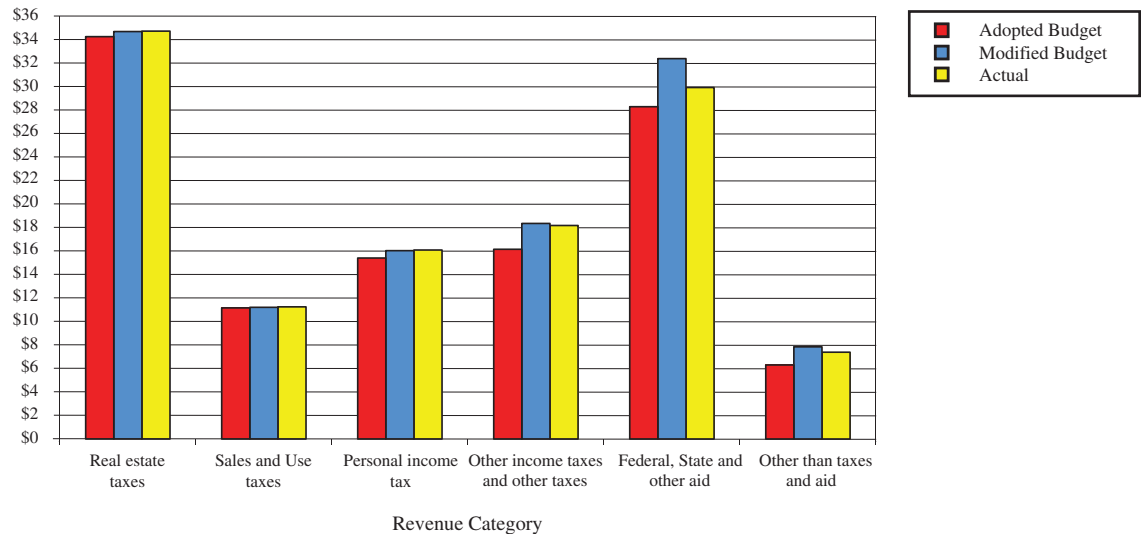
Although amounts were not established in the Adopted Budget, a modification to the budget was made to accommodate the amount of pollution remediation expenditure charge in the General Fund. These pollution remediation expenditures were incurred by various agencies, as follows:

General Fund Pollution Remediation Expenditures		
	2025	2024
	(in thousands)	
General government	\$ 9,869	\$ 30,371
Public safety and judicial	1,150	15,383
Education	112,893	119,955
Social services	1,161	299
Environmental protection	8,037	13,040
Transportation services	13,691	26,054
Parks, recreation, and cultural activities	3,138	5,383
Housing	56,549	7,486
Health, including NYC Health + Hospitals	2,989	5,958
Libraries	1,506	729
Total expenditures	<u>\$ 210,983</u>	<u>\$ 224,658</u>

**General Fund Budgetary
Highlights Revenues**

The following charts and tables summarize actual revenues by category and include restricted fund activities, for Fiscal Years 2025 and 2024 and compare revenues with each fiscal year's Adopted Budget and Modified Budget. Additional information on restricted fund activities can be found in Other Supplementary Information - Schedule G7.

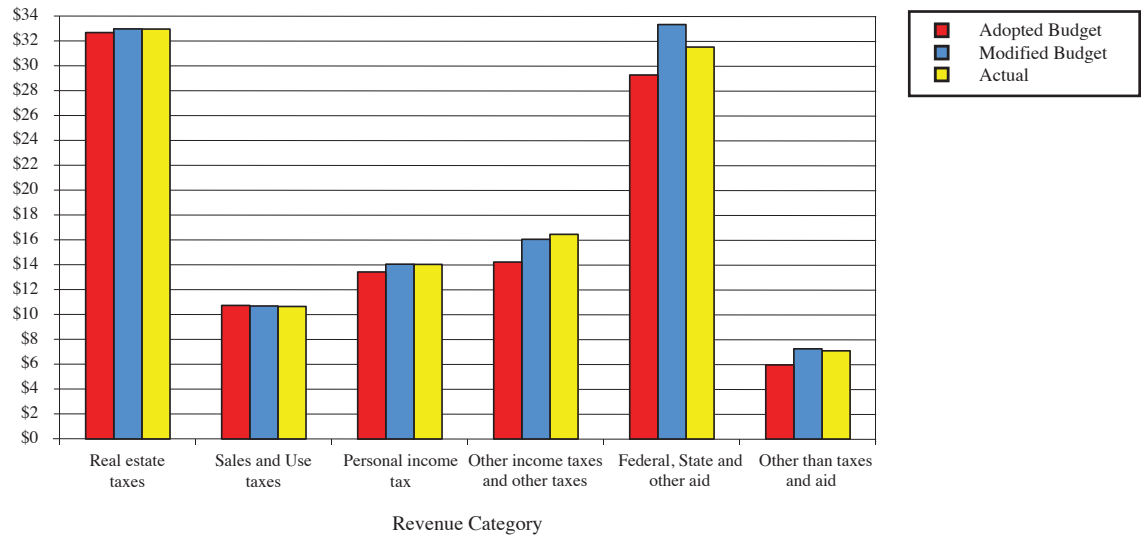
**General Fund Revenues
Fiscal Year 2025
(in billions)**



**General Fund Revenues
Fiscal Year 2025**

	Adopted Budget	Modified Budget (in millions)	Actual
Taxes (net of refunds):			
Real estate taxes.	\$ 34,280	\$ 34,714	\$ 34,757
Sales and use taxes.	11,178	11,222	11,264
Personal income tax.	15,425	16,048	16,102
Other income taxes	11,635	14,309	14,119
Other taxes.	4,530	4,058	4,073
Taxes (net of refunds)	77,048	80,351	80,315
Federal, State and other aid:			
Categorical.	28,311	32,356	29,895
Unrestricted	—	52	53
Federal, State and other aid	28,311	32,408	29,948
Other than taxes and aid:			
Charges for services.	3,520	3,535	3,501
Other revenues	2,551	3,866	3,108
Restricted fund activity	—	—	336
Bond proceeds	—	206	206
Transfers from Nonmajor Debt Service Fund	197	204	204
Transfers from General Debt Service Fund.	42	42	42
Other than taxes and aid.	6,310	7,853	7,397
Total revenues	\$111,669	\$120,612	\$117,660

General Fund Revenues
Fiscal Year 2024
(in billions)



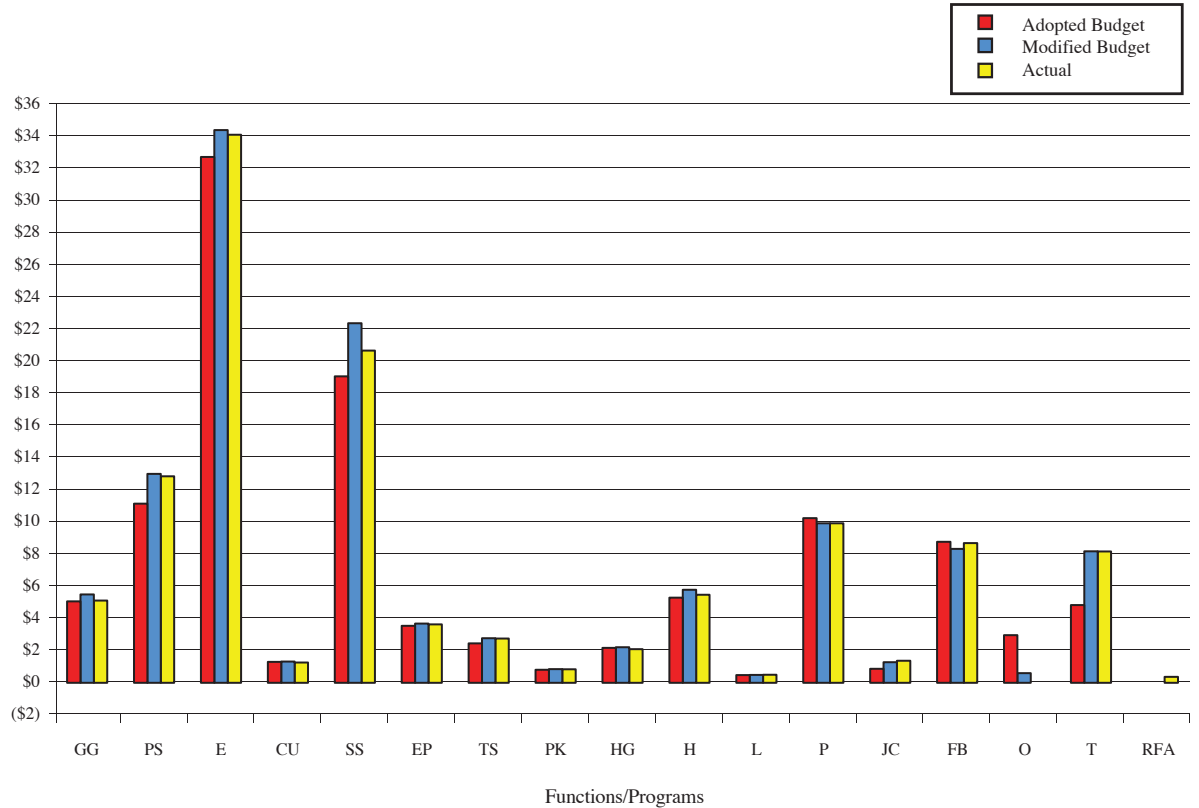
General Fund Revenues
Fiscal Year 2024

	Adopted Budget	Modified Budget (in millions)	Actual
Taxes (net of refunds):			
Real estate taxes	\$ 32,705	\$ 32,998	\$ 32,987
Sales and use taxes	10,751	10,706	10,667
Personal income tax	13,443	14,070	14,053
Other income taxes	9,849	12,411	12,772
Other taxes	4,391	3,660	3,698
Taxes (net of refunds)	<u>71,139</u>	<u>73,845</u>	<u>74,177</u>
Federal, State and other aid:			
Categorical	29,293	33,318	31,498
Unrestricted	—	32	41
Federal, State and other aid	<u>29,293</u>	<u>33,350</u>	<u>31,539</u>
Other than taxes and aid:			
Charges for services	3,142	3,275	3,147
Other revenues	2,557	3,528	3,149
Restricted fund activity	—	—	376
Bond proceeds	—	218	218
Transfers from Nonmajor Debt Service Fund	219	192	164
Transfers from General Debt Service Fund	45	45	44
Other than taxes and aid	<u>5,963</u>	<u>7,258</u>	<u>7,098</u>
Total revenues	<u>\$106,395</u>	<u>\$114,453</u>	<u>\$112,814</u>

**General Fund Budgetary
Highlights Expenditures**

The following charts and tables summarize actual expenditures by function/program and include restricted fund activities for Fiscal Years 2025 and 2024, and compare expenditures with each fiscal year's Adopted Budget and Modified Budget. Additional information on restricted fund activities can be found in Other Supplementary Information - Schedule G7.

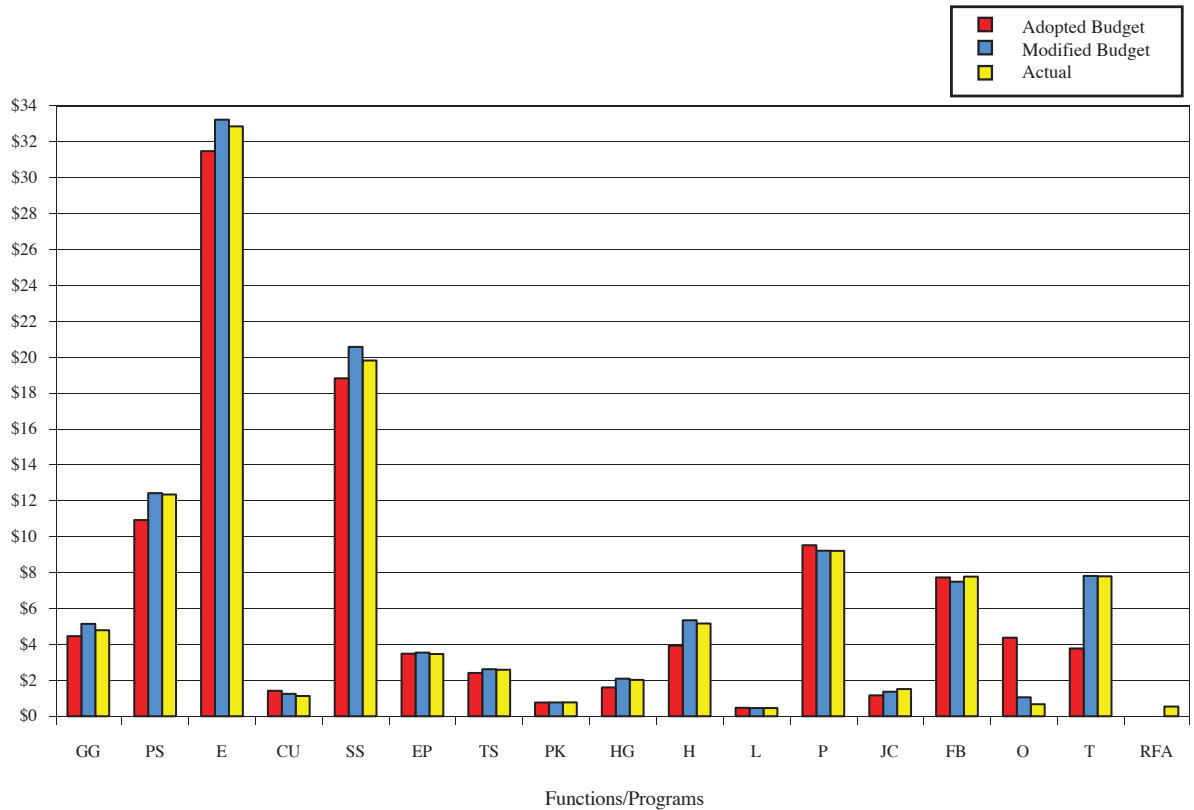
**General Fund Expenditures
Fiscal Year 2025
(in billions)**



**General Fund Expenditures
Fiscal Year 2025**

	Adopted Budget	Modified Budget (in millions)	Actual
General government (GG)	\$ 5,062	\$ 5,493	\$ 5,112
Public safety and judicial (PS)	11,138	12,987	12,839
Education (E)	32,673	34,347	34,051
City university (CU)	1,301	1,321	1,262
Social services (SS)	19,043	22,348	20,642
Environmental protection (EP)	3,549	3,688	3,633
Transportation services (TS)	2,451	2,774	2,755
Parks, recreation and cultural activities (PK)	814	854	848
Housing (HG)	2,178	2,212	2,093
Health, including NYC Health + Hospitals (H)	5,299	5,783	5,477
Libraries (L)	489	499	500
Pensions (P)	10,235	9,917	9,916
Judgments and claims (JC)	877	1,282	1,376
Fringe benefits and other benefit payments (FB)	8,765	8,329	8,689
Other (O)	2,963	601	(39)
Transfers and other payments for debt service (T)	4,832	8,175	8,166
Restricted fund activity (RFA)	—	—	371
Total expenditures	\$111,669	\$120,610	\$117,691

General Fund Expenditures
Fiscal Year 2024
(in billions)



General Fund Expenditures
Fiscal Year 2024

	Adopted Budget	Modified Budget	Actual
		(in millions)	
General government (GG)	\$ 4,464	\$ 5,148	\$ 4,794
Public safety and judicial (PS)	10,932	12,433	12,356
Education (E)	31,486	33,239	32,866
City university (CU)	1,421	1,250	1,129
Social services (SS)	18,829	20,580	19,822
Environmental protection (EP)	3,487	3,547	3,469
Transportation services (TS)	2,414	2,621	2,591
Parks, recreation and cultural activities (PK)	766	770	773
Housing (HG)	1,607	2,095	2,026
Health, including NYC Health + Hospitals (H)	3,931	5,348	5,168
Libraries (L)	472	458	458
Pensions (P)	9,530	9,223	9,215
Judgments and claims (JC)	1,165	1,367	1,516
Fringe benefits and other benefit payments (FB)	7,736	7,497	7,780
Other (O)	4,377	1,057	672
Transfers and other payments for debt service (T)	3,778	7,820	7,798
Restricted fund activity (RFA)	—	—	540
Total expenditures	\$106,395	\$114,453	\$112,973

General Fund Surplus

The City had General Fund surpluses of \$3.8 billion, \$4.4 billion and \$5.5 billion before certain expenditures and transfers (discretionary and other), and without regard to the restricted fund balance for Fiscal Years 2025, 2024 and 2023, respectively. For Fiscal Years 2025, 2024 and 2023, 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 2025, 2024 and 2023 budgets follow:

	General Fund		
	2025	2024	2023
	(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.	\$ 131	\$ —	\$ 85
Discretionary transfers to the General Debt Service Fund	1,312	1,954	2,727
Grant to TFA	2,344	2,443	2,166
Payment to the Retiree Health Benefits Trust	—	—	500
Total expenditures and transfers (discretionary and other)	3,787	4,397	5,478
Reported surplus*	5	5	5
Total surplus.	<u>\$ 3,792</u>	<u>\$ 4,402</u>	<u>\$ 5,483</u>

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

Final results for any given fiscal year may differ greatly from that year's Adopted Budget. The following table shows the variance between actuals and amounts for the Fiscal Year ended 2025 Adopted Budget:

	2025 (in millions)
Additional Resources:	
Allocation of general reserve and capital stabilization reserve	\$ 1,450
Lower than expected other expenditures – general	1,364
Higher than expected Federal categorical aid	1,322
Higher than expected business income tax collections	1,223
Higher than expected personal income tax and pass-through entity tax collections	1,187
Lower than expected all other personnel services spending	1,061
Higher than expected State categorical aid	584
Higher than expected real estate tax collections	477
Higher than expected other miscellaneous revenue	410
Lower than expected debt service spending (net of prepayment of Fiscal Year 2026 costs)	402
Lower than expected Medicaid spending	367
Lower than expected pension costs	322
Higher than expected all other tax collections	265
Higher than expected interest income	261
Higher than expected pollution remediation bond proceeds	206
Higher than expected revenue from fines and forfeitures	190
Higher than expected mortgage recording tax collections	86
Lower than expected supply and material costs (excluding fuel)	86
Lower than expected other administrative services spending	83
Lower than expected energy costs	70
Higher than expected utility tax collections	55
Higher than expected revenue from rental, housing and other general government charges	54
Higher than expected other unrestricted aid	53
Higher than expected commercial rent tax collections	37
Restricted fund activity adjustment*	36
Higher than expected revenue from licenses, permits and privileges	18
Higher than expected Capital Fund reimbursements for Interfund Agreements	13
Lower than expected contribution to disallowance reserve	8
Total	<u>11,690</u>
Enabled the City to provide for:	
Prepayments for certain debt service costs due in Fiscal Year 2026	3,787
Higher than expected contractual services costs	2,388
Higher than expected overtime spending	1,148
Higher than expected public assistance costs	996
Higher than expected all other social service spending (excluding Medicaid and public assistance costs)	811
Higher than expected all other fixed and miscellaneous charges	791
Higher than expected judgments and claims costs	471
Higher than expected health insurance spending	438
Lower than expected non-governmental grant revenue	310
Higher than expected pollution remediation costs	211
Higher than expected payments to NYC Health + Hospitals	144
Higher than expected property and equipment spending	55
Lower than expected real property transfer tax collections	32
Lower than expected sales tax collections	30
Lower than expected revenue from water and sewer charges	73
Total	<u>11,685</u>
Reported Surplus – Net of Restricted Fund Activities	<u>\$ 5</u>

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

Final results for any given fiscal year may differ greatly from that year's Adopted Budget. The following table shows the variance between actuals and amounts for the Fiscal Year ended 2024 Adopted Budget:

	2024 (in millions)
Additional Resources:	
Lower than expected all other personal services costs	\$ 1,886
Higher than expected general corporation tax collections	1,764
Reallocation of general reserve	1,200
Higher than expected state categorical aid	1,179
Higher than expected federal categorical aid	1,077
Lower than expected all other administrative costs	1,068
Greater than expected personal income tax collections	624
Greater than expected all other miscellaneous revenues	484
Greater than expected unincorporated business tax collections	462
Lower than expected Medicaid spending	405
Lower than expected debt service spending (net of roll)	356
Lower than expected supplies and materials costs (excluding fuel costs)	346
Lower than expected pension costs	314
Higher than expected real estate tax collections	282
Greater than expected interest income	261
Greater than expected pollution remediation bond proceeds	218
Lower than expected energy costs	204
Higher than expected revenues from fines and forfeitures	189
Restricted fund activity*	164
Higher than expected sales tax collections	160
Higher than expected pass-through entity tax collections	157
Greater than expected all other tax collections	120
Lower than expected property and equipment costs	119
Higher than expected revenues from water and sewer charges	91
Higher than expected commercial rent tax collections	70
Higher than expected unrestricted aid	41
Higher than expected revenues from licenses, permits and privileges	22
Higher than expected Capital Fund reimbursements for Interfund Agreements	22
Lower than expected contribution to disallowance reserve	2
Total	<u>13,287</u>
Enabled the City to provide for:	
Prepayments for certain debt service costs due in Fiscal Year 2025	4,397
Greater than expected contractual services costs	2,651
Higher than expected payments to NYC Health + Hospitals	1,276
Higher than expected overtime spending	1,255
Higher than expected all other fixed and miscellaneous charges	769
Greater than expected public assistance spending	740
Higher than expected all other social services spending (excluding Medicaid and public assistance)	607
Greater than expected judgments & claims costs	354
Lower than expected mortgage tax collections	256
Greater than expected pollution remediation costs	225
Higher than expected health insurance costs	225
Lower than expected real property transfer tax collections	212
Lower than expected banking corporation tax collections	106
Lower than expected non-governmental grants	97
Lower than expected revenues from all other general government charges	85
Lower than expected utility tax collections	27
Total	<u>13,282</u>
Reported Surplus – Net of Restricted Fund Activities	<u>\$ 5</u>

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

Capital Assets

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

Governmental Activities

	2025	2024	2023
		(in millions)	
Land*	\$ 2,725	\$ 2,693	\$ 2,624
Buildings	37,687	35,959	33,601
Equipment (including software and subscription). . .	3,995	3,842	5,604
Infrastructure**	20,889	20,028	20,538
Lease assets	11,349	12,126	12,564
Construction work-in-progress*	12,256	10,751	10,296
Total	<u>\$88,901</u>	<u>\$85,399</u>	<u>\$85,227</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 2025 was \$3.5 billion, a 4.1% increase. Capital assets additions in Fiscal Year 2025 were \$14 billion, a decrease of \$1.0 billion from Fiscal Year 2024. In 2025, construction work-in-progress was \$12.3 billion, representing a 14.0% net increase. The 2025 addition to work-in-progress was \$5.8 billion, a 6.2% increase from prior year.

The net increase in the City's governmental activities capital assets during Fiscal Year 2024 was \$0.2 billion, a 0.2% increase. Capital assets additions in Fiscal Year 2024 were \$15 billion, a decrease of \$16.2 billion from Fiscal Year 2023. In 2024, construction work-in-progress was \$10.8 billion, representing a 4.4% net increase. The 2024 addition to work-in-progress was \$5.5 billion, a 8.0% increase from prior year.

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

	2025	2024	2023
		(in millions)	
Buildings	\$ 28	\$ 30	\$ 30
Equipment (including software)	7	9	9
Infrastructure**	459	475	503
Construction work-in-progress*	110	100	80
Total	<u>\$ 604</u>	<u>\$ 614</u>	<u>\$ 622</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 decrease in the City's business-type activities Capital assets during Fiscal Year 2025 was \$10 million, a 1.6% decrease. Capital asset additions net of depreciation in Fiscal Year 2025 were \$11.7 million, an increase of \$1.2 million, from Fiscal Year 2024.

In 2025, construction work-in-progress was \$110 million, representing a 10% net increase. The 2025 addition to work-in-progress was \$31.3 million, a 20.9% decrease from prior year.

The net decrease in the City's business-type activities capital assets during Fiscal Year 2024 was \$8.4 million, a 1.4% decrease. Capital asset additions net of depreciation in Fiscal Year 2024 were \$10.5 million, a decrease of \$76.7 million, from Fiscal Year 2023.

In 2024, construction work-in-progress was \$100.3 million, representing a 25% net increase. The 2024 addition to work-in-progress was \$39.6 million, a 26.8% decrease from prior year.

The City, through the Comptroller's Office Bureau 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 2025, 2024 and 2023.

	New York City and City-Related Debt		
	2025	2024	2023
	(in millions)		
Governmental Activities:			
Bonds and notes payable			
General Obligation Bonds	\$ 46,721	\$ 41,701	\$ 40,093
TFA Bonds	55,557	49,946	45,627
TFA BARBs	7,456	7,672	7,879
TSASC Bonds	879	909	938
IDA Bonds	42	47	52
HYIC Bonds	2,521*	2,552*	2,519
ECF Bonds	258	282	290
Total bonds and notes outstanding governmental activities	<u>113,434</u>	<u>103,109</u>	<u>97,398</u>
Business-Type Activities:			
Bonds and notes payable			
Tax Lien Collateralized Bonds	—	4	21
Total bonds and notes outstanding business-type activities	<u>—</u>	<u>4</u>	<u>21</u>
Total before premiums/discounts (net)	113,434	103,113	97,419
Premiums/discounts (net)	<u>7,597</u>	<u>7,217</u>	<u>7,132</u>
Total bonds and notes outstanding	<u>\$121,031</u>	<u>\$110,330</u>	<u>\$104,551</u>

* HYIC bonds outstanding consists of \$2.4 billion of fixed rate bonds outstanding and approximately \$108.5 million of a term loan facility which has been drawn as of June 30, 2025.

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, 2025, the City's outstanding General Obligation (GO) debt, including capital contract liabilities and TFA's outstanding debt above \$21.5 billion (refer to Note D.5 for further details) totaled \$107.7 billion (compared with \$106.3 billion and \$96.9 billion as of June 30, 2024 and 2023, respectively). As of June 30, 2025, the City's Debt Limit was \$136.8 billion (compared with \$131.6 billion and \$127.5 billion as of June 30, 2024 and 2023, respectively). The remaining debt incurring power for the City and TFA's combined debt as of June 30, 2025 after providing for capital contract liabilities, totaled \$29.1 billion. As of July 1, 2025, the remaining debt incurring power is \$44.4 billion, primarily based on the change in the five-year full valuation average for fiscal year 2025 and an additional \$9 billion of debt incurring power granted to the TFA in State legislation.

As of June 30, 2025, the City's outstanding GO debt was \$46.7 billion, consisting of \$4.6 billion of variable rate bonds and \$42.1 billion of fixed rate bonds. In Fiscal Year 2025, the City issued \$6.3 billion of tax exempt bonds and \$3.5 billion of taxable bonds, for a total of \$9.8 billion. This total includes \$2.0 billion issued to refund a portion of the City's outstanding bonds at lower interest rates and \$7.7 billion of bonds for new money for capital purposes. The proceeds of the refunding issues were placed in irrevocable escrow accounts in amounts sufficient to pay, when due, all principal, interest, and applicable redemption premium, if any, on the refunded bonds. These refundings produced budgetary savings of \$28.9 million, \$35.9 million and \$35.9 million in Fiscal Years 2025, 2026 and 2027, respectively. The refunding will generate \$150.2 million in budgetary savings over the life of the bonds or approximately \$129.4 million of savings on a net present value basis.

In addition, the City converted \$139 million of bonds from variable rate to fixed rate interest mode.

During Fiscal Year 2025, the average interest cost for GO variable rate debt was the following:

	<u>Tax Exempt</u>
Dailies ⁽¹⁾	2.83%
Weeklies ⁽¹⁾	2.98%
Auction Rate Securities ⁽²⁾	3.27%
% SIFMA Index Floaters ⁽³⁾	3.53%
% SOFR Index Floaters ⁽³⁾⁽⁴⁾	4.38%
Adjustable Rate Remarketed Securities ⁽⁵⁾	2.86%

⁽¹⁾ Remarketed with bank support; rates do not include bank commitment or remarketing fees.

⁽²⁾ Rates do not include broker-dealer fees.

⁽³⁾ Rates include fixed spread to relevant index.

⁽⁴⁾ As of June 30, 2025, the City no longer has any % SOFR Index Floaters Outstanding. The 2006 I-6 bonds were redeemed on March 20, 2025.

⁽⁵⁾ Rates do not include remarketing fees.

Short-Term Financing

In Fiscal Year 2025, the City had no short-term borrowings.

Transitional Finance Authority

In Fiscal Year 2025, TFA issued \$12.8 billion of Future Tax Secured (FTS) Bonds. This total included \$7.9 billion issued for new money capital purposes and \$4.9 billion issued to refund certain outstanding bonds at lower interest rates. The refundings generated \$443 million in budgetary savings over the life of the bonds.

As of June 30, 2025, the total outstanding FTS debt was \$55.6 billion. Of the amount outstanding, variable rate debt totaled \$3.4 billion. During Fiscal Year 2025, the average interest cost for TFA variable rate debt was the following:

	<u>Tax Exempt</u>
Dailies ⁽¹⁾	2.82%
Weeklies ⁽¹⁾	2.99%
Auction Rate Securities	N/A
% SIFMA Index Floaters ⁽²⁾	3.46%
% SOFR Index Floaters	N/A
Adjustable Rate Remarketed Securities	N/A

⁽¹⁾ Remarketed with bank support; rates do not include bank commitment or remarketing fees.

⁽²⁾ Rates include fixed spread to relevant index.

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 2025, TFA had no financing activity for TFA BARBs. As of June 30, 2025, TFA BARBs outstanding totaled \$7.5 billion.

<i>TSASC, Inc.</i>	In Fiscal Year 2025, TSASC had no financing activity. As of June 30, 2025, TSASC had \$878.7 million of bonds outstanding.
<i>Hudson Yards Infrastructure Corporation</i>	In Fiscal Year 2025, HYIC drew \$18.4 million from its construction loan. As of June 30, 2025, HYIC had \$2.5 billion of bonds outstanding, inclusive of \$2.4 billion of fixed rate bonds and approximately \$108.5 million of a term loan facility which has been drawn upon.
<i>New York City Educational Construction Fund</i>	In Fiscal Year 2025, ECF had a partial redemption of the Series 2010A Bonds by paying down \$15.7 million of the principal. As of June 30, 2025, ECF had \$257.8 million of bonds outstanding.
<i>New York City Tax Lien Trusts</i>	In Fiscal Year 2025, the New York City Tax Lien Trusts had no financing activity. As of June 30, 2025, the New York City Tax Lien Trusts had no bonds outstanding.
<i>Interest Rate Exchange Agreements</i>	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 2025. As of June 30, 2025, 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 \$145.9 million and the mark to market value was approximately negative \$6.8 million. Additional information on the City's long-term liabilities can be found in Note D.5 of the Basic Financial Statements.

Subsequent Events

Subsequent to June 30, 2025, TFA and the City completed the following long-term financings:

TFA Debt

On August 12, 2025, the New York City Transitional Finance Authority issued \$1,700,000,000 of Fiscal 2026 Series A Future Tax Secured Subordinate Bonds for capital purposes.

On August 28, 2025, the New York City Transitional Finance Authority issued \$1,390,090,000 of Fiscal 2026 Series S-1, S-2, and S-3 Building Aid Revenue Bonds to refund a portion of its outstanding bonds at lower interest rates.

On October 30, 2025, the New York City Transitional Finance Authority issued \$1,500,000,000 of Fiscal 2026 Series B Future Tax Secured Subordinate Bonds for capital purposes.

City Debt

On August 19, 2025, the City of New York issued \$1,891,180,000 of Fiscal 2026 Series A, B, and C General Obligation Bonds for capital purposes and to refund a portion of its outstanding bonds at lower interest rates.

On October 23, 2025, the City of New York issued \$1,500,000,000 of Fiscal 2026 Series D General Obligation Bonds for capital purposes.

On October 23, 2025, the City of New York issued \$1,880,000,000 of Fiscal 2026 Series E General Obligation Bonds for capital purposes.

Commitments

On May 1, 2025, the City published the Ten-Year Capital Strategy for fiscal years 2026 through 2035 (the “Ten-Year Capital Strategy”). The Ten-Year Capital Strategy totals \$173.4 billion, of which approximately 97.4% would be financed with City funds. The Ten-Year Capital Strategy includes, among other items: (i) \$25.2 billion to construct new schools and improve existing educational facilities, including CUNY; (ii) \$33.3 billion for improvements to the water and sewer system; (iii) \$24.7 billion for expanding and upgrading the City’s housing stock; (iv) \$12.5 billion for reconstruction or resurfacing of City streets; (v) \$0.4 billion for continued City-funded investment in mass transit; (vi) \$17.0 billion for the continued reconstruction and rehabilitation of all four East River bridges and 108 other bridge structures; (vii) \$12.0 billion to design and construct new jail facilities as well as to upgrade equipment, vehicles, and necessary systems; and (viii) \$2.8 billion for construction and improvement of court facilities. Programs in the Ten-Year Capital Strategy financed with City funds are currently expected to be funded primarily from the issuance of bonds by the City, the Water Authority and the TFA.

On January 31, 2019, NYCHA, the City and the U.S. Department of Housing and Urban Development (“HUD”) entered into an agreement (the “HUD Agreement”) relating to lead-based paint and other health and safety concerns in NYCHA’s properties. The HUD Agreement established a framework by which NYCHA will continue to evaluate, and make progress towards, its compliance with federal requirements. Pursuant to the HUD Agreement, a federal monitor, with access to NYCHA information and personnel, was appointed to oversee NYCHA’s compliance with the terms of such agreement and federal regulations. The first term of the monitorship ran from 2019-2024 and a second term with a new monitor began on February 28, 2024. The federal monitor has issued and will continue to issue quarterly reports on NYCHA’s compliance with the HUD Agreement. Pursuant to the HUD Agreement, the City allocated \$1.7 billion in capital funding in the Capital Commitment Plan for fiscal years 2025-2029, with an additional \$1.2 billion in City capital funds reflected in the remaining years of the Ten-Year Capital Strategy for fiscal years 2030 through 2035. In connection with its required Annual Plan certifications following execution of the HUD Agreement, NYCHA stated that it may be out of compliance with a number of federal regulations beyond the regulations concerning lead-based paint and other health and safety concerns that were the subject of the HUD Agreement. For this reason, the 2025-2029 Capital Commitment Plan reflects a total of \$2.0 billion of City capital funding towards Permanent Affordability Commitment Together and the New York City Public Housing Preservation Trust projects.

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.