
THE CITY OF NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 and 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of The City of New York (City or primary government) are presented in conformity with Generally Accepted Accounting Principles (GAAP) for State and local governments in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The amounts shown in the “Primary Government” and “component units” columns of the accompanying government-wide financial statements are only presented to facilitate financial analysis and are not the equivalent of consolidated financial statements.

The following is a summary of the significant accounting policies and reporting practices of the City:

1. Reporting Entity

The City is a municipal corporation governed by the Mayor and the City Council. The City’s operations also include those normally performed at the county level and, accordingly, transactions applicable to the operations of the five counties that comprise the City are included in these financial statements.

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

The City is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of an organization’s governing body, and either the City is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent on the City if there is a potential for the organizations to provide specific financial benefits to the City or impose specific financial burdens on the City, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards. The City is financially accountable for all of its component units.

Some component units are included in the financial reporting entity by discrete presentation. Other component units, despite being legally separate from the City, are so integrated with the City that they are in substance part of the City. These component units are blended with the City.

The New York City Transit Authority is an affiliated agency of the Metropolitan Transportation Authority (MTA) of the State of New York (State), which is a component unit of the State and is thus excluded from the City’s financial reporting entity.

All of the component units publish separate annual financial statements, which are available at: Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007, or at www.comptroller.nyc.gov.

Blended Component Units

Component Units that provide service exclusively to the City, whose governing bodies are substantially the same as that of the City, whose total debts outstanding are expected to be repaid with resources of the City, or who are organized as not-for-profits and the City is the sole corporate member (business-type activities), are reported as if they were part of the City, or blended into the City’s financial statements. They include the following:

Hudson Yards Development Corporation (HYDC). HYDC is a corporation organized in 2005 under the Not-for-Profit Corporation Law of the State of New York. HYDC was formed to manage and implement its economic development initiative to redevelop the Hudson Yards area on the West Side of Manhattan. HYDC collaborates with the various City and State entities and agencies that are involved in financing, planning, development and construction. HYDC is governed by a 13-member Board of Directors.

Hudson Yards Infrastructure Corporation (HYIC). HYIC is a corporation organized in 2005 under the Not-for-Profit Corporation Law of the State of New York. HYIC was formed for the purpose of financing certain infrastructure improvements in the Hudson Yards area on the West Side of Manhattan. HYIC does not engage in development directly, but finances development spearheaded by HYDC and carried out by existing public entities. HYIC fulfills its purpose through the issuance of bonds to finance the improvements, including the operations of the Hudson Yards Development Corporation, and the collection of revenues, including payments in lieu of taxes and district improvement bonuses from private developers. HYIC is governed by a five-member Board

of Directors. HYIC does not have any employees; its affairs are administered by employees of the City and of the Water Authority, for which it pays a management fee and overhead based on its allocated share of personnel and overhead costs.

New York City Educational Construction Fund (ECF). ECF is a public benefit corporation organized in 1967 by the State of New York Legislature. It was formed to construct mixed-use real estate projects that include new school facilities, thereby increasing the number of seats for the Department of Education (DOE). ECF builds combined-occupancy structures on City-owned land conveyed to ECF by the City. ECF is self-funded, and receives no capital funding from the City. The revenues received by ECF from the non-school portions of its projects pay the debt service of ECF-issued Bonds. If revenues are insufficient, the City would be required to make rental payments on the school portions. ECF is governed by a three-member Board of Trustees.

New York City School Bus Umbrella Services Inc. (NYCSBUS). NYCSBUS was founded in 2021 under the Not-for-Profit Corporation Law of the State of New York. NYCSBUS provides school bus transportation services to New York City public and private school students, the majority of whom have special needs. NYCSBUS receives funding from the City and is governed by a five-member Board of Directors.

New York City School Construction Authority (SCA). SCA is a public benefit corporation organized in 1988 by the State of New York Legislature. SCA's responsibilities, as defined in the enabling legislation, are the design, construction, reconstruction, improvement, rehabilitation, and repair of the City's public schools. SCA's operations are funded by appropriations made by the City. SCA also carries out certain projects funded by the City Council and Borough Presidents, pursuant to the City Charter. SCA is governed by a three-member Board of Trustees.

New York City School Support Services, Inc. (NYCSSS). NYCSSS is a Type C corporation organized in 2016 under the Not-For-Profit Corporation Law of the State of New York. NYCSSS was formed for the purpose of providing staffing of custodial helpers for the City's Department of Education (DOE). NYCSSS operations are funded by the DOE from appropriations provided by the City. NYCSSS is governed by a five-member Board of Directors.

New York City Transitional Finance Authority (TFA). TFA is a public benefit corporation organized in 1997 by the State of New York Legislature. Its primary purpose is to finance a portion of New York City's capital improvement plan. TFA issues and sells bonds and notes to fund a portion of the City's capital program, the purpose of which is to maintain, rebuild, and expand the City's infrastructure and to pay TFA's administrative expenses. The Bonds are secured by the City's collections of personal income tax and, if necessary, sales tax. TFA is governed by a five-member Board of Directors. TFA does not have any employees; its affairs are administered by employees of the City and of the Water Authority, for which TFA pays a management fee and overhead, based on its allocated share of personnel and overhead costs.

TSASC, Inc. (TSASC). TSASC is a corporation organized in 1998 under the Not-for-Profit Corporation Law of the State of New York. TSASC was formed as a financing entity to issue and sell bonds and notes to fund a portion of the City's capital program. Pursuant to a purchase and sale agreement with the City, the City sold to TSASC all of its future rights, titles, and interest in the tobacco settlement revenues under the Master Settlement Agreement and the Decree and Final Judgment. The proportion of these revenues pledged to debt service was 37.4 percent. TSASC is governed by a five-member Board of Directors. TSASC does not have any employees; its affairs are administered by employees of the City and of the Water Authority, for which TSASC pays a management fee, rent, and overhead based on its allocated share of personnel and overhead costs.

Business-type Activities

Brooklyn Bridge Park Corporation (BBPC). BBPC is a corporation organized in 2010 under the Not-for-Profit Corporation Law of the State of New York. BBPC is responsible for the planning, construction, maintenance, and operation of Brooklyn Bridge Park, an 85-acre sustainable waterfront park, stretching 1.3 miles along Brooklyn's East River shoreline. BBPC operates under a mandate to be self-sustaining. While a small fraction of the required operations and maintenance funds for the Park will be collected from concessions located throughout, the majority of the funds will come from a limited number of revenue-generating development sites within the Park. BBPC receives funding for park construction from the City and the City's Department of Parks and Recreation. It is governed by a 17-member Board of Directors.

Governors Island Corporation, doing business as The Trust for Governors Island (TGI). TGI is a corporation organized in 2010 under the Not-for-Profit Corporation Law of the State of New York. It was formed for the purpose of lessening the burdens of government by providing the planning, preservation, redevelopment, and ongoing operations and maintenance of approximately 150 acres of Governors Island plus surrounding lands underwater. TGI receives funding from the City, and is governed by a 13-member Board of Directors.

New York City Tax Lien Trusts (NYCTL Trusts). The NYCTL Trusts are Delaware statutory trusts, which were organized to acquire certain tax liens from the City in exchange for the proceeds from bonds issued by the NYCTL Trusts, net of reserves funded by the bond proceeds and bond issuance costs. The City is the sole beneficiary of the NYCTL Trusts and is entitled to receive distributions from the NYCTL Trusts after payments to the bondholders and certain reserve requirements have been satisfied. The NYCTL Trusts are governed by the Declarations and Agreements of Trust between The City of New York and the Wilmington Trust Company of Wilmington, Delaware (the Owner Trustee). The NYCTL Trusts are:

- NYCTL 1998-2 Trust
- NYCTL 2021-A Trust
- NYCTL 2025-A Trust

WTC Captive Insurance Company, Inc. (WTC Captive). WTC Captive is a corporation organized in 2004 under the Not-for-Profit Corporation Law of the State of New York in response to the events of September 11, 2001. WTC Captive supports a liability insurance contract that provides specified coverage (including general liability, environmental liability, professional liability, and marine liability) against certain third-party claims made against the City and approximately 145 contractors and subcontractors working on the City's Federal Emergency Management Agency (FEMA)-funded debris removal project. As all of WTC Captive's resources must be used to satisfy obligations under the contract or returned; it reports only changes to its liabilities and no net position. WTC Captive was funded on December 3, 2004 with \$999.9 million in funds by FEMA. WTC Captive is governed by a five-member Board of Directors.

Discretely Presented Component Units

Component units that do not meet the criteria for blending are presented discretely, separate from the financial data of the City. The component units' column in the government-wide financial statements includes the financial data of these entities, which are reported in a separate column to emphasize that they are legally separate from the City.

The following entities are presented discretely as major component units:

New York City Economic Development Corporation (EDC). EDC was organized in 1991 under the Not-for-Profit Corporation Law of the State of New York. Its primary activities consist of rendering a variety of services and administering certain economic development programs on behalf of the City relating to the attraction, retention, and expansion of commerce in the City. In order to provide these services, EDC primarily generates revenues from property rentals and real estate sales. EDC is governed by a 27-member Board of Directors.

New York City Health and Hospitals Corporation (NYC Health + Hospitals). NYC Health + Hospitals was organized in 1969 by the New York State Legislature as a public benefit corporation the Department of Hospitals operating city hospitals and other health care facilities. NYC Health + Hospitals was formed to enable it to benefit from private revenues and funding; it assumed responsibility for the operation of the City's municipal hospital system in 1970. NYC Health + Hospitals provides medical and mental health services, regardless of a patient's ability to pay. NYC Health + Hospitals is governed by a 16-member Board of Directors.

New York City Housing Authority (NYCHA). NYCHA is a public benefit corporation organized in 1934 under the New York State Public Housing Law. NYCHA develops, constructs, manages, and maintains affordable housing for eligible low-income families in the City. NYCHA also maintains a leased housing program, which provides housing assistance payments to families. Substantial operating losses result from the essential services that NYCHA provides exceeding revenues. To meet the funding requirements of these operating losses, NYCHA receives subsidies from: (a) the Federal government, primarily the U.S. Department of Housing and Urban Development, in the form of annual grants for operating assistance, debt service payments, contributions for capital, and reimbursement of expenditures incurred for certain Federal housing programs; (b) New York State in the form of debt service and capital payments; and (c) the City in the form of debt service and capital payments. NYCHA is governed by a seven-member Board of Directors.

New York City Housing Development Corporation (HDC). HDC is a public benefit corporation organized in 1971 by the New York State Legislature as a supplementary and alternative means of supplying financing for affordable housing that was independent from the City's capital budget. HDC encourages the investment of private capital through low-interest mortgage loans in order to increase the supply of safe and sanitary dwelling accommodations for families and persons whose need for housing accommodations cannot be provided by unassisted private enterprise. To accomplish its objectives, HDC is empowered to finance housing through new construction or rehabilitation and to provide permanent financing for multi-family residential housing. HDC finances significant amounts of its activities through the issuance of bonds, notes and debt obligations. HDC is governed by a seven-member Board of Directors.

New York City Water and Sewer System (the System). The System is a joint operation consisting of two legally-separate and independent entities - the New York City Municipal Water Finance Authority (Water Authority) and the New York City Water Board (Water Board). Both entities were organized in 1984. The System, which began operations in 1985, provides water supply, treatment, distribution, sewage collection, treatment, and disposal for the City. The Water Authority issues debt to finance the cost of capital improvements to the System. The Water Board leases the System from the City and sets and collects rates, fees, rents, and other charges for the use of, or for services furnished, rendered, or made available by the System to produce revenue sufficient to pay debt service on the Water Authority's bonds and to put the System on a self-sustaining basis. The Water Authority is governed by a seven-member Board of Directors. The Water Board also has a seven-member Board of Directors. The Water Board does not have any employees.

The following entities are presented discretely as nonmajor component units:

Brooklyn Navy Yard Development Corporation (BNYDC). BNYDC is a corporation organized in 1981 under the Not-for-Profit Corporation Law of the State of New York. The mission of the BNYDC is to fuel the City's economic vitality by creating and preserving quality jobs, growing the City's modern industrial sector and its businesses, and connecting the local community with the economic opportunity and resources of the Navy Yard. BNYDC serves as a real estate developer and property manager of the Navy Yard on behalf of the City. The BNYDC is governed by a 25-member Board of Directors.

Brooklyn Public Library (BPL). BPL is a corporation organized in 1902 under the Not-for-Profit Corporation Law of the State of New York. BPL serves Brooklyn residents with a Central Library, a Business Library, and approximately 60 branch locations. BPL receives significant support through governmental appropriations, primarily from the State and the City. BPL is governed by a 38-member Board of Trustees.

Build NYC Resource Corporation (Build NYC). Build NYC is a corporation organized in 2011 under the Not-For-Profit Corporation Law of the State of New York. Its primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities and to refinance previous financing transactions. Build NYC is a self-supporting entity and follows enterprise fund reporting. It is governed by a 15-member Board of Directors. Build NYC does not have any employees; under an agreement with the New York City Economic Development Corporation (EDC), EDC provides Build NYC with professional, administrative, and technical assistance.

New York City Business Assistance Corporation (NYBAC). NYBAC is a corporation organized in 1988 under the Not-for-Profit Corporation Law of the State of New York. Its purpose includes, but is not limited to, relieving and reducing unemployment; promoting and providing for additional and maximum employment in New York City; encouraging the development and/or retention of business in the City; and instructing or training individuals to improve or develop their capabilities for jobs in business. NYBAC is funded primarily through private sources, along with a small appropriation from the State in support of revitalization projects of eligible main street and surrounding downtown areas. NYBAC is governed by a five-member Board of Directors. NYBAC does not have any employees; it receives administrative, financial, legal, and other services necessary for its administration from the Department of Small Business Services (SBS).

New York City Industrial Development Agency (IDA). IDA is a public benefit corporation organized in 1974 by the New York State Legislature. IDA was formed to actively promote, retain, attract, encourage, and develop an economically-sound commerce and industry base to prevent unemployment and economic deterioration in the City. Under its programs, IDA may provide one or more of the following tax benefits: exemption from mortgage recording tax; payments in lieu of real property taxes (PILOTs) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. IDA is a self-supporting entity and follows enterprise fund reporting. IDA is governed by a 15-member Board of Directors. IDA does not have any employees; under an agreement with the EDC, EDC provides IDA with professional, administrative, and technical assistance.

New York City Land Development Corporation (LDC). LDC is a corporation organized in 2012 under the Not-for-Profit Corporation Law of the State of New York. Its mission is to encourage economic growth throughout the five boroughs of the City by acquiring City-owned property and disposing of it to strengthen the City's competitive position and facilitate investments that build capacity, generate economic opportunity, and improve the quality of life. LDC is funded by operating grants from EDC and is governed by a five-member Board of Directors. LDC does not have any employees; under an agreement with EDC, EDC provides LDC with professional, administrative, and technical assistance.

New York City Neighborhood Capital Corporation (NYCNCC). NYCNCC is a corporation organized in 2014 under the Not-for-Profit Corporation Law of the State of New York. It was formed for the following purposes: (a) to make qualified low income community investments in the service area of the City; (b) to operate as a qualified Community Development Entity (CDE) under the Federal New Markets Tax Credit Program; (c) to form and manage subsidiary limited liability companies which are certified as CDEs to receive equity contributions, which will be utilized primarily to make qualified low-income community investments; and (d) to engage in all activities consistent with the business of NYCNCC. NYCNCC charges fees for services, which include, but are not limited to, placement and services fees, sponsor fees, asset management fees, and incentive management fees. The NYCNCC is governed by an 11-member Board of Directors. NYCNCC does not have any employees; under an agreement with EDC, EDC provides NYCNCC with professional, administrative, and technical assistance.

Public Realm Improvement Fund Governing Group, Inc. (Governing Group). The Governing Group is a corporation organized in 2017 under the Not-for-Profit Corporation Law of the State of New York. The Governing Group was formed for the exclusively charitable and public purpose of lessening the burdens of the City and acting in the public's interest, by bolstering and enhancing New York City's East Midtown district status as a premier central business district through public realm improvement projects. Contributions into the Governing Group are received from projects that use development rights from landmarks within the East Midtown Subdistrict or that rebuild non-complying floor area in accordance with 81-60 of the Zoning Resolution. The Governing Group is governed by a 13-member Board of Directors. The Governing Group does not have any employees; EDC and the New York City Department of City Planning provide the Governing Group with professional, administrative, and technical assistance.

The Mayor's Fund to Advance New York City (the Fund). The Fund was initially incorporated in 1994 under the name New York City Public Private Initiatives, Inc. and under the Not-for-Profit Corporation Law of the State of New York. In July 2003, the Fund adopted its current name. Its purpose is to create partnerships between the City and the private sector in an effort to enhance public programs and improve the quality of life for New York City's residents. The Fund is supported by diverse funding sources, which include the City, interest income, and administrative fee income. The Fund is governed by a six-member Board of Directors.

The Queens Borough Public Library and Affiliate (QBPL). QBPL is a corporation organized in 1907 under the Not-for-Profit Corporation Law of the State of New York. QBPL is a free association library and provides free public library service in the Borough of Queens. The library receives a substantial amount of support from the City, in addition to support from other governmental entities, and private sources. The operations of QBPL also includes its affiliate, Queens Library Foundation, Inc., which supports QBPL. The library is governed by a 19-member Board of Trustees.

2. Basis of Presentation

Government-Wide Statements: The government-wide financial statements (*the Statement of Net Position* and *the Statement of Activities*) display information about the City and its component units. These statements include the financial activities of the overall government except for fiduciary activities. Eliminations of internal activity have been made in these statements. The City is reported separately from certain legally separate component units, for which the City is financially accountable. All of the activities of the City are either governmental or business-type activities.

The *Statement of Activities* presents a comparison between program expenses, which include allocated indirect expenses, and program revenues for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (i) charges for services such as rental revenue from operating leases on markets, ports, and terminals and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other revenues, not specifically included among program revenues, are reported as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including blended component units. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The City's funds are classified into three categories: governmental, proprietary and fiduciary; each category, in turn, is divided into separate "fund types".

Governmental Funds

The City reports the following governmental funds:

General Fund. This is the general operating fund of the City. Substantially all tax revenues, Federal and State aid (except aid for capital projects), and other operating revenues are accounted for in the General Fund. This fund also accounts for expenditures and transfers as appropriated in the expenditures budget, which provides for the City's day-to-day operations, including transfers to Debt Service Funds for payment of long-term liabilities. The fund balance in the General Fund consists of restricted and committed funds (see Note A.20).

Capital Projects Fund. This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital Projects Funds exclude capital-related outflows financed by component unit proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. Resources of the Capital Projects Fund are derived principally from proceeds of City and TFA bond issues, payments from the Water Authority, and from Federal, State, and other aid.

General Debt Service Fund. This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. This fund, into which payments of real estate taxes and other revenues are deposited in advance of debt service payment dates, is required by State legislation and is administered and maintained by the State Comptroller. Debt service on all City notes and bonds is paid from this fund.

Nonmajor Governmental Funds. The City reports the following blended component units within the Nonmajor Governmental Funds: **HYDC, HYIC, ECF, NYCSBUS, SCA, NYCSSS, TFA and TSASC**. If a component unit is blended, the governmental fund types of the component unit are blended with those of the City by including them in the appropriate combining statements of the City. Although the City's General Fund is usually the main operating fund of the reporting entity, the General Fund of a blended component is reported as a Special Revenue Fund. The City does not have other Special Revenue Funds.

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net position, financial position and cash flows. There are two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report an activity for which a fee is charged to external users for goods or services. The City reports the following blended component units as enterprise funds: **BBPC, TGI, NYCTL Trusts and the WTC Captive**. The City does not have any internal service funds.

Fiduciary Funds

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

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

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

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

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

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

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

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

Discretely Presented Component Units

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

New Accounting Standard Adopted

In Fiscal Year 2025, the City adopted two new statements issued by the Governmental Accounting Standards Board (GASB):

- Statement No.101, *Compensated Absences*, and
- Statement No.102, *Certain Risk Disclosures*

GASB Statement No. 101, supersedes the previous standard, GASB 16. The key change is in the recognition of a compensated absence and the inclusion of all applicable salary-related payments. Specifically, this new standard requires a liability to be recognized for both: 1) Leave that has not been used which applies to leave attributable to services already rendered, that accumulates, and is more likely than not to be used for time off or otherwise paid in cash or non-cash means; and 2) Leave that has been used but not yet paid or settled. In addition, the calculation of the liability for the City incorporates the employee's pay rate and associated salary-related costs, such as social security (6.2%), Medicare (1.45%), and the Metropolitan Commuter Transportation Mobility Tax (0.6%).

As part of the adoption of Statement no. 101, The City's note disclosure presentation reports the net change in liability, as opposed to the gross increases and decrease (see Note D.5).

GASB Statement No. 102, requires governments to provide essential information in the notes to the financial statements about vulnerabilities to risks from certain concentrations or constraints. A concentration is a lack of diversity related to a significant inflow or outflow of resources. A constraint is an externally or internally imposed limitation on a government's ability to acquire resources or control spending. The City is required to disclose information about a concentration or constraint if it meets all of the criteria as established under statement no. 102.

The City of New York receives a substantial portion of its funding in the form of grants either directly or indirectly from government agencies. These grants contain certain compliance and internal control requirements that, if violated, may result in the disallowance of certain costs incurred under the grant programs. Additionally, the City is involved in various legal proceedings and claims arising in the normal course of business (see Note D.5-Judgments and Claims). The City adjusts the contingent liabilities each year based on the settlement of accrued amounts and potential liabilities that are reasonably likely and estimable. In addition, the City reassesses the risk of disallowance as part of its annual close process each fiscal year end. As of June 30, 2025 and 2024, The City's total accrued contingent liabilities are included in accounts payable and accrued liabilities on the consolidated statement of financial position.

While it is not possible to determine the ultimate liability, if any, in these matters at this time, in the opinion of management, such matters did not have a material adverse effect on the financial condition of The City in excess of the recorded contingent liability and therefore, do not meet the criteria of a concentration/constraint as outlined in statement no. 102.

Prior Period Adjustments

Implementation of Statement No. 101 resulted in a change to accounting principle for The City. Prior period restatement wasn't deemed necessary because the pronouncement's impact was immaterial causing a 1.25% increase to the City's net position (deficit). Therefore, the cumulative effect of applying this statement is reported as a restatement of beginning net position for fiscal year ended June 30, 2025. As a result, the Governmental Activities net position (deficit) beginning balance for fiscal year 2025 increased from the prior years reported net position (deficit) ending by \$2.5 billion.

In addition, several of the City's Reporting Units also applied adjustments to prior reporting periods. The table below summarizes the City's adjustments as well as those of its Reporting Entities:

	Reporting Units Affected by Restatements of Beginning Balances				
	Government-Wide		Discretely Presented Component Units		
	Governmental Activities	Business-Type Activities*	New York City Housing Authority	Brooklyn Navy Yard Development Corporation	New York City Business Assistance Corporation
			Housing Authority January 1, 2023 (in thousands)		
Net Position as of July 1, 2023 –					
as previously reported	\$ —	\$ —	\$ 1,203,990	\$ 445,964	\$ 2,980
Adoption of GASB statement no. 101 . .	—	—	(6,331)	(740)	—
Error Correction	—	—	—	—	(141)
Net Position as of July 1, 2023 –					
as restated	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,197,659</u>	<u>\$ 445,224</u>	<u>\$ 2,839</u>
Net Position as of July 1, 2024 –					
as previously reported	\$(198,095,960)	\$ 332,672	\$ —	\$ —	\$ —
Adoption of GASB statement no. 101 . .	2,478,573	(202)	—	—	—
Changes in Reporting Entity	—	427	—	—	—
Net Position (deficit) as of July 1, 2024 –					
as restated	<u>\$(195,617,387)</u>	<u>\$ 332,897</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

* *The Trust for Governors Island*

Pronouncements Issued But Not Yet Effective

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

<u>GASB</u>		<u>Effective</u>
<u>Statement No.</u>	<u>GASB Accounting Standard</u>	<u>Fiscal Year</u>
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

3. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions include: sales and income taxes, property taxes, grants, entitlements and donations, and are recorded on the accrual basis of accounting.

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

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

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

Reclassifications

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

4. Encumbrances

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

5. Cash and Investments

Generally, for purposes of reporting cash flows, cash includes cash and cash equivalents. Available cash balances consist of all cash and cash equivalents that can be converted to cash in under 90 days. The City considers all highly liquid investments (including restricted assets), with a maturity of three months or less when purchased, to be cash equivalents. Cash equivalents are carried at amortized costs which approximates fair value.

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

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

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

A description of the City's fiduciary funds securities lending activities in Fiscal Years 2025 and 2024 is included in Deposits and Investments (see Note D.1).

6. Inventories

Inventories on hand at June 30, 2025 and 2024, estimated based on average cost at \$617 and \$566 million, respectively, have been reported on the government-wide *Statement of Net Position*. Inventories are recorded as expenditures in governmental funds at the time of purchase, and accordingly have not been reported on the governmental funds balance sheet.

7. Restricted Cash and Investments

The City's general fund restricted cash and investments consist of resources governed by state or federal law or regulation, private or governmental parties, to be used for particular purposes as outlined within the agreements that established their existence. Details of these resources can be found in Other Supplementary Information, General Fund—Schedule G7. The general debt service fund reports certain proceeds of the City and component unit bonds, as well as certain resources set aside for payments to bond holders, are classified as restricted cash and investments on the balance sheet, because their use is limited by applicable bond covenants.

8. Capital Assets

Capital assets include all land, buildings, equipment (including software and subscriptions), lease assets, and other elements of the City's infrastructure.

All capital assets funded by the City's capital projects fund, have a required minimum useful life that is calculated from the date the asset is placed into service. Computer hardware, software, networks and systems, have a three-year minimum useful life; all others have a five-year minimum useful life. The City's baseline eligibility criteria for a capital project stipulate that the minimum cost threshold for the entire project must be \$50 thousand.

Capital assets, which are used for general governmental purposes, are accounted for and reported in the government-wide financial statements. Infrastructure elements include the roads, bridges, curbs and gutters, streets and sidewalks, park land and improvements, piers, bulkheads and tunnels.

Capital assets are generally stated at historical cost, or at estimated historical cost, based on appraisals, terms of agreements, or on other acceptable methods, when historical cost is not available. Donated capital assets are reported at their acquisition value.

Accumulated depreciation and amortization are reported as reductions of capital assets. Depreciation is computed using the straight-line method based upon estimated useful lives of generally 25 to 50 years for new construction, 10 to 25 years for betterments and/or reconstruction, 3 to 15 years for equipment (including software and subscriptions), and 15 to 40 years for infrastructure (see Note D.2). Lease assets are amortized over the lease term or the life of the asset, whichever is less. See Note D.3 for details regarding the City's lease assets.

9. Compensated Absences

Earned leave balances are recorded as an expenditure in the period when it is payable from current financial resources in the fund financial statements. The estimated value of compensated absences, including earned vacation and sick leave, is recorded as a liability in the government-wide financial statements when the leave (1) is attributable to services already rendered, (2) accumulates, and (3) is more likely than not to be used for time off or otherwise settled in cash or noncash means.

10. Judgments and Claims

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

11. Long-Term Liabilities

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

12. Derivative Instruments

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2025, classified by type, and the change in fair value of the derivative instrument for the fiscal year then ended, are as follows:

Governmental Activities

Item	Changes in Fair Value from June 30, 2024		Fair Value at June 30, 2025		Notional	Counterparty
	Classification	Amount	Classification	Amount		
(in thousands)						
Investment derivative instruments:						
Pay-Fixed interest rate swap	Investment Revenue	\$ 111	Investment	\$ (339)	\$ 20,375	US Bank National Association

Fair Value for the derivative instrument is the estimated exit price that assumes a transaction takes place in the City's principal market, or in the City's most advantageous market in the absence of a principal market. These inputs include the mid-fair valuation and then incorporates the credit risk of either the City or its counterparty and the bid/offer spread that would be charged to the City in order to transact. The mid-fair values of the derivative instrument was estimated using the income approach. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield

curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement date. The derivative instrument is classified in Level 2 as its valuation relies primarily on observable inputs.

Hedging Derivative Instruments

As of June 30, 2025 the City does not have any swaps that are classified as hedging derivative instruments.

Contingencies

The City's derivative instrument include provisions that require the City to post collateral in the event its credit rating falls below Baa3 (Moody's) and BBB- (Standard & Poor's) for the derivative instrument. The collateral posted is to be in the form of cash, U.S. Treasury securities, or specified U.S. Government Agency securities in the amount equal to (when in the form of cash) or greater than (when in the form of securities) the fair value of derivative instruments in liability positions, net of the effect of applicable netting arrangements and applicable thresholds. If the City does not post collateral when required, the derivative instrument may be terminated by the counterparty. The collateral requirements would be \$500 thousand for ratings below Baa3 or BBB- based on posting cash. The City's credit rating as of June 30, 2025 was Aa2 (Moody's) and AA (Standard & Poor's); therefore, no collateral was posted as of that date.

Swap Collateral Requirements upon a Rating Downgrade of the City⁽¹⁾

Swap Counterparty	Fair Value as of June 30, 2025⁽²⁾	Collateral Threshold at Baa2/BBB to Baa3/BBB-⁽³⁾	Collateral Amount⁽⁴⁾	Collateral Threshold below Baa3/BBB-	Collateral Amount⁽⁴⁾⁽⁵⁾
	(in thousands)		(in thousands)		(in thousands)
US Bank National Association	<u>\$ (339)</u>	Infinity	<u>\$ 0</u>	\$ 0	<u>\$ 300</u>
Total Fair Value	<u>\$ (339)</u>		<u>\$ 0</u>		<u>\$ 300</u>

⁽¹⁾ The City's swap counterpart has an agreement that collateral is to be posted by the City if the City were to owe a termination payment and its ratings fall below a certain level. Based on the credit rating level, the amount of collateral required can range from zero to the amount of the counterparty's exposure based on the fair value of the swap.

⁽²⁾ A negative value means the City would owe a termination payment.

⁽³⁾ A downgrade of the City to either Baa2 (Moody's) or BBB (S&P) is the highest rating level at which the City would be required to post collateral.

⁽⁴⁾ Represents the total amount of required collateral for ratings below Baa3/BBB-. The amount of collateral required to be posted would be the amount shown, less any collateral previously posted.

⁽⁵⁾ The swap counterpart round the collateral amount up or down to the nearest \$100,000.

13. Real Estate Tax

Real estate tax payments for the fiscal year ended June 30, 2025, were due July 1, 2024 and January 1, 2025 except that payments by owners of real property assessed at \$250,000 or less and cooperatives whose individual units, on average, are valued at \$250,000 or less, which were due in quarterly installments on the first day of each quarter beginning on July 1.

The adopted levy date for fiscal year 2025 taxes was June 30, 2024. The lien date is the date taxes are due.

Real estate tax revenue represents payments received during the year, payments received against the current fiscal year, and prior years' levies within the first two months of the following fiscal year reduced by tax refunds (for the fund financial statements). Real estate tax revenues not available are reported as deferred inflows of resources. The government-wide financial statements recognize real estate tax revenue (net of refunds), which are not available to the governmental fund type in the fiscal year for which the taxes are levied. Real estate taxes received or reported as receivables before the period for which the property taxes are levied, or the period when resources are required to be used, or when use is first permitted, are reported as deferred inflows of resources.

The City offered a 0.5% discount on the full amount of a taxpayer's yearly property tax if the entire amount shown on their bill is paid by the July due date (or grace period due date), a 0.33% discount on the last three quarters if the taxpayer waits until the October due date to pay the entire amount due, or a 0.17% discount on the last six months of taxes when the taxpayer pays the balance by the January due date. Payment of real estate taxes before July 15, 2025, on properties with an assessed value of \$250,000 or less and before July 1, 2025, on properties with an assessed value over \$250,000 received the discount. Collections of these real estate taxes received on or before June 30, 2025 and 2024 were approximately \$9.9 billion and \$9.7 billion, respectively.

The City sold approximately \$127 million of real property tax liens that were fully attributable to fiscal year 2025. As in prior years' lien sale agreements, the City will refund the value of liens determined to be defective, plus interest and a 5% surcharge. It has been estimated that \$5.0 million worth of liens sold in fiscal year 2025 will require refunding.

The City received \$30.0 million of real property tax liens, fully attributable to fiscal year 2024 representing proceeds from the graveyard trust. No reserve for defective tax liens in fiscal year 2024 was required.

In fiscal years 2025 and 2024, \$274 and \$297 million respectively were provided as allowances for uncollectible real estate taxes against the balance of the receivable. Delinquent real estate taxes receivable that are estimated to be collectible, but which are not collected in the first two months of the next fiscal year are recorded as deferred inflows of resources in the governmental funds balance sheet but included in general revenues on the government-wide *Statement of Activities*.

The City is permitted to levy real estate taxes for general operating purposes in an amount up to 2.5% of the average full value of taxable real estate in the City for the last five years and in unlimited amounts for the payment of principal and interest on long-term City debt. Amounts collected for payment of principal and interest on long-term debt in excess of that required for that purpose in the year of the levy, must be applied toward future years' debt service. For the fiscal year ended June 30, 2025, the excess amount of \$131.08 million was transferred to the General Debt Service Fund. In fiscal year 2024, there was no excess amount.

14. Other Taxes and Other Revenues

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

15. Federal, State and Other Aid

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

16. Bond Discounts, Premiums and Issuance Costs

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

17. Intra-Entity Activity

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

18. Subsidies

The City makes various payments to subsidize a number of organizations which provide services to City residents including but not limited to not for profit cultural organizations which are represented and supported by the New York City Department of Cultural Affairs.

19. Deferred Outflows and Inflows of Resources

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

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

	FY 2025		FY 2024	
	Primary Government	Component Units	Primary Government	Component Units
	(in thousands)			
Deferred Outflows of Resources:				
Deferred outflows from pension	\$ 5,517,037	\$ 560,744	\$ 5,772,229	\$ 628,916
Deferred outflows from OPEB	3,080,547	202,517	5,672,474	468,131
Unamortized deferred bond refunding costs	105,045	—	137,379	—
Other	944	30,231	1,116	27,619
Total deferred outflows of resources	<u>\$ 8,703,573</u>	<u>\$ 793,492</u>	<u>\$11,583,198</u>	<u>\$1,124,666</u>
Deferred Inflows of Resources:				
Deferred inflows from pension	\$ 9,579,195	\$ 191,531	\$ 5,482,169	\$ 66,062
Real estate taxes	9,874,222	—	9,654,955	—
Deferred inflows from OPEB	21,724,125	1,425,679	23,511,771	1,625,083
Public-private partnerships	413,312	—	388,767	—
Grant advances	53,636	—	20,414	—
Deferred inflows from leases	4,088,084	2,594,665	4,160,519	2,863,747
Other	1,002,809	513,131	849,619	542,720
Total deferred inflows of resources	<u>\$46,735,383</u>	<u>\$4,725,006</u>	<u>\$44,068,214</u>	<u>\$5,097,612</u>

20. Fund Balance

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the classification of Fund Balance is based on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable—includes fund balance amounts that cannot be spent, either because they are not in spendable form, or because of legal or contractual constraints requiring such amounts to remain intact. As required by the New York State Financial Emergency Act, the City must prepare its budget covering all expenditures, other than capital items, balanced so that the results do not show a deficit when reported in accordance with GAAP. Additionally, certain receivable amounts are not anticipated to be collected in the current period.

Restricted—includes fund balance amounts that are constrained for specific purposes when such constraints are externally imposed by creditors, laws or regulations of other governments, or by constitutional provisions or enabling legislation. As required by New York State General Municipal Law Article 2, section 25 paragraph no. 2, the determination as to the existence of a deficit pursuant to the New York State Financial Emergency Act shall be made without regard to changes in restricted fund balances.

Committed—includes fund balance amounts that are constrained for specific purposes when such constraints are internally imposed by the government's formal action at the highest level of decision making authority and do not lapse at year-end. In accordance with the New York City Charter, the City Council is the City's highest level of decision-making authority and can, by legal resolution prior to the end of a fiscal year, approve to establish, modify or rescind a fund balance commitment. Therefore, pursuant to the New York City Charter Section 1528, The City's committed fund balance represents the revenue stabilization fund, which is maintained in accordance with applicable state law. For the blended component units reported as Nonmajor Funds, the respective Boards of Directors (Boards) constitute the highest level of decision-making authority. When resolutions are adopted by the Boards that constrain fund balances for a specific purpose, such resources are accounted for and reported as committed for such purpose, unless and until a subsequent resolution altering the commitment is adopted by a Board.

The details of the change in the City's committed fund balance is outlined below:

	General Fund Analysis	
	FY 2025	FY 2024
	(in thousands)	
Total revenues	\$117,208,228	\$112,387,407
Total expenditures	109,610,157	105,270,980
Excess of revenues over expenditures . . .	7,598,071	7,116,427
Total other financing uses	(7,628,526)	(7,275,177)
Net change in fund balance	(30,455)	(158,750)
(Less) Restricted Fund activity	35,458	164,083
Fiscal Year Operating Surplus/ Revenue Stabilization contribution . . .	\$ 5,003	\$ 5,333

Assigned—includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City does not have any assigned amounts in its major funds. For the blended component units reported as Nonmajor Funds, the fund balances which are constrained for use for a specific purpose based on the direction of the President of the component unit to direct the movement of such funds are accounted for and reported as assigned for such purpose unless and until a subsequent authorized action by the same, or another duly authorized officer, or by a board, is taken which removes or changes the assignment.

Unassigned—The City's Capital Projects Fund's deficit is classified as unassigned.

The City generally uses restricted amounts first when both restricted and unrestricted resources are available. Additionally, the City first uses committed, then assigned, and lastly unassigned resources when expenditures are made.

The City does not have a formal minimum fund balance policy. Below is the detail included in the fund balance classifications for the governmental funds fiscal years June 30, 2025 and 2024:

	Fiscal Year 2025				
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	(in thousands)				
Nonspendable:					
Prepaid items	\$ —	\$ —	\$ —	\$ 12,324	\$ 12,324
Spendable:					
Restricted for:					
Education	3,627	—	—	2,882	6,509
Environmental protection	780	—	—	—	780
General government	1,207,439	—	—	—	1,207,439
Housing	103,253	—	—	—	103,253
Other	212,222	—	—	—	212,222
Parks, recreation and cultural	13,815	—	—	—	13,815
Public safety and judicial	496,116	—	—	—	496,116
Social Services	71	—	—	—	71
Capital projects	—	1,437,382	—	679,621	2,117,003
Debt service	—	—	131,085	1,745,970	1,877,055
Committed for:					
Revenue Stabilization Fund	1,969,333	—	—	—	1,969,333
Debt service	—	—	1,326,396	—	1,326,396
Assigned for:					
Debt service	—	—	—	2,345,856	2,345,856
Operations	—	—	—	387,496	387,496
Unassigned	—	(6,139,387)	—	(17,430)	(6,156,817)
Total fund balances (deficit)	\$4,006,656	\$(4,702,005)	\$1,457,481	\$5,156,719	\$ 5,918,851

	Fiscal Year 2024				
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	(in thousands)				
Nonspendable:					
Prepaid items	\$ —	\$ —	\$ —	\$ 9,901	\$ 9,901
Spendable:					
Restricted for:					
Education	3,333	—	—	5,596	8,929
Environmental protection	290	—	—	—	290
General government	1,166,167	—	—	—	1,166,167
Housing	121,392	—	—	—	121,392
Other	228,844	—	—	—	228,844
Parks, recreation and cultural	13,846	—	—	—	13,846
Public safety and judicial	538,740	—	—	—	538,740
Social services	170	—	—	—	170
Capital projects	—	100,586	—	189,962	290,548
Debt service	—	—	—	1,831,390	1,831,390
Committed for:					
Revenue stabilization fund	1,964,329	—	—	—	1,964,329
Debt service	—	—	1,971,122	—	1,971,122
Assigned for:					
Debt service	—	—	—	2,444,824	2,444,824
Operations	—	—	—	474,506	474,506
Unassigned	—	(7,592,372)	—	(14,758)	(7,607,130)
Total fund balances (deficit)	<u>\$4,037,111</u>	<u>\$ (7,491,786)</u>	<u>\$1,971,122</u>	<u>\$4,941,421</u>	<u>\$ 3,457,868</u>

21. Pensions

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

22. Other Postemployment Benefits

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

23. Estimates and Assumptions

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

24. Voluntary Defined Contribution Program (VDC)

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

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

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

25. Public-Private Partnerships (PPP)

The City is the transferor in 91 PPP Arrangements contracted at the Department of Parks and Recreation (Parks). The agreements convey to the operators the right, either through licenses or permits, to construct capital assets and operate and maintain all service concessions. The City has the right to approve the type of services the operators may provide and the fees that may be charged by the operators to the public. As per the agreements, the operators provide amenities and facilities to park users, which generate General Fund revenues for the City and also create valuable business and employment opportunities for the public. Parks operators help preserve some of the City's unique park facilities and provide public amenities while creating and developing new park destinations with fewer public funds.

The PPP Agreements do not contain any upfront payments from the operators nor are there any guarantees or commitments by the City. The total net asset value associated with the above PPP Arrangements is \$199.99 million and reported within infrastructure on the capital assets table (See note D.2). The deferred inflows resulting from such arrangements are \$413.31 million for Fiscal Year 2025. A total of \$31.34 million was recognized as inflows of resources for the year ended June 30, 2025.

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

C. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**1. Budgets and Financial Plans***Budgets*

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

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

Expenditures made against the expense budget are controlled through the use of quarterly spending allotments and units of appropriation. A unit of appropriation represents a subdivision of an agency's budget and is the level of control at which expenditures may not legally exceed the appropriation. The number of units of appropriation, and the span of operating responsibility which each unit represents, differs from agency to agency depending on the size of the agency and the level of control required. Transfers between units of appropriation and supplementary appropriations may be made by the Mayor, subject to the approval provisions set forth in the City Charter. Supplementary appropriations increased the expense budget by \$8.9 and \$8.1 billion subsequent to its original adoption in Fiscal Years 2025 and 2024, respectively.

Financial Plans

Additionally, the New York State Financial Emergency Act for The City of New York requires the City to operate under a "rolling" Four-Year Financial Plan (Plan). Revenues and expenditures, including transfers, of each year of the Plan are required to be balanced on a basis consistent with GAAP. The Plan is broader in scope than the expense budget; it comprises General Fund revenues and expenditures, Capital Projects Fund revenues and expenditures, and all short and long-term financing.

The expense budget is generally consistent with the first year of the Plan and operations under the expense budget must reflect the aggregate limitations contained in the approved Plan. The City reviews its Plan periodically during the year and, if necessary, makes modifications to incorporate actual results and revisions to assumptions.

2. Deficit Fund Balance

The Capital Projects Fund had deficits of \$4.70 and \$7.49 billion for the years ended June 30, 2025 and 2024, respectively. These deficits represent the amounts expected to be financed from future bond issues or intergovernmental reimbursements. To the extent the deficits will not be financed or reimbursed, a transfer from the General Fund will be required.

D. DETAILED NOTES ON ALL FUNDS**1. Deposits and Investments***Deposits*

The New York City Banking Commission, comprised of representatives for the Mayor, the Comptroller, and the Department of Finance Commissioner, applies a stringent list of requirements to banks applying for designation as an approved depository biannually. 22 RCNY Ch. 1, Designation of Depositories lays out the basic requirements for Bank designation. The requirements include, but are not limited to, submission of independent bank rating agency reports, bank regulators' reports, the banks' quarterly financial statements as reported to the SEC, the Bank's most recent independently audited public financial statements, and the New York State Department of Financial Services and Federal supervisory agency Community Reinvestment Act (CRA) reports. The Banking Commission endeavors to determine the financial soundness of each bank applying for designation and their commitment to the citizens of New York City. In addition, the City's ongoing banking relationships are scrutinized for compliance with operational, financial, and credit standards, policies, and procedures.

The City Charter limits the total amount of deposits, at any time, in any one bank or trust company to a maximum of one-half of the amount of the capital and net surplus of such bank or trust company. The discretely presented component units included in the City's financial reporting maintain their own banking relationships, which generally conform with the City's standards.

The City's bank account balances that exceed the prevailing Federal Deposit Insurance Corporation (FDIC) insurance limits are fully collateralized in accordance with the New York State General Municipal Law (GML) and the New York City Department of Finance Collateral Policy, last updated September 2023. The FDIC insurance limit is only applied once to each bank relationship regardless of how many individual accounts are held. Each New York City Designated Bank must pledge eligible securities and/or Letters of Credit (LOC) that satisfy the minimum GML collateral requirements. The Designated Banks are required, on a current day basis, to aggregate the total balances of all bank accounts held under the City's tax ID at their institution, deduct the FDIC insurance limit and pledge collateral which more than covers the remaining balance. The Collateral Custodians provide independent reports daily to the Department of Finance Collateral Team for cross verification of NYC records and individual Bank reports.

Cash & Cash Equivalents

The following is a summary of the cash and cash equivalents of the City's Governmental Activities as of June 30, 2025 and June 30, 2024:

	Governmental Activities	
	2025	2024
	(in thousands)	
Restricted cash and cash equivalents:		
Cash.....	\$ 17,668	\$ 22,394
Cash Equivalents.....	6,183,160	5,050,401
Total restricted cash and cash equivalents:.....	6,200,828	5,072,795
Unrestricted cash and cash equivalents:		
Cash*.....	5,559,365	5,422,685
Cash Equivalents.....	12,905,513	11,086,926
Total unrestricted cash and cash equivalents:.....	18,464,878	16,509,611
Grand Total cash and cash equivalents.....	<u>\$24,665,706</u>	<u>\$21,582,406</u>

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

At June 30, 2025, of the City's unrestricted Governmental Activities bank balances, General Funds were \$4.75 billion, Nonmajor Governmental Funds were \$92.91 million, and Capital Funds were \$550.27 million. Of the General Funds bank balances, the City's Treasury and Community bank balances were \$312 million and Real Estate Tax collections were \$3.98 billion. At June 30, 2025, the City's bank balances were FDIC insured or fully collateralized. At June 30, 2025 and 2024, the City's restricted Governmental Activities cash balances were \$17.67 million and \$22.39 million, respectively.

The following is a summary of the cash and cash equivalents of the City's business-type activities as of June 30, 2025 and June 30, 2024:

	Business-Type Activities	
	2025	2024
	(in thousands)	
Restricted cash and cash equivalents:		
Cash.....	\$ 12,113	\$ 7,743
Cash Equivalents.....	—	—
Total restricted cash and cash equivalents:.....	12,113	7,743
Unrestricted cash and cash equivalents:		
Cash.....	46,594	55,151
Cash Equivalents.....	2,506	3,013
Total unrestricted cash and cash equivalents:.....	49,100	58,164
Grand Total cash and cash equivalents.....	<u>\$ 61,213</u>	<u>\$ 65,907</u>

At June 30, 2025 and 2024, the City's unrestricted business-type activities bank balances were \$46.6 and \$55.15 million, respectively. At June 30, 2025 and 2024, the City's restricted business-type activities cash balances were \$12.11 and \$7.74 million, respectively.

Investments

The City's investment of its primary government cash is currently limited to U.S. Government guaranteed securities and U.S. Government agency securities purchased directly and through repurchase agreements from primary dealers, as well as commercial paper rated A1 and P1 by Standard & Poor's Corporation and Moody's Investors Service, Inc., respectively. The repurchase agreements must be collateralized by U.S. Government guaranteed securities, U.S. Government agency securities, or eligible commercial paper in a range of 100% to 102% of the matured value of the repurchase agreements.

The following is a summary of the fair value of investments of the City's primary government as of June 30, 2025 and 2024:

Governmental Activities:

Investment Type	Investment Maturities					
	(in years)					
	2025			2024		
	Less than 1	1 to 5	More than 5	Less than 1	1 to 5	More than 5
	(in thousands)					
Unrestricted						
U.S. Government securities	\$ 711,602	\$ —	\$ —	\$ 360,272	\$ 28,300	\$ —
U.S. Government agency obligations . . .	2,346,518	—	—	2,445,869	—	—
Time deposits	45,777	—	—	56,593	—	—
Investment derivative instruments	—	—	(339) ⁽¹⁾	—	—	(450) ⁽²⁾
Total unrestricted	<u>\$3,103,897</u>	<u>\$ —</u>	<u>\$ (339)</u>	<u>\$2,862,734</u>	<u>\$ 28,300</u>	<u>\$ (450)</u>
Restricted						
U.S. Government securities	\$ 223,999	\$372,290	\$ —	\$ 78,216	\$312,882	\$ —
U.S. Government agency obligations . . .	—	768	—	662,760	809	—
Commercial paper	587,009	—	—	—	—	—
Time deposits	7,130	—	—	10	—	—
Total restricted	<u>\$ 818,138</u>	<u>\$373,058</u>	<u>\$ —</u>	<u>\$ 740,986</u>	<u>\$313,691</u>	<u>\$ —</u>

⁽¹⁾ The City has one pay-fixed interest rate swap that is treated as investment derivative instrument. On June 30, 2025, the swap had a fair value of \$(339) in thousands.

⁽²⁾ The City has one pay-fixed interest rate swap that is treated as an investment derivative instrument. On June 30, 2024, the swap had a fair value of \$(450) in thousands.

Business-Type Activities:

Investment Type	Investment Maturities					
	(in years)					
	2025			2024		
	Less than 1	1 to 5	More than 5	Less than 1	1 to 5	More than 5
	(in thousands)					
Unrestricted						
U.S. Government securities	\$ 6,767	\$184,977	\$ 27,246	\$ 22,103	\$137,577	\$ 21,367
Commercial paper	4,180	60,389	6,991	3,362	64,121	—
Bonds	—	—	—	—	184	—
Time deposits	276	—	—	255	—	—
Mortgage backed & asset backed securities	—	—	56,452	—	—	79,551
Total unrestricted	<u>\$ 11,223</u>	<u>\$245,366</u>	<u>\$ 90,689</u>	<u>\$ 25,720</u>	<u>\$201,882</u>	<u>\$100,918</u>
Restricted						
Money market fund	\$ 56,697	\$ —	\$ —	\$ 40,103	\$ —	\$ —
Total restricted	<u>\$ 56,697</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 40,103</u>	<u>\$ —</u>	<u>\$ —</u>

Fair Value Hierarchy

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City's primary government as of June 30, 2025 and June 30, 2024:

Investments ⁽¹⁾ by Fair Value Level	2025			2024		
	Total	Fair Value Measurements Using		Total	Fair Value Measurements Using	
		Quoted Prices in	Significant		Quoted Prices in	Significant
		Active Markets	Other		Active Markets	Other
	Assets	Inputs		Assets	Inputs	
	(Level 1)	(Level 2)		(Level 1)	(Level 2)	
	(in thousands)					
U.S. Government securities	\$ 2,916,702	\$1,524,720	\$ 1,391,982	\$ 2,832,950	\$2,008,371	\$ 824,579
U.S. Government agency obligations . .	3,428,897	—	3,428,897	3,851,107	19	3,851,088
Commercial paper.	658,569	4,180	654,389	67,483	3,362	64,121
Money market funds (includes time deposits)	355,405	59,254	296,151	359,831	60,313	299,518
Bonds	4,448	4,448	—	3,560	3,560	—
Mortgage backed & asset back securities	56,452	—	56,452	79,551	—	79,551
Investment derivative instruments	(339)	—	(339)	(450)	—	(450)
Total Investment & Cash Equivalent by Fair Value Level	\$ 7,420,134 ⁽²⁾	\$1,592,602	\$ 5,827,532	\$ 7,194,032 ⁽²⁾	\$2,075,625	\$ 5,118,407

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

⁽²⁾ As of June 30, 2025 and June 30, 2024, all ECF investment maturities were recorded at carrying value. For the year ended June 30, 2025 and June 30, 2024, ECF's listed investments totaled \$128.65 and \$136.29 million, respectively.

Investments classified in Level 1 of the fair value hierarchy, valued at \$1.59 billion and \$2.08 million in Fiscal Years 2025 and 2024 respectively, are valued using quoted prices in active markets.

The following investments are classified in Level 2 of the fair value hierarchy and valued using matrix pricing techniques maintained by various pricing vendors for Fiscal Years 2025 and 2024 respectively: U.S. Government securities totaling \$1.39 billion and \$824.58 million; U.S. Government agency obligations totaling \$3.43 and \$3.85 billion; commercial paper totaling \$654.39 and \$64.12 million; money market funds totaling \$296.15 and \$299.52 million; and mortgage backed and asset backed securities totaling \$56.45 and \$79.55 million. There were no bonds in Fiscal Years 2025 and 2024 classified in Level 2. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted fair value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

Investment derivative instruments, totaling \$(339) thousand and \$(450) thousand in Fiscal Years 2025 and 2024, respectively, are classified in Level 2 of the fair value hierarchy. Fair value is described as the exit price that assumes a transaction takes place in the City's most advantageous market in the absence of a principal market. These inputs include the mid-market valuation and then incorporates the credit risk of either the City or its counterparty and the bid/offer spread that would be charged to the City in order to transact. The mid-fair values of the interest rate swaps were estimated using the income approach. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement date.

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

Credit risk. Investment guidelines and policies are designed to protect principal by limiting credit risk. This is accomplished through ratings, collateral, and diversification requirements that vary according to the type of investment. As of June 30, 2025, investments in Fannie Mae or Freddie Mac and Federal Home Loan Bank (FHLB) were rated AA+ and A-1+ by Standard & Poor's and Aa1 and P-1 by Moody's for long-term and short-term instruments, respectively. On June 30, 2024, those investments were rated AA+ and A-1+ by Standard & Poor's and Aaa and P-1 by Moody's for long-term and short-term instruments, respectively.

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

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

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

Investment Derivative Instruments

Note: More information on derivative instruments discussed herein can be found in Note A.12.

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

The counterparty with respect to the derivative instrument is required to post collateral if it has at least one rating below Aa3 or AA-. The City has never been required to access collateral.

As discussed in Note A.12, it is the City's policy to enter into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty.

The aggregate fair value of the investment derivative instrument requiring collateralization at June 30, 2025 was \$(339) thousand. A negative aggregate fair value means the City would have owed payments to the counterparties. The City had no counterparty credit exposure to any of the investment derivative instrument counterparties as of that date.

Interest rate risk: The City is exposed to interest rate risk on its swaps. For the derivative instrument, a pay-fixed, receive-variable interest rate swap, as Secured Overnight Financing Rate (SOFR) or Securities Industry and Financial Markets Association (SIFMA) decreases, the City's net payment on the swap increases.

Basis risk: The City is exposed to basis risk on the derivative instrument because the variable-rate payment received by the City is based on a rate or index other than the interest rate the City pays on its variable-rate debt. Under the terms of the derivative instrument, the City pays a variable rate on the outstanding underlying bonds based on SIFMA, but receives a variable rate on the swap based on a percentage of SOFR.

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

Termination risk: The City or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The City is at risk that a counterparty will terminate a swap at a time when the City owes it a termination payment. The City has mitigated this risk by specifying that the counterparty has the right to terminate only as a result of certain events, including: a payment default by the City; other City defaults which remain uncured for 30 days after notice; City bankruptcy; insolvency of the City (or similar events); or a downgrade of the City's credit rating below investment grade (i.e., BBB-/Baa3). If at the time of termination, an investment derivative instrument is in a liability position, the City would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Counterparty risk: The City is at a risk that a counterparty (or its guarantor) will not meet its obligations under the swap. If a counterparty were to default under its agreement when the counterparty would owe a payment to the City, the City may have to pay another entity to assume the position of the defaulting counterparty. The City has sought to limit its counterparty risk by contracting only with highly-rated entities or requiring guarantees of the counterparty's obligations under the swap documents.

The discretely presented component units included in the City's reporting entity maintain their own investment policies that generally conform to those of the City.

The criteria for the Pension and Other Employee Benefit Trust Funds' and Other Trust Funds' investments are as follows:

1. Fixed income investments may be made in U.S. Government guaranteed securities or securities of U.S. Government agencies, securities rated BBB or better by nationally recognized rating services, securities below BBB up to 10% of the total asset allocation and any bond that meets the qualifications of the New York State Retirement and Social Security Law, the New York State Banking Law, and the New York City Administrative Code.
2. Equity investments may be made only in those stocks that meet the qualifications of the New York State Retirement and Social Security Law, the New York State Banking Law, and the New York City Administrative Code.
3. Short-term investments may be made in the following:
 - a. U.S. Government guaranteed securities or U.S. Government agency securities.
 - b. Commercial paper rated A1, P1, or F1 by Standard & Poor's Corporation or Moody's Investors Service, Inc., or Fitch, respectively.
 - c. Repurchase agreements collateralized in a range of 100% to 102% of matured value, purchased from primary dealers of U.S. Government securities.
 - d. Investments in bankers' acceptances, certificates of deposit, and time deposits are limited to banks with worldwide assets in excess of \$50 billion that are rated within the highest categories of the leading bank rating services, and selected regional banks also rated within the highest categories.
 - e. Other top-rate securities maturing in less than 4 years.
4. Investments up to 35% of total pension fund assets in instruments not specifically covered by the New York State Retirement and Social Security Law.
5. No investment in any one corporation can be: (i) more than 2% of the pension plan net position; or (ii) more than 5% of the total outstanding issues of the corporation.

All investments are held by the City's custodial banks (in bearer or book-entry form) solely as an agent of the Comptroller of The City of New York on behalf of the various account owners. Payments for purchases are not released until evidence of ownership of the underlying investments are received by the City's custodial bank.

Securities Lending

State statutes and Board policies permit the Pension and Certain Other Employee Benefit Trust Funds to lend its securities to broker dealers and other entities for collateral, for the same securities in the future with a simultaneous agreement to return the collateral in the form of cash, treasury and U.S. Government securities. The Funds' agent lends the following types of securities: short term securities, common stocks, long-term corporate bonds, U.S. Government and U.S. Government agency bonds, asset-backed securities and international equities and bonds held in collective investment funds. In return, the Funds receive collateral in the form of cash, U.S. Treasury and U.S. Government agency securities at 100% to 105% of the principal plus accrued interest for reinvestment. At June 30, 2025 and 2024, management believes that the Funds had no credit risk exposure to borrowers because the amounts the Funds owed the borrowers equaled or exceeded the amounts the borrowers owed the Funds. The contracts with the Funds' custodians require the securities lending agent to indemnify the Funds. In the situation when a borrower goes into default, the Agent will liquidate the collateral to purchase replacement securities. Any shortfall before the replacement securities cost and the collateral value is covered by the Agent. All securities loans can be terminated on demand within a period specified in each agreement by either the Funds or the borrowers. Cash collateral is invested by the securities lending agent using approved lender's investment guidelines. The weighted average maturity is 76 days. The securities lending program in which the Funds participate only allows pledging or selling securities in the case of borrower default.

The City reports securities loaned as assets on the *Statement of Fiduciary Net Position*. Cash received as collateral on securities lending transactions, and investments made with that cash, are also recorded as assets. Liabilities resulting from these transactions are reported on the *Statement of Fiduciary Net Position*. Accordingly, the City records the investments purchased with the cash collateral as Investments; Collateral From Securities Lending Transactions with a corresponding liability are recorded as Securities Lending Transactions.

2. Capital Assets

The following is a summary of governmental activities capital assets for the Fiscal Years ended June 30, 2024 and 2025:

Primary Governmental	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024 (in thousands)	Additions	Deletions	Balance June 30, 2025
Governmental activities:							
Capital assets, not being depreciated/amortized:							
Land	\$ 2,623,810	\$ 77,087	\$ 7,750	\$ 2,693,147	\$ 33,174	\$ 1,622	\$ 2,724,699
Construction work-in-progress . .	10,296,316	5,454,382	4,999,302	10,751,396	5,793,974	4,289,332	12,256,038
Total capital assets, not being depreciated/amortized	12,920,126	5,531,469	5,007,052	13,444,543	5,827,148	4,290,954	14,980,737
Capital assets, being depreciated/amortized:							
Building	72,898,572	4,999,302	226,961	77,670,913	4,289,332	52,264	81,907,981
Equipment (including software) . .	16,391,177	1,163,306	2,080,618	15,473,865	1,209,608	51,732	16,631,741
Infrastructure	33,556,584	2,469,064	2,612,846	33,412,802	2,374,694	998,946	34,788,550
Lease asset	14,570,379	782,066	190,539	15,161,906	244,778	7,894	15,398,790
Subscription asset	13,256	1,037	—	14,293	3,387	—	17,680
Total capital assets, being depreciated/amortized	137,429,968	9,414,775	5,110,964	141,733,779	8,121,799	1,110,836	148,744,742
Less accumulated depreciation/amortization:							
Building	39,297,780	2,472,332	57,852	41,712,260	2,553,732	45,646	44,220,346
Equipment (including software) . .	10,797,322	918,161	75,028	11,640,455	1,050,983	47,282	12,644,156
Infrastructure	13,018,607	1,453,218	1,087,420	13,384,405	1,514,314	998,946	13,899,773
Lease asset	2,006,389	1,042,182	12,397	3,036,174	1,019,459	6,056	4,049,577
Subscription asset	2,507	3,802	—	6,309	3,900	—	10,209
Total accumulated depreciation/amortization	65,122,605	5,889,695 ⁽¹⁾	1,232,697	69,779,603	6,142,388 ⁽¹⁾	1,097,930	74,824,061
Total capital assets, being depreciated/amortized, net	72,307,363	3,525,080	3,878,267	71,954,176	1,979,411	12,906	73,920,681
Governmental activities capital assets, net	\$85,227,489	\$9,056,549	\$8,885,319	\$85,398,719	\$7,806,559	\$4,303,860	\$88,901,418

⁽¹⁾ Depreciation expense was charged to functions/programs of The City for the Fiscal Years ended June 30, 2024 and 2025.

The following is a summary of the governmental activities depreciation expense by function/program for the Fiscal Years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	(in thousands)	
Governmental activities:		
General government.	\$ 898,955	\$ 868,328
Public safety and judicial.	389,558	379,216
Education.	2,604,181	2,464,291
City University.	23,898	26,152
Social services.	286,549	303,272
Environmental protection.	236,293	208,960
Transportation services.	1,068,726	1,034,230
Parks, recreation and cultural activities.	539,595	516,085
Housing.	4,488	4,856
Health.	54,333	54,551
Libraries.	35,812	29,754
Total depreciation expense-governmental activities.	<u>\$6,142,388</u>	<u>\$5,889,695</u>

The following is a summary of the amount of lease assets by major classes of underlying assets for the Fiscal Years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	(in thousands)	
Governmental activities:		
Lease asset:		
Lease land.	\$ 41,042	\$ 41,042
Less accumulated amortization.	20,581	15,517
Lease land, net.	<u>20,461</u>	<u>25,525</u>
Lease building.	14,848,871	14,610,489
Less accumulated amortization.	3,791,211	2,831,684
Lease building, net.	<u>11,057,660</u>	<u>11,778,805</u>
Lease equipment.	232,317	232,317
Less accumulated amortization.	175,384	143,624
Lease equipment, net.	<u>56,933</u>	<u>88,693</u>
Lease infrastructure.	276,560	278,058
Less accumulated amortization.	62,401	45,349
Lease infrastructure, net.	<u>214,159</u>	<u>232,709</u>
Total lease assets.	<u>\$11,349,213</u>	<u>\$12,125,732</u>

The following is a summary of business-type activities capital assets for the Fiscal Years ended June 30, 2024 and 2025:

Primary Government	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024 (in thousands)	Additions	Deletions	Balance June 30, 2025
Business-Type Activities:							
Capital assets, not being depreciated/amortized:							
Construction work-in-progress . .	\$ 79,688	\$ 39,579	\$ 18,941 ⁽¹⁾	\$ 100,326	\$ 31,302	\$ 21,630	\$ 109,998
Total capital assets, not being depreciated/amortized	79,688	39,579	18,941	100,326	31,302	21,630	109,998
Capital assets, being depreciated/amortized:							
Building	41,808	853	—	42,661	255	—	42,916
Equipment (including software) . .	23,817	2,508	—	26,325	330	35	26,620
Infrastructure	776,000	15,330	—	791,330	27,990	—	819,320
Lease asset	311	—	—	311	—	—	311
Total capital assets, being depreciated/amortized . .	841,936	18,691 ⁽¹⁾	—	860,627	28,575	35	889,167
Less accumulated depreciation/amortization:							
Building	11,652	1,555	—	13,207	1,654	—	14,861
Equipment (including software) . .	15,062	2,078	—	17,140	2,107	14	19,233
Infrastructure	272,327	44,010	—	316,337	44,306	—	360,643
Lease asset	—	100	—	100	103	—	203
Total accumulated depreciation/amortization	299,041	47,743	—	346,784	48,170	14	394,940
Total capital assets, being depreciated/amortized, net . . .	542,895	(29,052)	—	513,843	(19,595)	21	494,227
Business-type activities capital assets, net	\$ 622,583	\$ 10,527	\$ 18,941	\$ 614,169	\$ 11,707	\$ 21,651	\$ 604,225

⁽¹⁾ For Fiscal Year 2024, deletions in the construction work-in-progress are higher than additions to the total capital assets due to the following reclassification from the Brooklyn Bridge Park Corporation's construction work-in-progress: \$310,191 (reclassifications within construction in progress).

3. Leases

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The City leases and subleases a significant amount of nonfinancial assets such as land, buildings, equipment and infrastructure. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the government-wide *Statement of Net Position*.

The City has a variety of variable payment clauses, within its lease arrangements, which include payments dependent on indexes and rates (such as the Consumer Price Index and a market interest rates), including variable payments based on future performance and usage of the underlying asset. Components of variable payments that are fixed in substance, are included in the measurement of the lease liability presented in the table below. The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

Furthermore, the City had no commitments for leases that did not commence as of the end of the Fiscal Year 2025. The City also enters into lease arrangements with third parties in which the City is a sublessee.

As of June 30, 2025, the City (excluding discretely presented component units) had minimum principal and interest payment requirements for its leasing activities, including its subleasing activities, with a remaining term in excess of one year, as follows:

	Total Principal	Total Interest (in thousands)	Total Payment	Liability Ending Balance
Government Activities:				
Fiscal year ending June 30:				
2025.....	\$ 842,633	\$ 361,142	\$ 1,203,775	\$ 12,134,403
2026.....	\$ 825,765	\$ 338,632	\$ 1,164,397	\$ 11,308,637
2027.....	763,897	316,485	1,080,382	10,544,741
2028.....	733,836	295,330	1,029,166	9,810,905
2029.....	680,545	274,951	955,496	9,130,360
2030.....	635,881	256,244	892,125	8,494,479
2031-2035.....	2,841,203	1,034,247	3,875,450	5,653,276
2036-2040.....	2,376,705	656,248	3,032,953	3,276,571
2041-2045.....	1,696,949	356,011	2,052,960	1,579,622
2046-2050.....	1,082,951	148,728	1,231,679	496,671
2051-2055.....	339,766	43,866	383,632	156,905
2056-2060.....	91,023	16,818	107,841	65,882
2061-2065.....	59,587	4,751	64,338	6,295
2066-2070.....	2,916	543	3,459	3,379
2071-2075.....	289	486	775	3,090
2076-2080.....	336	439	775	2,754
2081-2085.....	390	385	775	2,364
2086-2090.....	453	322	775	1,911
2091-2095.....	526	249	775	1,385
2096-2100.....	611	164	775	774
2101-2105.....	710	65	775	64
2106-2110.....	64	1	65	—
Lease Liability:	<u>\$12,134,403</u>			

Additionally as the lessor, the City leases and subleases City-owned properties such as buildings and infrastructure. The related receivables are presented in the *Statement of Net Position* for the amounts equal to the present value of lease payments expected to be received during the lease term. The total amount of lease revenue, interest revenue, and other lease-related revenues recognized in the current reporting period from leases is \$278 million.

The City's variable payments clause within its lease arrangements as the lessor, is similar to the arrangements made as lessee. The City did not incur revenue related to residual value guarantees or lease termination penalties. It also does not currently have agreements that include sale-leaseback and lease-leaseback transactions.

Similar to its lessee agreements, the City also enters into lease arrangements with third parties in which the City is a sublessor.

As of June 30, 2025, the City (excluding discretely presented component units) had minimum principal and interest lease receivable payments for its leasing activities, including its subleasing activities, with a remaining term in excess of one year as follows:

	<u>Total Principal</u>	<u>Total Interest (in thousands)</u>	<u>Total Payment</u>	<u>Receivable Ending Balance</u>
Government Activities:				
Fiscal year ending June 30:				
2025.	\$ 70,253	\$ 119,267	\$ 189,520	\$ 3,940,363
2026.	\$ 69,301	\$ 117,193	\$ 186,494	\$ 3,871,062
2027.	71,523	115,087	186,610	3,799,539
2028.	73,531	112,916	186,447	3,726,008
2029.	73,096	110,713	183,809	3,652,912
2030.	74,667	108,506	183,173	3,578,245
2031-2035.	407,113	507,224	914,337	3,171,132
2036-2040.	468,298	441,834	910,132	2,702,834
2041-2045.	503,194	368,843	872,037	2,199,640
2046-2050.	572,829	288,693	861,522	1,626,811
2051-2055.	638,364	197,965	836,329	988,447
2056-2060.	738,747	95,172	833,919	249,700
2061-2065.	100,060	24,845	124,905	149,639
2066-2070.	25,588	20,612	46,200	124,052
2071-2075.	29,974	16,453	46,427	94,078
2076-2080.	34,925	11,607	46,532	59,153
2081-2085.	40,839	5,938	46,777	18,314
2086-2090.	15,931	923	16,854	2,383
2091-2095.	1,934	146	2,080	449
2096-2100.	67	63	130	382
2101-2105.	78	52	130	304
2106-2110.	90	40	130	214
2111-2115.	105	25	130	109
2116-2120.	109	8	117	—
Lease Receivable:	<u>\$ 3,940,363</u>			

4. Subscription-Based Information Technology Arrangements (SBITA)

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

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

The City has a variety of variable payment clauses, within its SBITA arrangements, including variable payments based on future performance and usage of the underlying asset. Components of variable payments that are fixed in substance, are included in the measurement of the SBITA liability presented in the table below. The City did not incur expenses related to its SBITA activities such as termination penalties, not previously included in the measurement of the SBITA liability, or losses due to impairment.

Furthermore, the City does not have commitments under SBITA that have not commenced as of the end of the Fiscal Year 2025.

As of June 30, 2025, the City (excluding discretely presented component units) had minimum principal and interest payment requirements for its SBITA activities, with a remaining term in excess of one year, as follows:

	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Payment</u>	<u>Liability Ending Balance</u>
Government Activities:				
Fiscal year ending June 30:				
2025.	\$ 2,270	\$ 67	\$ 2,337	\$ 4,957
2026.	\$ 1,907	\$ 48	\$ 1,955	\$ 3,050
2027.	1,018	33	1,051	2,032
2028.	483	23	506	1,549
2029.	500	16	516	1,049
2030.	516	10	526	533
2031-2035.	533	4	537	—
SBITA Liability:	<u>\$ 4,957</u>			

5. Long-Term Liabilities

In Fiscal Years 2024 and 2025, the changes in long-term liabilities were as follows:

Primary Government	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Governmental activities:								
Bonds and notes payable				(in thousands)				
General Obligation Bonds ⁽¹⁾	\$ 39,518,128	\$ 4,395,105	\$ 2,636,801	\$ 41,276,432	\$ 9,266,740	\$ 4,572,235	\$ 45,970,937	\$ 2,405,501
from direct borrowing and direct placement	575,000	—	150,000	425,000	400,000	75,000	750,000	—
Total General Obligation Bonds	40,093,128	4,395,105	2,786,801	41,701,432	9,666,740	4,647,235	46,720,937	2,405,501
TFA Bonds	53,156,210	7,647,085	3,460,340	57,342,955	12,804,010	7,408,980	62,737,985	2,003,425
from direct borrowing and direct placement	350,000	—	75,000	275,000	—	—	275,000	—
Total TFA Bonds	53,506,210	7,647,085	3,535,340	57,617,955	12,804,010	7,408,980	63,012,985	2,003,425
Total TSASC Bonds	938,105	—	29,050	909,055	—	30,385	878,670	25,135
Total IDA Bonds	51,675	—	4,770	46,905	—	5,005	41,900	5,260
HYIC Bonds	2,508,535	—	46,825	2,461,710	—	49,090	2,412,620	58,555
from direct borrowing and direct placement	10,630	79,500	—	90,130	18,392	—	108,522	—
Total HYIC Bonds	2,519,165	79,500	46,825	2,551,840	18,392	49,090	2,521,142	58,555
ECF Bonds	171,885	—	7,145	164,740	—	23,130	141,610	7,795
from direct borrowing and direct placement	118,410	—	1,070	117,340	—	1,130	116,210	2,125
Total ECF Bonds	290,295	—	8,215	282,080	—	24,260	257,820	9,920
Total before premiums/discounts(net)	97,398,578	12,121,690	6,411,001	103,109,267	22,489,142	12,164,955	113,433,454	4,507,796
Less premiums/(discounts)(net)	7,131,742	1,044,404	959,484	7,216,662	1,562,536	1,181,781	7,597,417	—
Total governmental activities bonds and notes payable	104,530,320	13,166,094	7,370,485	110,325,929	24,051,678	13,346,736	121,030,871	4,507,796
Lease liability ⁽³⁾	12,962,670	236,734	465,283	12,734,121	—	599,718	12,134,403	825,765
Conduit debt ⁽²⁾	576,275	—	51,825	524,450	—	50,415	474,035	50,415
Subscription liability ⁽³⁾	4,870	—	1,030	3,840	2,951	1,834	4,957	1,907
Other tax refunds	1,580,405	1,087,353	162,405	2,505,353	660,878	141,353	3,024,878	169,878
Judgments and claims	8,235,887	1,653,178	2,390,101	7,498,964	3,630,910	2,254,333	8,875,541	1,613,257
Real estate tax certiorari	1,475,215	259,513	122,849	1,611,879	295,765	109,012	1,798,632	122,854
Compensated absences	6,045,283	1,548,640	1,000,400	6,593,523	—	2,148,959	4,444,564	198,350
Net pension liability	40,157,827	29,828,825	34,318,790	35,667,862	28,122,002	36,725,512	27,064,352	—
Net OPEB liability	95,018,926	8,139,674	4,890,426	98,268,174	8,370,603	10,194,173	96,444,604	—
Landfill closure and postclosure care costs	1,137,977	59,224	21,334	1,175,867	40,542	18,600	1,197,809	17,560
Pollution remediation obligation	326,809	176,836	212,545	291,100	177,852	203,484	265,468	197,933
Total changes in governmental activities long-term liabilities	\$ 272,052,464	\$ 56,156,071	\$ 51,007,473	\$ 277,201,062	\$ 65,353,181	\$ 65,794,129	\$ 276,760,114	\$ 7,705,715
Business-type activities:								
Bonds and notes payable								
NYCTL 2021-A TRUST bonds	\$ 20,595	\$ —	\$ 17,016	\$ 3,579	\$ —	\$ 3,579	\$ —	\$ —
Total before premiums/discounts(net)	20,595	—	17,016	3,579	—	3,579	—	—
Less premiums/(discounts)(net)	(26)	—	(13)	(13)	—	(13)	—	—
Total business-type activities bonds and notes payable	20,569	—	17,003	3,566	—	3,566	—	—
Lease liability	311	15	112	214	—	103	111	102
Compensated absences	—	—	—	—	483	—	483	483
Other liabilities	368,948	16,910	1,913	383,945	42,583	72	426,456	43,946
Total business-type activities long-term liabilities	\$ 389,828	\$ 16,925	\$ 19,028	\$ 387,725	\$ 43,066	\$ 3,741	\$ 427,050	\$ 44,531

⁽¹⁾ General Obligation Bonds are generally liquidated with resources of the General Debt Service Fund. Other long-term liabilities are generally liquidated with resources of the General Fund.

⁽²⁾ Conduit Debt consists of debt issued to fund court and health facilities. The Court Facilities agreement, dated October 13, 1993, finances acquisition, construction, and improvements and terminates on the later of May 15, 2039, or when obligations are met. The Health Facilities agreement, dated November 19, 1998, funds construction and improvements and terminates on the earlier of January 16, 2029, or when obligations are met. These facilities are leased to The City by DASNY with lease payments made by the City to pay debt service on DASNY bonds and certain fees and expenses.

⁽³⁾ Upon the initial adoption of GASB statement no. 87 the City determined that implementation of this standard resulted in an immaterial increase of 4.2% to the City's overall net position. At that time, the obligations related to lease assets constituted approximately 5.1% of the City's total liabilities. Similarly, the subsequent adoption of GASB statement no. 96 led to an even smaller increase of approximately 1% in net position upon implementation. Since implementation, additions to both lease liability and subscription liability have consistently remained immaterial. Consequently, the City has determined that recognizing both an other financing source and an expenditure equal to the net present value of minimum future payments in the year a lease is initiated, does not enhance transparency for financial statement users and is therefore deemed unnecessary.

The bonds and notes payable, net of treasury obligations, at June 30, 2024 and 2025 summarized by type of issue are as follows:

Primary Government	2024				2025			
	City General Obligation ⁽¹⁾	Other Bonds and Notes Payable ⁽²⁾	Revenue ⁽³⁾	Total	City General Obligation ⁽¹⁾	Other Bonds and Notes Payable ⁽²⁾	Revenue ⁽³⁾	Total
(in thousands)								
Governmental activities:								
Bonds and Notes payable								
General obligation bonds	\$ 41,276,432	\$ —	\$ —	\$ 41,276,432	\$ 45,970,937	\$ —	\$ —	\$ 45,970,937
from Direct borrowing and direct placement	425,000	—	—	425,000	750,000	—	—	750,000
Total General obligation bonds . . .	41,701,432	—	—	41,701,432	46,720,937	—	—	46,720,937
TFA Bonds	—	49,671,155	—	49,671,155	—	55,282,165	—	55,282,165
from Direct borrowing and direct placement	—	275,000	—	275,000	—	275,000	—	275,000
TFA Bonds BARBS	—	—	7,671,800	7,671,800	—	—	7,455,820	7,455,820
Total TFA Bonds	—	49,946,155	7,671,800	57,617,955	—	55,557,165	7,455,820	63,012,985
TSASC Bonds	—	—	909,055	909,055	—	—	878,670	878,670
IDA Bonds	—	46,905	—	46,905	—	41,900	—	41,900
HYIC Bonds	—	—	2,461,710	2,461,710	—	—	2,412,620	2,412,620
from Direct borrowing and direct placement	—	—	90,130	90,130	—	—	108,522	108,522
Total HYIC Bonds	—	—	2,551,840	2,551,840	—	—	2,521,142	2,521,142
ECF Bonds	—	—	164,740	164,740	—	—	141,610	141,610
from Direct borrowing and direct placement	—	—	117,340	117,340	—	—	116,210	116,210
Total ECF Bonds	—	—	282,080	282,080	—	—	257,820	257,820
Total before net of premium / discount . .	41,701,432	49,993,060	11,414,775	103,109,267	46,720,937	55,599,065	11,113,452	113,433,454
Net Premiums/(discounts)	2,343,131	3,856,091	1,017,440	7,216,662	2,363,682	4,311,182	922,553	7,597,417
Total bond payable	\$ 44,044,563	\$ 53,849,151	\$ 12,432,215	\$ 110,325,929	\$ 49,084,619	\$ 59,910,247	\$ 12,036,005	\$ 121,030,871
Business-type activities:								
NYCTL Trusts bonds	—	—	3,579	3,579	—	—	—	—
Net Premiums/(discounts)	—	—	(13)	(13)	—	—	—	—
Total bond payable	\$ —	\$ —	\$ 3,566	\$ 3,566	\$ —	\$ —	\$ —	\$ —

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

⁽²⁾ Other bonds and notes payable includes TFA (excluding BARBs) and IDA. They are general obligations of the respective issuers.

⁽³⁾ Revenue bonds include ECF, HYIC, TFA (BARBs), NYCTL Trusts, and TSASC.

The following table summarizes future debt service requirements as of June 30, 2025:

Primary Government	Governmental Activities							
	City General Obligation Bonds ⁽¹⁾				Other Bonds and Notes Payable ⁽²⁾			
	Bonds		Bond from Direct Borrowings/ Direct Placements		Bonds		Bond from Direct Borrowings/ Direct Placements	
	Principal	Interest ⁽³⁾	Principal	Interest ⁽³⁾	Principal	Interest	Principal	Interest
	(in thousands)							
Fiscal year ending June 30:								
2026.....	\$ 2,405,501	\$ 2,090,517	\$ —	\$ 37,500	\$ 1,823,080	\$ 2,446,756	\$ —	\$ 8,041
2027.....	2,323,911	2,039,228	—	37,500	2,190,355	2,375,202	—	8,041
2028.....	2,318,055	1,935,477	4,150	37,500	2,228,965	2,274,028	—	8,041
2029.....	2,300,625	1,831,738	8,600	37,293	2,264,900	2,180,839	—	8,041
2030.....	2,017,830	1,736,915	—	36,862	2,196,625	2,085,924	—	8,041
2031-2035.....	9,905,007	7,315,839	—	184,313	11,460,060	8,935,890	—	40,205
2036-2040.....	8,326,648	5,137,937	108,180	172,852	12,806,860	6,101,480	13,575	39,907
2041-2045.....	7,383,028	3,236,666	75,305	153,609	10,637,175	3,393,463	261,425	20,759
2046-2050.....	5,583,024	1,642,250	153,765	113,102	6,411,370	1,518,043	—	—
2051-2055.....	3,375,569	419,294	400,000	84,272	3,304,675	305,541	—	—
2056-2060.....	31,704	686	—	—	—	—	—	—
Thereafter until 2147.....	35	117	—	—	—	—	—	—
Total future debt service requirements.....	45,970,937	27,386,664	750,000	894,803	55,324,065	31,617,166	275,000	141,076
Less interest.....	—	(27,386,664)	—	(894,803)	—	(31,617,166)	—	(141,076)
Total principal outstanding.....	<u>\$45,970,937</u>	<u>\$ —</u>	<u>\$750,000</u>	<u>\$ —</u>	<u>\$55,324,065</u>	<u>\$ —</u>	<u>\$275,000</u>	<u>\$ —</u>

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

⁽²⁾ Other bonds and notes payable includes TFA (excluding BARBs) and IDA. They are general obligations of the respective issuers.

⁽³⁾ Includes interest for general obligation bonds estimated at a 5% rate on tax-exempt adjustable rate bonds.

⁽⁴⁾ Revenue bonds include ECF, HYIC, TFA (BARBs), and TSASC.

Primary Government	Governmental Activities (Continued)			
	Revenue Bonds ⁽⁴⁾			
	Bonds		Bond from Direct Borrowings/ Direct Placements	
	Principal	Interest	Principal	Interest
Fiscal year ending June 30:	(in thousands)			
2026.	\$ 322,245	\$ 509,335	\$ 2,125	\$ 9,870
2027.	500,210	490,842	110,752	9,763
2028.	461,405	468,921	2,345	5,592
2029.	483,960	447,775	2,460	5,476
2030.	506,470	425,022	2,585	5,353
2031-2035.	2,916,570	1,700,167	14,995	24,690
2036-2040.	2,844,970	954,799	19,130	20,548
2041-2045.	1,943,170	436,096	24,415	15,262
2046-2050.	904,720	79,087	31,165	8,517
2051-2055.	5,000	75	14,760	1,116
2056-2060.	—	—	—	—
Thereafter until 2147.	—	—	—	—
Total future debt service requirements.	10,888,720	5,512,119	224,732	106,187
Less interest.	—	(5,512,119)	—	(106,187)
Total principal outstanding.	<u>\$10,888,720</u>	<u>\$ —</u>	<u>\$224,732</u>	<u>\$ —</u>

The average (weighted) interest rates for outstanding City General Obligation Bonds as of June 30, 2025 and 2024, were 4.77% and 4.66%, respectively, and both ranged from 0.80% to 7.75%. The last maturity of the outstanding City debt is in the year 2147.

Since the City has variable rate debt outstanding, the terms by which interest rates change for variable rate debt are as follows: for Auction Rate Securities, an interest rate is established periodically by an auction agent at the lowest clearing rate based upon bids received from broker-dealers. Variable Rate Demand Bonds (VRDBs) are long-term bonds that have a daily or weekly “put” feature backed by a bank Letter of Credit or Standby Bond Purchase Agreement. VRDBs are repriced daily or weekly and provide investors with the option to tender the bonds at each repricing. A broker, called a Remarketing Agent, is responsible for setting interest rates and reselling to new investors any securities that have been tendered. SIFMA Index Bonds pay the holder a floating index rate based on the Securities Industry and Financial Markets Association Municipal Swap Index plus spread. SOFR Index Bonds pay the holder a floating index rate based on the Secured Overnight Financing Rate plus spread. Adjustable Rate Remarketed Securities (ARRS) are long-term bonds that are remarketed daily by a Remarketing Agent, who is responsible for setting interest rates and reselling to new investors any securities that have been tendered.

In Fiscal Years 2025 and 2024, the City issued \$2.02 billion and \$180.11 million, respectively, of General Obligation Bonds to refund General Obligation Bonds of \$2.2 billion and \$220 million, respectively, aggregate principal amounts. The net proceeds from the sales of the refunding bonds in Fiscal Year 2025 and 2024, along with \$11.30 million of other funds in Fiscal Year 2025, were irrevocably placed in escrow accounts and invested in United States Governmental securities. As a result of providing for the payment of the principal and interest to maturity, and any redemption premium, the advance refunded bonds are considered to be defeased and, accordingly, the liability is not reported in the government-wide financial statements. In Fiscal Year 2025, the refunding transactions will decrease the City’s aggregate debt service payments by \$150.18 million and provide an economic gain of \$129.42 million. In Fiscal Year 2024, the refunding transactions decreased the City’s aggregate debt service payments by \$6.93 million and provided an economic gain of \$6.74 million. At June 30, 2025 and 2024, \$17.06 and \$14.89 billion, respectively, of the City’s outstanding General Obligation Bonds were considered defeased.

The State Constitution requires the City to pledge its full faith and credit for the payment of the principal and interest on City term and serial bonds. The debt-incurring power of the City is limited by the Constitution to 10% of the average of five years’ full valuations of taxable real estate. Excluded from this debt limitation is certain indebtedness incurred for water supply, certain obligations for transit, sewage, and other specific obligations which exclusions are based on a relationship of debt service to net revenue. In July 2009, the State Assembly passed legislation stipulating that certain TFA debt would be included in the calculation of debt-incurring margin within the debt limit of the City.

As of June 30, 2025 and 2024, the 10% general limitation was approximately \$136.75 and \$131.64 billion, respectively. Also, as of June 30, 2025, the City’s remaining GO debt-incurring power totaled \$29.10 billion. As of July 1, 2025, the debt incurring power was \$44.35 billion based on the change in the five-year full valuation average for fiscal year 2025, an amendment to the TFA Act increasing the total amount of TFA Future Tax Secured Bonds authorized to be outstanding and not subject to the City’s debt limit, and appropriation for payment of Fiscal Year 2026 GO debt.

Pursuant to State law, the City’s General Debt Service Fund is administered and maintained by the State Comptroller. Payments of real estate taxes and other revenues are deposited in advance of debt service payment dates into the Fund. Debt service on all City notes and bonds are paid from this Fund. In Fiscal Year 2025, \$131.1 million represents prepaid transfers that are required by law and \$1.31 Billion of the transfer was a discretionary transfer. In Fiscal Year 2024, prepayment transfers of \$1.95 billion were made from the General Fund to the General Debt Service Fund for Fiscal Year 2025 debt service.

As of June 30, 2025, the City had 31 series of Variable Rate Demand Bonds (VRDBs) outstanding that have a “put” feature and are backed by either a Standby Bond Purchase Agreement (SBPA) or a Letter of Credit (LOC) with a total par value of approximately \$3.35 billion.

The SBPAs contain various events of default that are summarized below. Events of default, which result in the immediate termination of the SBPA, cause tendered and unremarketed bonds to pay interest to bondholders at a maximum rate specified in the underlying documents, which is typically 9% for tax-exempt bonds and 14% for taxable bonds. Other events of default under a SBPA may cause a mandatory tender to the bank providing the SBPA and result in the interest rate on the bonds held by the bank increasing to the default rate, which is typically equivalent to the lesser of 25% and the Base Rate plus a spread ranging generally from 2% to 4.5%, until the City takes action to cure the default. The Base Rate is typically a rate per annum equal to the highest of (i) a fixed rate generally in the vicinity of 8%; (ii) the federal funds rate plus a spread ranging generally from 0.5% to 4%; (iii) the prime rate plus a spread ranging generally from 0% to 3%; and (iv) other indices with specified spreads which may vary.

Events of Default under an LOC may result in a termination of the LOC within a stated period of generally eight days and a mandatory tender of the bonds to the LOC bank. The bank then holds the bonds at the default rate, which is typically equivalent to the lesser of 25% and the Base Rate plus a range from 2% to 4.5%, until the City takes action to cure the default.

Events of default under the SBPAs or LOC Reimbursement Agreements supporting the 31 series of VRDBs are documented in their respective agreements. The summaries which follow are qualified in their entirety by references to the actual SBPAs and LOC Reimbursement Agreements, which can be found by following prompts on the New York City home page on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website (<http://emma.msrb.org>). Events of default can include, but are not necessarily limited to: payment defaults by the City; City failure to observe certain covenants; City representations in bond documents prove to be incorrect; bankruptcy or insolvency of the City; provisions in the City’s bond documents cease to be valid

and binding or the City repudiates obligations; the City declares a moratorium on payment of any of its debts; the City's long-term unenhanced bond ratings are withdrawn, suspended for credit-related reasons, or reduced below certain thresholds; or the City fails to satisfy non-appealable monetary judgements above a certain amount.

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

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

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

As of June 30, 2025, the City had six series of Index Rate Bonds outstanding with a total par value of \$750 million, all of which are Direct Purchases.

As of June 30, 2025, the City had three series of Adjustable Rate Remarketing Securities (ARRS) outstanding with a total par value of \$359.35 million. The ARRS are comparable to VRDBs, but do not require a liquidity facility backstop and do not have a put feature and have a non-remarketed rate of 12% if they cannot be successfully remarketed.

As of June 30, 2025, the City had four series of Auction Rate Bonds outstanding with a par value of \$144.3 million. Auction rate bonds are variable rate bonds whose interest rate is reset periodically through a Dutch auction process.

Hedging derivative instrument payments and hedged debt

As of June 30, 2025 the City does not have swaps that are classified as hedging derivative instruments.

Judgments and Claims

The City is a defendant in lawsuits pertaining to material matters, including claims asserted which are incidental to performing routine governmental and other functions. This litigation includes, but is not limited to: actions commenced and claims asserted against the City arising out of alleged constitutional violations; torts; breaches of contract; other violations of law; and condemnation proceedings.

As of June 30, 2025 and 2024, claims in excess of \$2.74 and \$2.29 trillion, respectively, were outstanding against the City for which the City estimates its potential future liability to be \$8.88 and \$7.50 billion, respectively.

As described in Note A.10, the estimate of the liability for all judgments and claims has been reported in the government-wide Statement of Net Position under noncurrent liabilities. The liability was estimated by using the probable exposure information provided by the New York City Law Department (Law Department), and supplemented by information provided by the Law Department with respect to certain large individual claims and proceedings. The recorded liability is the City's best estimate based on available information and application of the foregoing procedures.

The City is currently named as a defendant in approximately eight legal actions and received approximately 2,405 workers' compensation claims to date relating to the COVID-19 outbreak in the City. The legal actions include claims that wrongful actions or omissions of the City and/or certain City restrictions related to COVID-19 have resulted in severe medical, psychological and economic damages and/or death. The workers' compensation claims are governed by a no-fault system in which the City, as the claimant's employer, provides wage replacement benefits and medical care for work-related illnesses if the City accepts the employee's claim or the claimant obtains a judgment from the New York State Workers' Compensation Board. The City may receive additional legal and workers' compensation claims related to COVID-19 in the future. The City cannot predict its potential monetary liability from such claims at this time or whether such liability will have a material effect on the finances of the City.

In 1996, a class action was brought against the New York City Board of Education (the "BOE") and the State in federal district court of the Southern District of New York under Title VII of the Civil Rights Act of 1964 alleging that the use by the Board of Education of a teacher certification examination mandated by the State from 1996 to 2004, the Liberal Arts and Science Test ("LAST"), and a second version of the teacher certification examination mandated by the State from 2004 to 2014, the Liberal Arts and Science Test 2 ("LAST-2"), had a disparate impact on minority candidates. In 2006, the United States Court of Appeals for the Second Circuit dismissed the claims against the State. The District Court ruled in 2012 and 2015, respectively, that each of LAST and LAST-2 violated Title VII because it did not measure the skills necessary to do the job. Currently, approximately 5,300 LAST and LAST-2 class members have submitted claim forms and may be eligible for damages. Approximately 4,759 judgments have been

entered in favor of the claimants totaling approximately \$1.36 billion. The Second Circuit denied 347 of the City's appeals and the parties stipulated that the remainder of judgments appealed after September 3, 2019 would remain in effect as if they had also been affirmed. With the assistance of the court appointed Special Master, the parties reached an agreement to limit the number of the judgments that would need to be paid in any given fiscal year. The maximum dollar value of judgments to be paid by the BOE would be limited as follows: In fiscal year 2024 – a maximum of \$360 million; in fiscal year 2025 – a maximum of \$360 million; in fiscal year 2026 – a maximum of approximately \$183 million; in fiscal year 2027 – a maximum of approximately \$83 million; and in fiscal year 2028 – a maximum of approximately \$33 million. The agreement is a cap on payments of judgments entered against the BOE and is not an agreement to compromise claims. BOE will continue to contest individual claims presented to the Special Master. The Special Master will regulate the number of judgments entered against BOE to ensure that the aforementioned caps are not exceeded in any fiscal year.

The City is named as a defendant in a putative class action relating to the City's Speed Camera Program authorized pursuant to Vehicle and Traffic Law ("VTL") section 1180-b (the "Speed Camera Program"). In September 2020 in New York County Supreme Court, plaintiffs filed *Muladzhyanov v. City*, challenging the processing of vehicular speeding tickets issued by the City under the Speed Camera Program. Plaintiffs claimed, among other things, that certificates issued by the City to verify speeding violations were not notarized as plaintiffs allege is required by VTL section 1180-b(d) and therefore said certificates and the related fines were invalid. Plaintiffs seek refunds of fines paid under the Speed Camera Program from August 2013 to August 2018 and from July 2019 to present. If a class were to be certified by the Court and the City was ordered to pay refunds for fiscal year 2014 to fiscal year 2020 for said violations, the potential monetary liability could be substantial. On March 15, 2024, the Court issued a decision granting the City's motion to dismiss the lawsuit; on April 14, 2024, plaintiffs noticed an appeal to the Appellate Division, First Department and briefing is underway.

In 2019, New York State enacted the Child Victims Act which eliminated various procedural requirements in actions where a plaintiff alleges sexual abuse that occurred when the plaintiff was under 18 years of age. The City and DOE were initially named as a defendant in over 1,000 cases authorized by the Act, which claims primarily related to the alleged sexual abuse of children in either schools or the City's foster care system. Currently, there are nearly 800 cases still pending, of which approximately 600 involve the City's Administration for Children's Services ("ACS"). The City and DOE have settled approximately 225 cases for a combined value of approximately \$230,000,000 substantially all of which has been paid. Discovery demands have been incorporated into a court order and more complete demands have been issued, and discovery is underway in most cases. On February 18, 2025, in the case of *Weisbrod-Moore v. Cayuga County*, the Court of Appeals held that municipalities owe a duty of care to children that the municipalities place in foster homes because the municipalities have assumed custody of those children. The court preserved the defenses of notice and foreseeability. This ruling is likely to significantly impact the City's potential liability. While it is still too early to provide an accurate estimate of the potential cost to the City, the exposure could be substantial in each of the future years during which settlements are reached.

On May 31, 2023, in New York State Supreme Court, New York County, a group of City retirees filed a legal challenge to the implementation of the City's Medicare Advantage plan which is intended to generate savings in retiree health benefit costs. On August 11, 2023, the Supreme Court permanently enjoined the City from requiring any City retirees, and their dependents, from being removed from their current health insurance plans, and from being required to either enroll in the Medicare Advantage plan or seek their own health coverage. On May 21, 2024, the Appellate Division affirmed. On June 18, 2025, the New York Court of Appeals found for the City, reversing and remanding for further proceedings. In a prior litigation, a group of City retirees filed a legal challenge to the implementation of the City's Medicare Advantage Plus plan, which was intended to generate savings in retiree health benefit costs. The State Supreme Court concluded that, although the City could proceed with the implementation of the Medicare Advantage Plus plan, it could not charge retirees enrolled in Senior Care a co-premium to stay in that plan. The City appealed that decision on March 4, 2022. On July 15, 2022, the contract awardee, Anthem Insurance, Inc. d/b/a Empire BlueCross BlueShield Retiree Solutions, which was to provide the Medicare Advantage Plus plan challenged in this litigation, advised the City that it would no longer participate in offering the plan because of delays and uncertainties regarding its effective date. On November 22, 2022, the Appellate Division, First Department affirmed the Supreme Court's order. On December 17, 2024, the New York Court of Appeals also affirmed. The Mayor has announced that the City does not intend to move forward with the Medicare Advantage plan at this time. Although further legal proceedings may occur, there is no exposure to the City's financial liability at this time. Instead, the City is pursuing an alternative health benefits plan for active employees, pre-Medicare retirees and their dependents (not for Medicare retirees) which is currently in the contract registration process with the City, with planned effective date of January 1, 2026.

On May 11, 2023, an advocacy organization and four employee members of three City pension funds (NYCERS, BERS and TRS) filed a lawsuit alleging that the funds had breached their fiduciary duties owed to pension fund participants and beneficiaries, by divesting from fossil fuel companies. The plaintiffs do not allege that they have suffered direct damages and are unlikely to recover

damages. Rather, the primary relief they seek is injunctive relief to undo the divestment decision, such as through the appointment of a monitor or the requirement that the funds buy back some or all of the fossil fuel stocks that they sold. The plaintiffs also seek an order requiring payments into the funds to compensate the funds for alleged losses caused by the divestments. Even if that relief were ordered by the court, it would be unlikely to alter the City's pre-existing and ongoing financial obligation to ensure that the pension funds are able to pay the benefits owed to their beneficiaries. If the court were to order payments into the funds to offset alleged losses from the divestment, those are infusions that the City would likely have to pay into the funds at some point in the future, in any event, to ensure the funds are adequately funded. On August 7, 2023, the City filed a motion to dismiss the complaint, and argument on that motion was heard on February 28, 2024. The Court dismissed the lawsuit against NYCERS and the other pension funds on July 3, 2024. Plaintiffs appealed and, on March 11, 2025, the Appellate Division, First Department affirmed the dismissal of the lawsuit. On April 16, 2025, plaintiffs moved to the New York Court of Appeals for leave to appeal; the motion is pending. The Plaintiffs sought leave to appeal from the New York Court of Appeals on May 5, 2025. On October 21, 2025, the Court of Appeals denied Plaintiffs' leave to appeal and the lawsuit has been dismissed. There is no further appellate stage or appeals available to Plaintiffs, and thus there is currently no pending litigation.

In 2022, the State passed the Adult Survivors Act (the "ASA"), which created a one-year window for the filing of lawsuits in which plaintiffs allege they were victims of sexual abuse which occurred when they were 18 years of age or older at the time of the alleged abuse, although the associated statute of limitations may have otherwise expired. Since the ASA claim revival window opened in November 2022, the City has been named as a defendant in approximately 758 cases authorized by the ASA. The vast majority of the cases involve female inmates alleging rape or sexual assault by correction officers or other inmates at the Rose M. Singer Center unit of Rikers Island. The plaintiffs allege that the City and the City's Correction Department failed to provide adequate supervision and prevent foreseeable harm. The exposure for the City is currently estimated in excess of \$1.5 billion over an expected period of at least three to four years. As of the end of October 2025, the City has settled 52 cases totaling approximately \$37,561,000.

On May 25, 2023, the City Council passed four bills, Local Law Numbers 99, 100, 101 and 102 of 2023, each of which took effect on January 9, 2024 and substantially expand eligibility for the City's housing rental assistance voucher program for individuals and families who are experiencing or are at risk of homelessness. The Mayor vetoed the bills on June 23, 2023, noting fiscal, operational, policy and legal issues presented by the laws. The City Council voted to override the vetoes on July 13, 2023. By letter dated December 15, 2023, the City advised the City Council that in light of the issues identified in the Mayor's veto messages, the Mayor would not be implementing the local laws at that time. The Legal Aid Society filed a lawsuit in the New York State Supreme Court, New York County on February 14, 2024 against the City on behalf of four individuals. On February 21, 2024, the City Council moved to intervene in the Legal Aid Society's lawsuit. On August 1, 2024, the Court denied the petitions from Legal Aid Society and from the City Council, ruling that the Mayor established that the four bills are invalid as preempted by State law. The City Council and Legal Aid Society appealed to the Appellate Division, First Department. On July 10, 2025, the Appellate Division held that the laws are not preempted and directed the Commissioner of Social Services to make an appropriate submission or submissions to the State for its review, acknowledging that the Commissioner retains discretion in how the laws are implemented. On October 7, 2025, the Appellate Division granted the City leave to appeal to the New York Court of Appeals.

In 2022, the City Council amended the 2000 Victims of Gender-Motivated Violence Protection Law to expand the category of those liable under the law from an "individual" who committed a gender-motivated crime, to a "party" who "commits, directs, enables or participates in the commission" of such a crime. The amendment also established a two-year claim revival period, permitting previously time-barred suits to be filed up to March 1, 2025. Approximately 575 lawsuits have been filed in New York State Supreme Court (Bronx, Kings, Queens and New York Counties), against the City, the Department of Corrections and ACS pursuant to the amendment and its revival provision. These suits collectively allege acts of gender-motivated violence (sexual assault) against individual juvenile plaintiffs while in custody in City juvenile detention facilities (Spofford/Bridges, Horizon and Rikers). On October 31, 2024, the City filed an omnibus motion to dismiss 464 lawsuits filed in Bronx County by challenging the 2022 amendment, particularly the revival period provision. On September 17, 2025, the Court granted the City's motion dismissing the 464 suits. The City is in the process of filing additional motions seeking dismissal of the remaining suits in the Bronx and other counties. It is still too early to provide an accurate estimate of the potential cost to the City, however, exposure could be substantial.

In addition to the above claims and proceedings, numerous real estate tax certiorari proceedings alleging overvaluation, inequality, and illegality are pending against the City. Based on historical settlement activity, and including an estimated premium for inequality of assessment, the City estimates its potential future liability for outstanding certiorari proceedings to be \$1.80 and \$1.61 billion at June 30, 2025 and June 30, 2024 respectively, as reported in the government-wide financial statements.

Landfill Closure and Postclosure Care Costs

The City's only active landfill after October 9, 1993 was the Fresh Kills landfill, which has been closed since 2002. Upon the landfill becoming inactive, the City was required by Federal and State law, and under Consent Order with the State Department of Environmental Conservation to complete the Final Closure Plan, and to provide postclosure care for a minimum period of 30 years following closure. The Final Closure Plan includes the construction of final cover, stormwater management, leachate mitigation and/or corrective measures, and landfill gas control systems. Postclosure care includes environmental monitoring, and the operation, maintenance, record keeping and reporting for the final closure systems.

The liability for these activities as of June 30, 2025, for all inactive landfills and hazardous waste sites, equates to the total estimated current cost of \$1.19 billion. There are no costs remaining to be recognized. Cost estimates are based on current data including contracts awarded by the City, contract bids, and engineering studies. These estimates are subject to adjustment for inflation and to account for any changes in landfill conditions, regulatory requirements, technologies, or cost estimates. For government-wide financial statements, the liability for closure and postclosure care is based on total estimated current cost. For fund financial statements, expenditures are recognized using the modified accrual basis of accounting when the related liability is incurred and the payment is due.

Resource Conservation and Recovery Act Subtitle D Part 258, which became effective April, 1997, requires financial assurance regarding closure and postclosure care. This assurance was most recently provided, on March 15, 2023, by the City's Chief Financial Officer placing in the Fresh Kills landfill operating record representations in satisfaction of the Local Government Financial Test. As of June 30, 2025, the financial assurance cost estimate for the Fresh Kills Landfill is \$899 million.

The City has five inactive hazardous waste sites not covered by the EPA rule. The City has recorded the long-term liability for these postclosure care costs in the government-wide financial statements.

During Fiscal Year 2025, expenditures for landfill and inactive hazardous waste site closure and postclosure care costs totaled \$18.1 million.

The following represents the City's total landfill and hazardous waste sites liability which is recorded in the government-wide

Statement of Net Position:

	2025	2024
	(in thousands)	
Landfill	\$1,091,473	\$1,064,506
Hazardous waste sites	106,336	111,361
Total landfill and hazardous waste sites liability	<u>\$1,197,809</u>	<u>\$1,175,867</u>

Pollution Remediation Obligations

The pollution remediation obligations (PROs) at June 30, 2025 and June 30, 2024, summarized by obligating event and pollution type, respectively, are as follows:

<u>Obligating Event</u>	<u>Fiscal Year 2025</u>		<u>Fiscal Year 2024</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
	(in thousands)		(in thousands)	
Imminent endangerment	\$ 15	0.01%	\$ 15	0.02%
Named by regulator as a potentially responsible party	65,426	24.64	65,267	22.41
Voluntary commencement	200,027	75.35	225,818	77.57
Total	<u>\$265,468⁽¹⁾</u>	<u>100.00%</u>	<u>\$291,100⁽¹⁾</u>	<u>100.00%</u>

<u>Pollution Type</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
	(in thousands)		(in thousands)	
Asbestos removal	\$125,648	47.34%	\$166,599	57.23%
Lead paint removal	20,932	7.88	12,546	4.31
Soil remediation	16,072	6.05	19,129	6.57
Water remediation	50,791	19.13	50,791	17.45
Other	52,025	19.60	42,035	14.44
Total	<u>\$265,468⁽¹⁾</u>	<u>100.00%</u>	<u>\$291,100⁽¹⁾</u>	<u>100.00%</u>

⁽¹⁾ There are no expected recoveries to reduce the liability.

The PRO liability is derived from registered multi-year contracts which offsets cumulative expenditures (liquidated/unliquidated) against original encumbered contractual amounts. The potential for changes to existing PRO estimates is recognized due to such factors as: additional remediation work arising during the remediation of an existing pollution project; remediation activities may find unanticipated site conditions resulting in necessary modifications to work plans; changes in methodology during the course of a project may cause cost estimates to change, e.g., the new ambient air quality standard for lead considered a drastic change will trigger the adoption of new/revised technologies for compliance purposes; and changes in the quantity which is paid based on actual field measured quantity for unit price items measured in cubic meters, linear meters, etc. Consequently, changes to original estimates are processed as change orders. Further, regarding pollution remediation liabilities that are not yet recognized because they are not reasonably estimable, the Law Department relates that the City has approximately 59 cases in total, 57 cases involving hazardous substances, including spills from above and underground storage tanks, and other contamination on, or caused by facilities on City-owned property; and there are two case involving Drinking Water and one miscellaneous case. Due to the uncertainty of the legal proceedings, future liabilities cannot be estimated.

The City, in compliance with the State Department of Environmental Conservation Permit Numbers 2-6302-00007/00019, 2-6102-00010/00013, 2-6106-00002/00022, 2-6204-007/00013, and 2-6202-00005/00017 issued pursuant to 6 NYCRR Part 360, must provide financial assurance for the closure of the following Marine Transfer Stations: North Shore, Hamilton Avenue, Southwest Brooklyn, East 91st Street, and West 59th Street. Such surety instrument must conform to the requirements of 6 NYCRR Part 360.12. The liability for closure as of June 30, 2025, which equates to the total current closure cost, is \$1.26 million for North Shore, \$1.11 million for Hamilton Avenue, \$1.04 million for Southwest Brooklyn, \$1.3 million for East 91st Street, and \$273 thousand for West 59th Street. The cost estimates are based on current data and are representative of the cost that would be incurred by an independent party. The estimates are subject to adjustment for inflation and to account for changes in regulatory requirements or cost estimates. For government-wide financial statements, the liability for closures is based on total estimated current costs. For fund financial statements, expenditures are recognized using the modified accrual basis of accounting when the closure costs are incurred, and the payment is due. The total liability equaling the total closure costs for the transfer stations of \$4.98 million is included under the Pollution Type "Other" in the table above.

On Monday, October 29, 2012, Superstorm Sandy hit the Mid-Atlantic East Coast. The storm caused widespread damage to the coastal and other low-lying areas of the City and power failures in various parts of the City, including most of downtown Manhattan, the south shore of Staten Island, and the communities surrounding Jamaica Bay in Brooklyn and Queens. On January 29, 2013, President Obama signed legislation providing for approximately \$50.5 billion in storm-related aid for the region affected by the storm. Although it is not possible for the City to quantify the full, long-term impact of the storm on the City and its economy, the current estimate of the direct costs to the City, NYCHH and NYCHA is approximately \$10.7 billion (comprised of approximately \$1.8 billion of expense costs and approximately \$8.9 billion of capital project costs). Such direct costs represent funding for emergency response, debris removal, emergency protective measures, repair of damaged infrastructure and long-term hazard mitigation investments. In addition to such direct costs, the City is delivering Sandy-related disaster recovery assistance services, benefiting impacted communities, businesses, homeowners and renters (Community Costs). The City anticipates that funding for Community Costs will be primarily reimbursed with federal funds. However, the City is responsible for \$134 million of such Community Costs, which are reflected in the Financial Plan. In addition, the City may be responsible for up to approximately \$150 million of additional Community Costs, which are not reflected in the Financial Plan.

The Financial Plan assumes that the direct costs described above will largely be paid from non-City sources, primarily the federal government, and that the Community Costs described above will be primarily reimbursed by federal funds. The City expects reimbursements to come from two separate federal sources of funding, FEMA and HUD. The City has secured approximately \$10.8 billion in FEMA assistance and other federal emergency response grants (FEMA Funding). The maximum reimbursement rate from FEMA is 90 percent of total costs. Other federal emergency response grants may have larger local share percentages. The City expects to use \$720 million of Community Development Block Grant Disaster Recovery funding allocated by HUD to meet the local share requirements of the FEMA Funding, as well as recovery work not funded by FEMA or other federal emergency response grants for the direct costs described above. This allocation would be available to fill gaps in such FEMA Funding. No assurance can be given that the City will be reimbursed for all of its costs or that such reimbursements will be received within the time periods assumed in the Financial Plan. There is no assurance, if the City were to experience a similar storm in the future, that non-City sources, including the federal government, would pay the costs.

On September 1, 2021, Hurricane Ida hit the Mid-Atlantic East Coast as a post-tropical cyclone (Ida), bringing significant rainfall and resulting in severe flooding in parts of the City, including primarily inland areas. Rainfall from Ida exceeded the previous record for the most single-hour rainfall in the City and for the first time the National Weather Service declared a flash flood emergency in the City. Ida resulted in the deaths of 13 people in the City, 11 of which occurred in basement housing units.

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

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

Building on NPCC's recommendations, prior recommendations released after Ida hit the City and the City's strategic planning, the City released PlaNYC: Getting Sustainability Done (PlaNYC 2023) in April 2023. PlaNYC 2023 addresses some of the risks identified in the NPCC Reports. Among other things, PlaNYC 2023 includes measures to address the biggest risks to the City associated with climate change, including extreme heat and flooding from extreme rainfall, coastal storms and tidal flooding due to sea level rise. PlaNYC 2023 also describes measures to reduce economy-wide greenhouse gas emissions and initiatives to transition away from polluting fossil fuels to clean energy. The total costs of implementing all of PlaNYC 2023's recommendations, including those relating to extreme rainfall, would be substantial and in some cases would require State and federal funding alongside additional City funding.

In 2023, the City launched Climate Strong Communities (CSC), an initiative of the New York City Mayor's Office of Climate and Environmental Justice that aims to build resiliency and sustainability infrastructure to reduce risks from climate change in environmental justice areas. CSC is grounded in environmental justice and guided by three pillars: collaborating with communities, working across government, and unlocking new funding. CSC is an equitable multi-hazard planning framework that leverages infrastructure and climate funding opportunities.

The City is in the process of implementing infrastructure projects to protect areas of the City from flooding associated with extreme rainfall, storm surge, and tidal flooding due to sea level rise. (See below for additional information on the impacts of flooding.) These projects and initiatives are in various stages of feasibility review, design, construction, and implementation. Funding for these projects is expected to come from City, State and federal sources. Some projects are expected to require additional funding to the extent that they are in the planning stages or current funding does not provide for the costs of construction.

In 2023, the City created a new Bureau of Coastal Resiliency led by an Assistant Commissioner at the Department of Environmental Protection to coordinate the City's coastal resiliency work. Several major coastal resiliency projects are currently underway throughout the City, including the East Side Coastal Resiliency Project (ESCR). ESCR, which broke ground in 2021, is an integrated coastal flood protection system which will create resilient open spaces and improve waterfront access on Manhattan's east side, from East 25th Street at the north to Montgomery Street at the south. The City anticipates the entire flood protection system will be in place and operational by the end of 2026. The total expected cost of ESCR is \$1.97 billion, with remaining costs fully funded through a combination of City, federal and other funding sources.

Other projects in Lower Manhattan include constructing flood walls and deployable flip-up barriers to protect the Two Bridges neighborhood, developing a plan to extend the Manhattan shoreline from the Brooklyn Bridge to the Battery into the East River to protect the Seaport and Financial District area, and constructing an elevated waterfront esplanade in the Battery and flood barriers in Battery Park City. Coastal resilience projects are also underway in the Tottenville and Red Hook neighborhoods, and an energy resilience project is underway in Hunts Point, with shoreline reinforcement projects also happening in other identified areas of the City. These projects are in various stages of feasibility review, design, construction, and implementation. Funding for these projects is coming from City and federal sources, and \$858 million is included in the Ten-Year Capital Strategy. As the projects proceed, the City continues to monitor anticipated costs and reflects updates in the capital plan as needed.

The U.S. Army Corps of Engineers (USACE) is pursuing the South Shore of Staten Island Coastal Storm Risk Management Project (the Staten Island Project) and the Rockaways Atlantic Shorefront and Bayside Projects (the Rockaways Projects). The Staten Island Project is expected to create a 5.5-mile line of coastal protection on Staten Island between Fort Wadsworth and Oakwood Beach. USACE currently estimates that the project will cost \$1.7 billion. The City is responsible for 10.5 percent of the project costs, and the remaining project costs are to be paid for with federal and State funds. Approximately half of the City's share of such project costs is currently reflected in the Ten-Year Capital Strategy. The Rockaways Projects consist of coastal protection elements on the Atlantic shorefront and on the Jamaica Bay side of the Rockaways. Construction has begun on the Atlantic Shorefront Project, which is fully funded by the federal government, with an expected cost of approximately \$590 million. Design has started on the Bayside Project, which is fully funded by the federal government, with a current expected cost of \$253 million.

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

In 2015, FEMA issued preliminary updated flood insurance rate maps, which would have expanded the 100-year floodplain beyond the areas designated in the flood maps issued in 2007. The City appealed the 2015 preliminary flood maps challenging the modeling FEMA used to develop them. The 2015 preliminary flood maps were adopted into the building code, but the prior 2007 flood maps remain in effect for flood insurance purposes. In 2016, FEMA agreed with the City's appeal, and the City is currently working with FEMA to update the maps. FEMA's new maps are expected to generally expand the 100-year floodplain from the 2007 flood maps and may cover different areas than the 2015 preliminary flood maps. FEMA expects to release preliminary flood maps in 2025 and expects the new flood maps to become effective in 2026 or 2027. Such expansion could negatively impact property values in those newly designated areas. In addition, an increase in areas of the City susceptible to flooding resulting from climate change could result in greater recovery costs to the City if flooding were to occur within such larger areas.

The City is committed to minimizing its own greenhouse gas emissions by reaching carbon neutrality by 2050. The City's efforts to reach such goal include promoting and investing in electrification, clean energy, energy efficiency, and sustainable transportation, and reducing energy use. Since 2014, the City has invested over \$900 million in more than 14,000 energy conservation measures across almost 2,900 buildings, comprising more than 70 percent of City government's building square footage. The investments have decreased energy use and reduced emissions by nearly 372,000 metric tons. The Ten-Year Capital Strategy includes \$3.9 billion to continue this work to reduce energy use and greenhouse gas emissions.

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

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

On May 28, 2014, EPA issued a unilateral administrative order (2014 Unilateral Order) requiring the City to design the CSO retention tanks and other storm water control measures, and remediation of the First Street Basin (a currently filled-in portion of the Canal). On June 9, 2016, EPA and the City entered into an Administrative Settlement Agreement and Order (Administrative Order), under which the City agreed to milestones relating to the design of one of the CSO tanks. The City estimates that the tanks will cost approximately \$1.6 billion of which \$1.1 billion is committed and \$0.3 billion is included in the City's capital plan. The City notified EPA of delays in the completion of the design of one of the CSO retention tanks and is monitoring its ability to meet the requirements of the EPA Orders.

On March 29, 2021, EPA issued a unilateral administrative order (the 2021 Unilateral Order) to the City, requiring the City to complete design and construction of both CSO tanks by March 2029; to complete design and construction of a new bulkhead at the City-owned Salt Lot at 2nd Avenue in Brooklyn by August 2023; and to implement additional stormwater controls in the Canal sewershed. The City informed EPA that it would complete the design and construction of the CSO tanks as required in the 2021 Unilateral Order, but that it would likely be unable to meet the deadlines imposed in the 2021 Unilateral Order. Based on the concerns the City raised about the 2021 Unilateral Order, EPA modified the 2021 Unilateral Order in certain respects but declined to extend the design and construction schedules. The 2021 Unilateral Order took effect on June 30, 2021. The City may be subject to penalties stemming from alleged violations of the 2014 Unilateral Order and the Administrative Order and may also be subject to fines and/or penalties stemming from the 2021 Unilateral Order if it does not meet the design and/or construction deadlines set forth therein.

On January 28, 2020, EPA issued a new unilateral order (the 2020 Unilateral Order) to the six largest PRPs, including the City and National Grid, requiring these parties to implement the in-Canal remedy (consisting of dredging and capping of sediments) in the upper reach of the Canal. On June 27, 2024, EPA modified the 2020 Unilateral Order to include the middle reach of the Canal. In 2013 when it issued the Canal ROD, EPA estimated that the cost of this work, the first of the three phases, would be \$125 million. The City believes that these costs will be substantially higher. The City's liability for the in-Canal work is unknown at this time and may ultimately be determined through litigation.

On September 27, 2010, EPA listed Newtown Creek, the waterway on the border between Brooklyn and Queens, New York, as a Superfund site. On April 6, 2010, EPA notified the City that EPA considers the City a PRP under CERCLA for hazardous substances in Newtown Creek. In its Newtown Creek PRP notice letter, EPA identified historical City activities that filled former wetlands and low-lying areas in and around Newtown Creek and releases from formerly City-owned and operated facilities, including municipal incinerators, as well as discharges from sewers and CSO outfalls, as potential sources of hazardous substances in Newtown Creek. In July 2011, the City entered into an Administrative Settlement Agreement and Order on Consent (AOC) with EPA and five other PRPs to conduct an investigation of conditions in Newtown Creek and evaluate feasible remedies. The investigation and feasibility study for Newtown Creek is expected to proceed until 2028. The City is required to establish and maintain financial security for the benefit of the EPA in the amount of \$25 million in order to secure the full and final completion of the work required to be performed under the AOC. The City's share will be determined in a future allocation proceeding. The 2011 settlement does not cover any remedy that may ultimately be chosen by EPA to address the contamination identified as a result of the investigation and evaluation. In 2020, EPA issued a Record of Decision (CSO ROD) setting forth the remedy for CSO discharges. The CSO ROD requires no further action for CSO beyond the projects in the State-approved Newtown Creek CSO Long Term Control Plan. As part of its determination, EPA required monitoring of the City's four major CSOs to confirm the assumptions underlying the CSO ROD. In September 2022, the City entered into an Administrative Settlement Agreement and Order on Consent with EPA concerning the performance of the required monitoring (2022 AOC). The City is required to establish and maintain financial security for the benefit of the EPA in the amount of \$3 million in order to secure the full and final completion of the work required to be performed under the 2022 AOC.

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

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

6. Interfund Receivables, Payables, and Transfers

At June 30, 2025 and 2024, City and discretely presented component units receivable and payable balances and interfund transfers were as follows:

Governmental activities:

Due from/to other funds:

Receivable Fund	Payable Fund	2025	2024
		(in thousands)	
General Fund	Capital Projects Fund	\$4,832,339 ⁽¹⁾	\$5,993,991 ⁽¹⁾
	TFA—Debt Service	213,539	110,752
Capital Projects Fund	TFA—Capital Projects Fund	57,272	—
Total due from/to other funds		<u>\$5,103,150</u>	<u>\$6,104,743</u>

Component units:

Due from/to City and Component Units:

Receivable Entity	Payable Entity	2025	2024
		(in thousands)	
City—General Fund	Component units—HDC	\$6,911,302	\$5,320,757
	NYC Health + Hospitals	405,087	38,648
		<u>7,316,389</u>	<u>5,359,405</u>
City—Capital Projects Fund	Component units—the System	656,981	583,042
	EDC	142,101	143,566
		<u>799,082</u>	<u>726,608</u>
Total due from Component Units		<u>\$8,115,471</u>	<u>\$6,086,013</u>
Component Unit—the System	City—General Fund	\$ 72,145	\$ 74,048
Component Unit—BPL	City—General Fund	3,938	7,558
Component Unit—QBPL	City—General Fund	5,513	3,396
Total due to Component Units		<u>\$ 81,596</u>	<u>\$ 85,002</u>

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

Note: During Fiscal Years 2025 and 2024, the Capital Projects Fund reimbursed the General Fund for expenditures made on its behalf.

The outstanding balances between funds are the result of the time lag between the dates that the interfund goods and services are provided, the date the transactions are recorded in the accounting system and the date payments between funds are made. All interfund balances are expected to be settled during the subsequent year.

Governmental activities:Interfund transfers⁽¹⁾

	Fiscal Year 2025			
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds
	(in thousands)			
Transfer from (to):				
General Fund	\$ —	\$ —	\$ 3,759,122	\$ 2,964,742
General Debt Service Fund	(3,759,122)	—	—	—
Capital Projects Fund	—	—	—	(7,868,729)
Nonmajor Debt Service Funds	(4,075,311)	—	—	247,215
Nonmajor Capital Projects Funds	—	7,868,729	—	(19,806)
Nonmajor Special Revenue Funds	—	—	—	(227,409)
Total	<u>\$ (7,834,433)</u>	<u>\$ 7,868,729</u>	<u>\$ 3,759,122</u>	<u>\$ (4,903,987)</u>
	Fiscal Year 2024			
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds
	(in thousands)			
Transfer from (to):				
General Fund	\$ —	\$ —	\$ 3,333,430	\$ 3,314,455
General Debt Service Fund	(3,333,430)	—	—	—
Capital Projects Fund	—	—	—	(6,571,019)
Nonmajor Debt Service Funds	(4,159,645)	—	—	214,066
Nonmajor Capital Projects Funds	—	6,571,019	—	17,044
Nonmajor Special Revenue Funds	—	—	—	(231,110)
Total	<u>\$ (7,493,075)</u>	<u>\$ 6,571,019</u>	<u>\$ 3,333,430</u>	<u>\$ (3,256,564)</u>

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

In the Fiscal Year ended 2025, the City made the following transfer: A transfer of unrestricted grants from the General Fund in the amount of \$2.34 billion to TFA. The funds were used to fund debt service requirements for future tax secured debt during the Fiscal Year ending June 30, 2026.

In the Fiscal Year ended 2024, the City made the following transfer: A transfer of unrestricted grants from the General Fund in the amount of \$2.44 billion to TFA. The funds were used to fund debt service requirements for future tax secured debt during the Fiscal Year ending June 30, 2025.

Business-Type Activities:

Interfund transfer

Note: In Fiscal Year 2025, the NYCTL-2021-A Trust entered into an agreement (the "Assignment Agreement") to transfer all of its rights and obligations amounting to \$38.6 million, to the NYCTL 1998-2 Trust which will pay all the administrative expenses incurred after October 31, 2024 and any costs associated with the transfer. NYCTL-2021-A ceased existence as of Fiscal Year ended June 30, 2025.

Governmental activities: (cont.)

Fiscal Year 2025		
	Adjustments/ Eliminations	Total
	(in thousands)	
Transfer from (to):		
General Fund	\$ —	\$ 6,723,864
General Debt Service Fund.	—	(3,759,122)
Capital Projects Fund	—	(7,868,729)
Nonmajor Debt Service Funds	1,110,569	(2,717,527)
Nonmajor Capital Projects Funds	—	7,848,923
Nonmajor Special Revenue Funds	—	(227,409)
Total	<u>\$1,110,569</u>	<u>\$ —</u>

Fiscal Year 2024		
	Adjustments/ Eliminations	Total
	(in thousands)	
Transfer from (to):		
General Fund	\$ —	\$ 6,647,885
General Debt Service Fund.	—	(3,333,430)
Capital Projects Fund	—	(6,571,019)
Nonmajor Debt Service Funds	845,190	(3,100,389)
Nonmajor Capital Projects Funds	—	6,588,063
Nonmajor Special Revenue Funds	—	(231,110)
Total	<u>\$845,190</u>	<u>\$ —</u>

7. Tax Abatements

NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Programs Administered by NYC Housing Preservation & Development (HPD)													
	J-51 Program	Commercial Conversion Programs 421-a and 421-g												
1) Purpose of program.	J-51 encourages the rehabilitation of existing residential structures by providing tax exemptions and abatements.	421-a promotes construction of multi-family residential buildings with at least three dwelling units by providing a declining exemption on the new value created by the improvement. 421-g promotes the conversion of non-residential buildings in lower Manhattan to residential use.												
2) Tax being abated.	Real Property Tax	Real Property Tax												
3) Authority under which abatement agreements are entered into.	NYS Real Property Tax Law, Section 489 NYC Administrative Code, Section 11-243 and 11-243.2	NYS Real Property Tax Law, Section 421-a and 421-g NYC Administrative Code, Sections 11-245, 11-245.1, 11-245.1-a, 11-245.1-b												
4) Criteria to be eligible to receive abatement.	The projects may be government-assisted or privately financed for moderate and gut rehabilitation of multiple dwellings. The projects may also be for major capital improvements, conversions of lofts and non-residential buildings into multiple dwellings, and for certain cooperative/condominium and conversions to residential property projects.	a) <u>421-a Program</u> ⁽⁴⁾ : The buildings must receive governmental assistance, contain 30% affordable units, or the owner must participate in an affordable housing production program. b) <u>421-g Program</u> : The conversions must have an alteration Type 1 permit dated before June 30, 2006. All of the programs have eligible abatement zones.												
5) How recipients’ taxes are reduced.	Through both a reduction of the property’s assessed value and as a credit to the amount of taxes owed.	421-a: Through a reduction of the property’s assessed value; 421-g: Through both a reduction of the property’s assessed value and as a credit to the amount of taxes owed.												
6) How amount of abatement is determined.	The amount of the direct reduction to the remaining billable amount due is based on the calculated reasonable costs; a percentage is applied to that figure to determine the Lifetime Abatement Amount or Abatement Pool.	a) <u>421-a Program</u> : The benefit is based on a reduction of assessment value of the new construction for a three year construction benefit period, up to 35 years following the construction period. b) <u>421-g Program</u> : There is a construction period abatement from the increase in real estate taxes resulting from the work, and a 14 year abatement (ten years full and four year phase out) based on the existing real estate taxes in year one of the benefit term.												
7) Provisions for recapturing abated taxes.	N/A	N/A												
8) Types of commitments made by the City other than to reduce taxes.	Commitments, other than reducing taxes, may only be applicable with 34-year government-assisted construction projects. In these instances the City supports Participants in the associated construction costs.	N/A												
9) Gross dollar amount, on accrual basis, by which the City’s tax revenues were reduced as a result of abatement agreement.	<table><tr><td><u>2025</u></td><td><u>2024</u></td></tr><tr><td colspan="2">(in thousands)</td></tr><tr><td>\$233,300</td><td>\$249,300</td></tr></table>	<u>2025</u>	<u>2024</u>	(in thousands)		\$233,300	\$249,300	<table><tr><td><u>2025</u></td><td><u>2024</u></td></tr><tr><td colspan="2">(in thousands)</td></tr><tr><td>\$1,958,000</td><td>\$1,852,700</td></tr></table>	<u>2025</u>	<u>2024</u>	(in thousands)		\$1,958,000	\$1,852,700
<u>2025</u>	<u>2024</u>													
(in thousands)														
\$233,300	\$249,300													
<u>2025</u>	<u>2024</u>													
(in thousands)														
\$1,958,000	\$1,852,700													

Programs Administered by NYC Housing Preservation & Development (HPD)					
Division of Alternative Management Programs (DAMP)		Urban Development Action Area Programs (UDAAP)		Low Income Housing Program 420-C	
DAMP returns City-owned buildings to responsible private owners.		UDAAP encourages the construction of residential housing in designated areas.		420-C assists nonprofit organizations in providing affordable housing for low-income tenants.	
Real Property Tax		Real Property Tax		Real Property Tax	
NYS Private Housing Finance Law, Section 577		NYS General Municipal Law, Section 696		NYS Real Property Tax Law, Section 420-c	
The benefits are limited to residential properties that were foreclosed on by the City for nonpayment of taxes.		The housing must be designated by UDAAP as an area in need of urban renewal.		The property must provide housing accommodations to persons and families of low income, participates or has participated in the Federal Low-Income Housing Tax Credit (LIHTC) program, and is subject to a regulatory agreement with HPD.	
Through a reduction of the property's assessed value.		Through a reduction of the property's assessed value.		Through a reduction of the property's assessed value.	
The benefit is equal to the assessed value times an eligible percentage less the DAMP ceiling, which sets a limit on the maximum taxable assessment that can be placed on a property.		The UDAAP benefit is equal to the delta between the building Assessed Value (AV) in the base year and the building AV in the benefit year, up to 20 years. UDAAP sites receive Real Property Tax exemptions only on the assessed value of improvements: 10 years at 100 percent of assessed value, followed by a 10-year declining exemption. In 1999, the State Legislature amended the statute to provide that for projects consisting of new construction, the land value shall be the lesser of: (a) the assessed value immediately prior to commencement of construction; or (b) the assessed value of the land appearing on the assessment roll in the first year after completion of construction.		The benefit provides a 100% reduction from real estate taxes for the term of the regulatory agreement.	
N/A		N/A		N/A	
N/A		N/A		N/A	
<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
(in thousands)		(in thousands)		(in thousands)	
\$55,600	\$53,600	\$12,900	\$14,900	\$479,400	\$447,600

NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board	Programs Administered by NYC Department of Finance (DOF)													
	The Commercial Revitalization (CRP) and Commercial Expansion (CEP) Programs	Industrial and Commercial Incentive Program (ICIP) and Industrial and Commercial Abatement Program (ICAP)												
1) Purpose of program.	CRP encourages more productive use of older non-residential and mixed-use buildings in Lower Manhattan. CEP encourages businesses to locate in Manhattan north of 96th Street, the midtown Special Garment Center District, or the other four boroughs of New York City.	ICAP replaced ICIP in 2008. Both programs encourage economic development for construction and rehabilitation of commercial, industrial or mixed-use structures.												
2) Tax being abated.	Real Property Tax	Real Property Tax												
3) Authority under which abatement agreements are entered into.	NYS Real Property Tax Law, Sections 499a — 499h, and 421-g (CRP); NYS Real Property Tax Law, Sections 499aa — 499hh (CEP)	NYS Real Property Tax Law, Sections 489-aaaa — 489-llll; 489-aaaaaa — 489-kkkkkk NYC Administrative Code, Sections 11-256 through 11-267; 11-268 through 11-278												
4) Criteria to be eligible to receive abatement.	Both programs require commercial tenant occupancy in commercial offices and that the space leased out be located in a non-residential or mixed-use building. Both programs also have minimum requirements regarding expenditures for tenant improvement per square foot. In addition, the CEP requires a minimum aggregate floor area of 25,000 square feet.	The programs require industrial construction work where, after completion, at least 75% of the total net square footage is used or available for manufacturing activities. The buildings must also be located in an allowable zone within the City, which varies depending on whether the project is for a commercial new construction, a commercial renovation construction, or an industrial construction. Depending on the property’s taxable assessed value, applicants must meet a minimum required expenditure amount in order to be eligible in the tax year, with a taxable status date immediately preceding the issuance of the first building permit or, if no permit is required, the start of construction.												
5) How recipients’ taxes are reduced.	Through a reduction of the property’s assessed value.	As a credit to the amount of taxes owed.												
6) How amount of abatement is determined.	The granted abatement is realized from a calculation formula base abatement (the lower of the tax liability/ building sq. ft. or \$2.50 per sq. ft.) multiplied by square footage multiplied by abatement percentage.	The base abatement amount year is the amount that the post-completion tax liability exceeds 115% of the initial tax liability for each type of abatement, except for the additional industrial abatement. The calculated base abatement is then subjected to a corresponding timetable.												
7) Provisions for recapturing abated taxes.	N/A	N/A												
8) Types of commitments made by the City other than to reduce taxes.	N/A	N/A												
9) Gross dollar amount, on accrual basis, by which the City’s tax revenues were reduced as a result of abatement agreement.	<table><tr><td>2025</td><td>2024</td></tr><tr><td colspan="2">(in thousands)</td></tr><tr><td>\$10,400</td><td>\$12,500</td></tr></table>	2025	2024	(in thousands)		\$10,400	\$12,500	<table><tr><td>2025</td><td>2024</td></tr><tr><td colspan="2">(in thousands)</td></tr><tr><td>\$945,100</td><td>\$877,600</td></tr></table>	2025	2024	(in thousands)		\$945,100	\$877,600
2025	2024													
(in thousands)														
\$10,400	\$12,500													
2025	2024													
(in thousands)														
\$945,100	\$877,600													

Programs Administered by NYC Department of Finance (DOF)

Relocation and Assistance Program—(REAP)	Sports Arena Used by the NHL and NBA	Major Capital Improvement (MCI) Program
REAP promotes business development in Manhattan north of 96th Street, in Lower Manhattan, and in the other boroughs of New York City.	The arena ensures the viability of a major league sports facility in the City.	MCI helps compensate landlords of rent-regulated buildings for economic losses resulting from the lengthening of the period for amortizing major capital improvement costs.
The credits may be taken against the City's general corporation tax, banking corporation tax, business corporation tax, unincorporated business tax, and/or utility tax.	Real Property Tax	Real Property Tax
NYC Administrative Code, Sections 11-503(i), 11-503(l), 11-604.17, 11-604.19, 11-643.7, 11-643.9, 11-654.17, 11-654.19, 11-1105.2, 11-1105.3, and Chapters 6-b and 6-c of Title 22	NYS Real Property Tax Law, Section 429	NYS Laws of 2015, Chapter 20, Part A, § 65
REAP: Relocation of business to revitalization zones or other areas in Upper Manhattan or the other boroughs. Relocations from lower Manhattan may be subject to limits by mayoral discretion. Lower Manhattan REAP (LMREAP): Relocation of business to lower Manhattan. Lower Manhattan REAP for Special Eligible Businesses (LMREAP-SEB): Relocation of business to lower Manhattan with employees in Manhattan before their relocation.	The exemption is contingent upon the continued use of Madison Square Garden by professional major league hockey and basketball teams for their home games.	In connection with various amendments in 2015 to the City's rent control and rent stabilization laws, the period during which a landlord can amortize or recoup the cost of building-wide major capital improvements (MCIs) through increased apartment rents has been increased from seven years to eight years in the case of a building with no more than 35 units or nine years in the case of a building with more than 35 units. Landlords affected by this change are eligible to receive a Real Property Tax abatement equal to 50 percent of the economic loss attributable to the extended amortization period.
As a credit to the amount of taxes owed.	Through a reduction of the property's assessed value.	As a credit to the amount of taxes owed.
Certified firms that relocate to revitalization zones may qualify for a credit of \$3,000 per eligible employment share; \$1,000 if relocating to areas not designated as a revitalization zone.	100% reduction of the property tax.	The abatement equals 50% of the economic loss attributable to the extended amortization period. The economic loss is determined by multiplying the approved cost of the MCI by a fraction. The numerator is the increase in months in the new amortization period; the denominator is the total number of months in the new amortization period.
N/A	N/A	N/A
N/A	N/A	N/A
2025 2024 (in thousands) \$26,000 \$27,000	2025 2024 (in thousands) \$42,900 \$42,200	2025 2024 (in thousands) \$12,500 \$23,700

<i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i>	Program Administered by NYC Department of Buildings (DOB)	Programs Administered by NYC Industrial Development Agency (IDA)	Program Administered by Build NYC Resource Corporation
	Solar Electric Generating System (SEGS) Abatement Program	Commercial and Industrial Programs	Build NYC Tax Abatement Program
1) Purpose of program.	SEGS helps reduce greenhouse emissions and provides cleaner energy and more efficient energy systems.	IDA's programs are designed to encourage economic development in the City. IDA tax incentive ⁽²⁾ programs retain, expand, and attract commercial and industrial businesses, and the related economic benefits and job creation and retention associated with them.	As a conduit bond issuer, the primary goal is to facilitate access to private activity tax-exempt bond financing for qualified projects.
2) Tax being abated.	Real Property Tax	a) Real Property Tax (via a PILOT); b) State and Local Sales Tax (ST); and c) Mortgage Recording Tax (MRT).	Mortgage Recording Tax (MRT)
3) Authority under which abatement agreements are entered into.	NYS Real Property Tax Law, Sections 499-aaaa through 499-gggg; Chapter 485 of the Laws of 2023	Industrial Development Act of 1969 as governed by Title 1 of Article 18-A of the General Municipal Law ⁽¹⁾ .	New York Not-for-profit Law, Section 411
4) Criteria to be eligible to receive abatement.	The abatement is applied to the property for a four-year period starting on July 1, following DOB approval. Class 1, 2, and 4 properties are eligible; however, if you receive ICAP, 421-a, 421-b, 421-g, or pay payments in-lieu-of-tax (PILOTs), your property is NOT eligible for the Solar Electric Generating System Tax Abatement.	All applicants must satisfy eligibility requirements and must demonstrate a need for assistance. Applicants are selected based on an analysis of the economic benefit of the proposed project in compliance with the uniform Tax Exemption Policy of IDA. Stores that benefit from the Fresh Project Program must be located in an eligible area.	The projects must have been undertaken by Build NYC, as mortgagee, who records a mortgage, for the furtherance of its mission. Build NYC assists qualified projects in obtaining tax-exempt bond financing as a conduit bond issuer.
5) How recipients' taxes are reduced	Through both a reduction of the property's assessed value and as a credit to the amount of taxes owed.	The projects are tax exempt but businesses receiving such benefits typically make PILOTs. PILOT payments are a stepped-down percentage of full real estate tax rates.	Build NYC has authorization to exempt MRT due upon the recording of a mortgage associated with Build NYC issued bond transactions.
6) How amount of abatement is determined.	Depending on the date the system was placed in service, the benefit is the lesser of 2.5%-8.75% of the installation costs limited to the property tax for the year, or \$62,500.	a) PILOT tax abatements are typically granted for a 21 year period followed by a 4 year "phase in" period during which the tax rates paid by the PILOT recipient are increased each year by 20% of the abated amount until the full rate is reached at the end of year 25. b) The MRT abatement is a singular benefit received at closing only for projects that recorded a mortgage, and c) The ST abatements apply for eligible purchases to be used at project facilities. The Yankee and Mets stadium projects coincide with the underlying debt service related to the construction of the stadiums and the length of the abatements cover a 36-40 year period.	100% reduction of the MRT.
7) Provisions for recapturing abated taxes.	N/A	Program participants are required to adhere to various lease provisions as a prerequisite to receive abatement benefits. The lease provisions authorize benefit recapture in the case of non-compliance.	A change in the utilization of the facility that compromises the tax exempt status of the underlying tax exempt debt, the sale of the property, absent specific preauthorization, that includes the maintenance of the original tax exempt utilization of the property and/or the bankruptcy or cessation of operations of the facility/entity. Projects are subject to a benefit recapture period of ten years.
8) Types of commitments made by the City other than to reduce taxes.	N/A	N/A	N/A
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.	2025 2024 (in thousands)	2025 2024 (in thousands)	2025 2024 (in thousands)
	\$41,600 \$34,000	Commercial Program:⁽³⁾ a) PILOT \$272,070 \$233,154 b) ST \$883 \$4,881 c) MRT \$839 \$— Industrial Program:⁽⁴⁾ a) PILOT \$44,368 \$42,563 b) ST \$3,771 \$700 c) MRT \$109 \$2,396	\$6,915 \$2,351

<i>NYC Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards Board</i>	Programs Administered by the State of New York	
	Battery Park City Authority (The Authority)	Urban Development Corporation (UDC)
1) Purpose of program.	The Authority manages the development of a mixed commercial/residential community whose amenities serve the larger New York community.	The Urban Development Corporation (UDC) is a New York State agency that finances, constructs and operates residential, commercial, industrial, and civic facilities. An important tool in the State's economic development program, the UDC provides financing and technical assistance to businesses and local governments. Examples of UDC-assisted projects include the Columbia University Telecommunications Center, the Jacob K. Javits Convention Center, and the Roosevelt Island housing development.
2) Tax being abated.	Real Property Tax	Real Property Tax
3) Authority under which abatement agreements are entered into.	NYS Public Authorities Law, Section 1981 NYS Real Property Tax Law, Section 412	NYS Unconsolidated Laws, Title 16, Chapter 24 NYS Real Property Tax Law, Section 412
4) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement.	2025 2024 (in thousands)	2025 2024 (in thousands)
	\$174,100 \$161,300	\$462,300 \$451,000

⁽¹⁾ New York City Administrative Code §22-823 requires NYCEDC, NYCIDA and Build NYC to report on projects undertaken for the purposes of the creation or retention of jobs if, in connection with such projects, financial assistance was provided in the form of loans, grants or tax benefits. In compliance with this requirement, a detailed report is prepared annually and posted on the NYCEDC web site that lists both summary and transaction level detail for all active projects. This report can be accessed at <https://edc.nyc/about-nycedc/financial-public-documents>.

⁽²⁾ Stadia transactions are a unique subset within the Commercial Program portfolio. There are only two such transactions and they relate to the construction of the Yankee and Mets baseball stadiums in the Bronx and Queens, respectively. These transactions are unique in that the related PILOT payments coincide with the underlying debt service related to the construction of the stadiums. Therefore, the length of these abatements related to the Yankee and Mets stadiums cover a 36- and 40-year period, respectively.

⁽³⁾ These businesses include Warehousing, Distribution Centers and Logistics. The FRESH projects, a subset of the Industrial Program projects, are supermarkets in underserved communities to offer access to healthy and affordable food options.

⁽⁴⁾ Amendments to Section 421-a enacted in 2024 require construction to be completed by June 15, 2026 if at least 30 percent of the units are affordable to households with income up to 130 percent of the area median income or if the project is a homeownership project. Other projects are required to complete construction by June 15, 2031.

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

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

In Fiscal Years 2025 and 2024, respectively, the separately administered organizations included in the financial statements of the City audited by auditors other than Grant Thornton LLP for both Fiscal Years are Hudson Yards Development Corporation, Hudson Yards Infrastructure Corporation, New York City Educational Construction Fund, New York City School Bus Umbrella Services, Inc., New York City School Construction Authority, New York City School Support Services, Inc., New York City Transitional Finance Authority, TSASC, Inc., Brooklyn Bridge Park Corporation, The Trust for Governors Island, New York City Tax Lien Trusts, WTC Captive Insurance Company, Inc., New York City Economic Development Corporation, New York City Health and Hospitals Corporation, New York City Housing Authority, New York City Housing Development Corporation, Brooklyn Navy Yard Development Corporation, the Brooklyn Public Library, Build NYC Resource Corporation, New York City Business Assistance Corporation, New York City Industrial Development Agency, New York City Land Development Corporation, New York City Neighborhood Capital Corporation, Public Realm Improvement Fund Governing Group, Inc., The Mayor's Fund to Advance New York City, the Queens Borough Public Library and Affiliate, and The City of New York Deferred Compensation Plan.

	Government-wide						Fund-based			
	Governmental Activities		Business-Type Activities		Component Units		Nonmajor Governmental Funds		Fiduciary Funds	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total Assets	5%	5%	100%	100%	60%	59%	100%	100%	8%	8%
Revenues, other financing sources and net position held in trust. . . .	6%	6%	100%	100%	83%	84%	100%	100%	9%	9%

2. Subsequent Events

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

<i>TFA Debt</i>	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.
<i>City Debt</i>	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.

3. Other Employee Benefit Trust Funds

Deferred Compensation Plans For Employees of The City of New York and Related Agencies and Instrumentalities (DCP) and the New York City Employee Individual Retirement Account (NYCE IRA)

DCP offers employees of The City and Related Agencies and Instrumentalities two defined contribution plans in accordance with Internal Revenue Code Sections 457 and 401(k). DCP permits employees to defer a portion of their salary on either a pre-tax (traditional) or after-tax (Roth) basis until future years. Funds may not be withdrawn until termination, retirement, death, Board- approved unforeseen emergency or hardship (as defined by the Internal Revenue Code) or, if still working for the City, upon attainment of age 70½ in the 457 Plan or upon age 59½ for the 401(k). A 401(a) defined contribution plan is available to certain employees of the Lieutenant's Benevolent Association and the Captains Endowment Association of The City of New York Police Department.

The NYCE IRA is a deemed Individual Retirement Account (IRA) in accordance with Internal Revenue Code Section 408(q) and is available as both a traditional and Roth IRA to those employees eligible to participate in the 457 Plan and 401(k) Plan and their spouses along with former employees and their spouses. Funds may be withdrawn from the NYCE IRA at any time, subject to an early withdrawal penalty.

Amounts maintained under a deferred compensation plan and an IRA by a state or local government are held in trusts (or in a custodial accounts) for the exclusive benefit of participants and their beneficiaries. The DCP plans and IRA are presented together as an Other Employee Benefit Trust Fund in the City's financial statements.

Participants in DCP or NYCE IRA can choose among seven investment options, or one of twelve pre-arranged portfolios consisting of varying percentages of those investment options. Participants can also invest a portion of their assets in a self-directed brokerage option.

4. Other Postemployment Benefits

The New York City Other Postemployment Benefits Plan (OPEB Plan)

The *New York City Other Postemployment Benefits Plan* is a fiduciary component unit of the City and comprises: (1) the New York City Retiree Health Benefits Trust (NYCRHBT) which is used to receive, hold, and disburse assets accumulated to pay for certain OPEB provided by the City to its retired employees and eligible dependents, and (2) OPEB paid for directly by the City out of its general resources rather than through the NYCRHBT.

The NYCRHBT was established for the exclusive benefit of the City's retired employees and their eligible spouses and dependents, to fund certain OPEB provided in accordance with the City's various collective bargaining agreements and the Administrative Code of the City of New York (ACNY).

Amounts contributed to NYCRHBT by the City are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants. Consequently, the OPEB Plan is presented as an Other Employee Benefit Trust Fund in the City's financial statements. The separate annual financial statements of the OPEB Plan are available at: Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007, or at www.comptroller.nyc.gov.

Summary of Significant Accounting Policies:

Basis of Accounting. The measurement focus of the OPEB Plan is on the flow of economic resources. This focus emphasizes the determination of changes in the OPEB Plan's net position. With this measurement focus, all assets and liabilities associated with the operation of this fiduciary fund are included on the *Statement of Fiduciary Net Position*. This fund uses the accrual basis of accounting whereby contributions from the employer are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments. Investments are reported on the *Statement of Fiduciary Net Position* at fair market value based on quoted market prices.

Program Description. Postemployment benefits other than pensions (OPEB) provided to eligible retirees of the City and their eligible beneficiaries and dependents (hereafter referred to collectively as "Retiree Participants") include: Health Insurance, Medicare Part B Premium Reimbursements and Welfare Fund contributions. OPEB are funded by the OPEB Plan, a single employer plan.

Funding Policy. The Administrative Code of The City of New York (ACNY) defines OPEB stemming from the City's various collective bargaining agreements. The City is not required by law or contractual agreement to provide funding for the OPEB other than the pay-as-you-go (PAYGO) amounts necessary to provide current benefits to Retiree Participants. For the fiscal year ended June 30, 2025, the City paid \$4.1 billion on behalf of the Program. Based on current practice (the Substantive Plan which is derived from ACNY), the City pays the full cost of basic coverage for Pre-Medicare and Medicare-eligible Retiree Participants.

The costs of these benchmark plans are reflected in the actuarial valuations by using age and gender adjusted premium amounts. Retiree Participants who opt for other basic or enhanced medical coverage must contribute 100% of the incremental costs above the premiums for the benchmark plans. The City also reimburses covered retirees and eligible spouses 100% of the Medicare Part B Premium rate applicable to a given year. The City also pays per capita contributions to the Welfare Funds, the amounts of which are based on negotiated contract provisions and there are no Retiree Participant contribution to the Welfare Funds.

	Number of Participants	
	FY 2025 (at 6/30/24)	FY 2024 (at 6/30/23)
Active plan members	288,479	287,342
Inactive plan members entitled to but not yet receiving benefits	24,250	24,434
Inactive plan members or beneficiaries currently receiving benefits	<u>260,016</u>	<u>257,331</u>
Total	<u>572,745</u>	<u>569,107</u>

Net OPEB Liability. The Entry Age Normal cost method used in the current OPEB actuarial valuation is unchanged from the prior OPEB actuarial valuation.

Under this method, as used in the Fiscal Year 2025 OPEB valuation, the Actuarial Present Value (APV) of Benefits (APVB) of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The employer portion of this APVB allocated to a valuation year is the Employer Normal Cost. The portion of this APVB not provided for at a valuation date by the APV of Future Employer Normal Costs is the Total OPEB Liability.

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

Increases (decreases) in liabilities due to benefit changes, differences in actual experience, differences in actual earnings on OPEB plan investments, actuarial assumption changes, and actuarial method changes are also explicitly identified and amortized in the annual expense.

On August 28, 2025 the Mayor and OLR Commissions announced a joint proposal between EmblemHealth and United Healthcare to self-insure the Comprehensive Benefits Plan (CBP) for actives and Pre-Medicare retirees. The proposal was ratified by the Municipal Labor Committee (MLC) on October 1, 2025. The new plan will be effective on January 1, 2026. Given the lack of detailed information on potential savings the change is not reflected in the FY 2025 valuation.

Changes in Net OPEB Liability. Changes in the City's net OPEB liability for the Fiscal Years ended June 30, 2025 and June 30, 2024 are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
1. Balances at June 30, 2023	\$100,337,335,542	\$ 5,318,409,945	\$95,018,925,597
2. Changes for the Year:			
a. Service Cost	3,909,768,918	—	3,909,768,918
b. Interest	4,229,675,677	—	4,229,675,677
c. Differences in Actual Experience	(1,246,433,908)	—	(1,246,433,908)
d. Change of Assumptions	(219,480,447)	—	(219,480,447)
e. Contributions-Employer	—	3,198,585,280	(3,198,585,280)
f. Contributions-Employee	—	—	—
g. Net Investment Income	—	225,925,698	(225,925,698)
h. Actual Benefit Payments	(3,704,781,404)	(3,704,781,404)	—
i. Administrative Expenses	—	(54,000)	54,000
j. Other Changes	—	(175,000)	175,000
k. Net Changes	<u>\$ 2,968,748,836</u>	<u>\$ (280,499,426)</u>	<u>\$ 3,249,248,262</u>

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
3. Balances at June 30, 2024	\$103,306,084,378	\$ 5,037,910,519	\$98,268,173,859
4. Changes for the Year:			
a. Service Cost	3,939,909,397	—	3,939,909,397
b. Interest	4,430,464,500	—	4,430,464,500
c. Differences b/t Expected and Actual Experience	(451,857,985)	—	(451,857,985)
d. Changes in Assumptions	(5,494,882,701)	—	(5,494,882,701)
e. Contributions-Employer	—	4,063,311,077	(4,063,311,077)
f. Contributions-Employee	—	—	—
g. Net Investment Income	—	184,121,280	(184,121,280)
h. Actual Benefit Payments	(4,060,474,502)	(4,060,474,502)	—
i. Administrative Expenses	—	(54,000)	54,000
j. Other Changes	—	(175,000)	175,000
k. Net Changes	\$ (1,636,841,291)	\$ 186,728,855	\$ (1,823,570,146)
5. Balances at June 30, 2025	\$101,669,243,087	\$ 5,224,639,374	\$96,444,603,713

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

	Fiscal Year 2025			Fiscal Year 2024		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	\$109,705,720,374	\$96,444,603,713	\$85,456,172,271	\$112,824,437,022	\$98,268,173,859	\$86,352,504,589
		Discount Rate		Discount Rate		
City	4.18%	5.18%	6.18%	3.21%	4.21%	5.21%
Component						
Units	4.20%	5.20%	6.20%	3.21%	4.21%	5.21%

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

	Fiscal Year 2025			Fiscal Year 2024		
	1% Decrease	Current Trend Rate	1% Increase	1% Decrease	Current Trend Rate	1% Increase
	\$82,945,657,278	\$96,444,603,713	\$113,313,857,371	\$83,597,133,751	\$98,268,173,859	\$116,878,744,173
	Pre-Medicare Trend Rate			Pre-Medicare Trend Rate		
Initial	7.50%	8.50%	9.50%	6.00%	7.00%	8.00%
Ultimate.	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%
	Medicare Trend Rate			Medicare Trend Rate		
Initial	4.00%	5.00%	6.00%	4.00%	5.00%	6.00%
Ultimate.	3.50%	4.50%	5.50%	3.50%	4.50%	5.50%

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. OPEB expense recognized by the City for the Fiscal Years ended June 30, 2025 and June 30, 2024 are \$3.0 and \$4.3 billion, respectively.

Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2025 and June 30, 2024 are as follows:

	Fiscal Year 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Actual Experience	\$ 182,393,406	\$ 3,783,976,358
Change of Assumptions	2,836,880,695	17,940,149,345
Net Difference in Actual Earnings on OPEB Plan Investments	61,273,802	—
Total	\$3,080,547,903	\$21,724,125,703

	Fiscal Year 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Actual Experience	\$ 1,534,765,546	\$ 4,846,328,313
Change of Assumptions	4,014,267,329	18,665,442,871
Net Difference in Actual Earnings on OPEB Plan Investments	123,441,580	—
Total	\$ 5,672,474,455	\$23,511,771,184

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

Fiscal Year Ended June 30	Amount
2026.....	\$(5,552,225,048)
2027.....	(5,240,553,229)
2028.....	(5,043,176,112)
2029.....	(873,055,448)
2030.....	(1,035,079,624)
2031.....	(848,726,406)
2032.....	(50,761,933)

Fiduciary Net Position and Funding Progress. As of June 30, 2025, the most recent actuarial measurement date, the OPEB Plan's Fiduciary Net Position as a percentage of the Total OPEB liability was 5.1%. The total OPEB liability for benefits was \$101.7 billion, and the plan fiduciary net position was \$5.2 billion, resulting in a net OPEB liability of \$96.4 billion. The covered employee payroll (annual payroll of active employees covered) was \$34.4 billion, and the ratio of the net OPEB liability to the covered employee payroll was 280.4%. Actuarial valuations of an ongoing plan involve estimates of the value of reported and future amounts based on assumptions about the probability of the severity and occurrence of events far into the future. The determined actuarial valuations of OPEB incorporated the use of demographic and economic assumptions among others as reflected below. Amounts determined regarding the OPEB Plan's Fiduciary Net Position and the annual expense of the City vary from year to year as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in the net OPEB liability and related ratios shown in the Required Supplementary Information (RSI) section immediately following the notes to financial statements, present GASB Statement No. 74 and 75 results of OPEB valuations for Fiscal Years 2025 and 2024.

Actuarial Methods and Assumptions. The actuarial assumptions used in the Fiscal Years 2025 and 2024 OPEB valuations are a combination of those used in the New York City Retirement Systems (NYCRS) pension valuations and those specific to the OPEB valuations. NYCRS consist of: (i) New York City Employees' Retirement System (NYCERS); (ii) New York City Teachers' Retirement System of The City of New York (TRS); (iii) New York City Board of Education Retirement System (BERS); (iv) New York City Police Pension Fund (POLICE); and (v) New York City Fire Pension Fund (FIRE). The OPEB valuations incorporate only the use of certain NYCRS demographic and economic assumptions. The assumptions used in the Fiscal Year 2025 OPEB valuation have not changed from the prior valuation, with the exception of the discount rate, child dependent coverage and the Pre-Medicare and Part B trend rate assumptions as described later in this section.

The OPEB-specific actuarial assumptions used in the Fiscal Year 2025 OPEB valuation of the Plan are as follows:

Valuation Date.....	June 30, 2024
Measurement Date	June 30, 2025
Discount Rate	Results as of June 30, 2025 are presented at 5.18% for benefits provided by the City and 5.20% for benefits provided by Component Units. Results as of June 30, 2024 are presented at 4.21% for benefits provided by the City and for benefits provided by Component Units.

For FY 2024, the Municipal Bond 20-year Index Rate was used as the discount rate. The rate was not blended with the long-term expected rate of return because the expected return on assets assumption was lower than the Municipal Bond 20-year Index Rate.

For FY 2025, the projection of cash flows used to determine the discount rate assumed that the City will contribute at a rate equal to the pay-as-you-go amounts. It is assumed that the City will not make additional contributions in excess of the pay-as-you-go amounts, which is unchanged from the prior valuation. The contributions apply first to

service cost of future Plan members based on projection of overall payroll at 3.0% and normal cost rate for Tier 6 members of each of the NYCERS. Remaining contributions are applied to the current and past service costs for current Plan members.

Based on those assumptions, the City's OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2028. After that time, benefit payments will be funded on a pay-as-you-go basis. The discount rate is the single equivalent rate which results in the same actuarial present value as discounting future benefit payments made from assets at the long-term expected rate of return and discounting future benefit payments funded on a pay-as-you-go basis at the Bond Buyer 20 Index Rate.

This projection resulted in a 2 basis point difference between the Bond Buyer 20 Index Rate and the blended discount rate.

Results for the OPEB Plans for Component Units for FY 2024 are presented using a discount rate equal to the S&P Municipal Bond 20-Year Index Rate, and FY 2025 are presented using a discount rate equal to the Bond Buyer's 20-Bond GO Index Rate, since there is no pre-funding assumed for these plans.

Long Term Expected Rate of Return	4.0% net of investment expenses, which includes an inflation rate of 2.50%.
Actuarial Cost Method	Entry Age Normal cost method, level percent of pay calculated on an individual basis.
Per-Capita Claims Costs	GHI plans are insured via a Minimum Premium arrangement while the HIP and many of the Other HMOs are community rated. Costs reflect age-adjusted premiums for all plans.

Initial monthly premium rates used in the FY 2024 and FY 2025 valuation are shown below:

Plan	Monthly Costs @ Average Age	
	FY 2025	FY 2024
HIP HMO		
Non-Medicare Single	\$ 998.55	\$ 927.13
Non-Medicare Family	2,446.47	2,271.46
Medicare	198.50	209.40
GHI/EBCBS		
Non-Medicare Single	1,072.33	998.60
Non-Medicare Family	2,818.46	2,620.46
Medicare	218.74	208.60
Others HMOs ⁽¹⁾		
Non-Medicare Single	1,490.59	1,403.21
Non-Medicare Family	3,984.35	3,804.02
Medicare Single	288.376	328.69
Medicare Family	565.57	657.70

⁽¹⁾ Other HMO premiums represent the weighted average of the total premiums for medical (not prescription drug) coverage, including retiree contributions, of the HMO plans (other than HIP) based on actual enrollment.

Additionally, the individual monthly rates at age 65 used in the FY 2024 and FY 2025 valuations are shown below:

Plan	Monthly Costs @ Age 65	
	FY 2025	FY 2024
HIP HMO		
Non-Medicare	\$2,113.14	\$1,961.99
Medicare	198.50	209.40
GHI/EBCBS		
Non-Medicare	2,302.65	2,142.97
Medicare	208.60	198.54
Other HMOs	Varies by System	

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

Claims data was generally not provided to the OA for the HIP coverage or for Other HMOs. OLR provided a copy of the claims component of the FY 2025 GHI/EBCBS renewals. For the non-Medicare participants, retiree claims were not separated from active claims. The claims information provided was compared to the premium rates provided. The HIP premium rate of \$198.50 in the FY 2025 valuation was used as provided.

Based on information provided by OLR, estimates of margins that had been included in the premiums but expected to be refunded were removed from both the GHI and EBCBS non-Medicare and Medicare premiums before age adjustment.

A retiree who elects Basic Coverage other than the benchmark HIP and GHI/EBCBS plans is required to contribute the full difference in cost. The OA confirmed, based on data provided by OLR, that net employer premiums were consistent with the benchmark rates and stated policy regarding other coverage.

In valuing future retirees, the various monthly premium rates for Other HMOs were blended by proportion of enrollment.

Welfare Funds The Welfare Fund contribution reported as of the measurement date, June 30, 2025, (including any reported retroactive amounts) was trended back to the valuation date, June 30, 2024, using the Welfare trend assumption and used as the per capita cost for valuation purposes.

Reported annual contribution amounts for the FY 2023 to FY 2025 are shown in the Fiscal Year 2025 GASB 74/75 report in Section V, Tables V-b to V-f. Welfare Fund rates are based on actual reported Union Welfare Fund code for current retirees. Weighted average annual contribution rates used for future retirees, based on Welfare Fund enrollment of recent retirees, are shown in the following table.

	<u>FY 2025</u>	<u>FY 2024</u>
NYCERS	\$1,736	\$1,729
TRS	1,612	1,611
BERS	1,790	1,786
POLICE	1,684	1,493
FIRE	1,159	1,161

Medicare Part B Premiums

<u>Calendar Year</u>	<u>Monthly Premium</u>
2020	143.21
2021	146.97
2022	167.82
2023	164.90
2024	174.70
2025	185.00

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2025.

When Social Security cost-of-living adjustments are limited, some Medicare Part B participants are not charged the Medicare Part B premium originally projected or ultimately announced for those years due to the hold-harmless provision. Due to recent increases in Social Security cost-of-living adjustments, the portion of Medicare Part B participants protected by the hold-harmless provision decreased from 3.5% in 2022 to 1.5% in 2023 and continues to decrease.

For Calendar Year 2024 and 2025, no participants were assumed to be protected by the hold-harmless provision and the monthly premium was set equal to the Calendar year 2024 and 2025 announced amounts.

For the FY 2025 OPEB valuation the annual premium used was \$2,158.20, which is equal to 12 times an average of the Calendar year 2024 and 2025 monthly premiums above.

An additional 12.5% load is added to the base Medicare Part B Premium amounts each year to account for the income-related Medicare Part B premiums for high income individuals. This assumption was updated from the prior valuation's assumption of 11.4% based on a review of the most recent experience.

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

Healthcare Cost Trend Rate
(HCCTR).

Fiscal Year Ending	Pre-Medicare Plans ⁽¹⁾		Medicare Plan Costs	Medicare Part B Premiums ⁽¹⁾		Welfare Fund Contributions
	FY24	FY25		FY24	FY25	
2025	7.00%	8.50%	5.00%	6.20%	8.00%	3.50%
2026	6.75%	8.25%	4.90%	6.20%	7.75%	3.50%
2027	6.50%	8.00%	4.90%	6.10%	7.50%	3.50%
2028	6.25%	7.75%	4.80%	6.10%	7.25%	3.50%
2029	6.00%	7.50%	4.80%	6.00%	7.00%	3.50%
2030	5.75%	7.00%	4.70%	5.75%	6.75%	3.50%
2031	5.50%	6.50%	4.70%	5.50%	6.50%	3.50%
2032	5.25%	6.00%	4.60%	5.25%	6.25%	3.50%
2033	5.00%	5.50%	4.60%	5.00%	6.00%	3.50%
2034	4.75%	5.00%	4.50%	4.75%	5.50%	3.50%
2035	4.50%	4.50%	4.50%	4.50%	5.00%	3.50%
2036+	4.50%	4.50%	4.50%	4.50%	4.50%	3.50%

⁽¹⁾ The Pre-Medicare and Part B trend rates have been updated for the FY2025 valuation.

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

The Part B trend rates reflect the projections in the Medicare Trustees Report. The 2025 Medicare trustees project the Part B premium increases to average 7.3% annually from 2026-2034 compared to 6.2% in the 2024 report. The increases can be attributable to factors such as the increasing prices of health care services, high cost of new technologies, and increasing utilization. The updated Part B trend assumption reflects the higher expected increases in the short term, then grades down to an ultimate of 4.50% in FY2036 and after, a pattern consistent with the Medicare trustees' projections.

Historical negotiated increase rates for the larger Welfare Funds have averaged below 2% in recent years, which is lower than the anticipated trend on the underlying costs of benefits provided by these funds. However, the City periodically makes one-time lump sum contributions to the Welfare Funds. For these reasons the Welfare Fund contribution trend was assumed to be 3.5%.

Age-and Gender-Related Morbidity The premiums are age and gender adjusted for GHI/EBCBS, HIP, and Other HMOs. The assumed relative costs of coverage are consistent with information presented in the 2013 study *Health Care Costs—From Birth to Death*, sponsored by the Society of Actuaries.

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

Age	Male	Female	Age	Male	Female
20	0.170	0.225	45	0.355	0.495
25	0.146	0.301	50	0.463	0.576
30	0.181	0.428	55	0.608	0.671
35	0.227	0.466	60	0.783	0.783
40	0.286	0.467	64	0.957	0.917

Children costs assume a factor of 0.229.

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

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.323	0.422	60	1.493	1.470
25	0.278	0.565	65	0.919	0.867
30	0.346	0.804	70	0.946	0.885
35	0.432	0.876	75	1.032	0.953
40	0.545	0.878	80	1.122	1.029
45	0.676	0.929	85	1.217	1.116
50	0.883	1.082	90	1.287	1.169
55	1.159	1.260	95	1.304	1.113
			99+	1.281	0.978

The age adjustment for the non-Medicare GHI/EBCBS premium reflects a reduction for the estimated margin anticipated to be returned of 4.0% and 2.0% in the GHI and EBCBS portion of the monthly premium, respectively. Similarly, the age adjustment for the Medicare GHI/EBCBS premium reflects a reduction for the estimated margin anticipated to be returned of 4.0% and 3.0% in the GHI and ECBS portion of the monthly premium, respectively.

The non-Medicare GHI portion is \$519.18 out of \$1,072.33 for single coverage, and \$1,379.98 out of \$2,818.16 for family coverage for FY 2025 rates. The Non-Medicare EBCBS portion is the remainder of the premiums. The Medicare GHI portion is \$118.70 out of the \$218.74 for FY 2025 rates. The EBCBS portion is the remainder of the premium.

Participation Rates Plan participation assumptions remain unchanged from the prior valuation and are in line with recent experience.

Actual elections are used for current retirees. Some current retirees not eligible for Medicare are assumed to change elections upon attaining age 65 based on election patterns of Medicare-eligible retirees.

For current retirees who appear to be eligible for health coverage but have not made an election (i.e., non-filers), the valuation reflects single GHI/EBCBS coverage and Part B premium benefits only, to approximate the obligation if these individuals were to file for coverage. For future retirees, the portion assumed not to file for future benefits and is valued similarly to current retirees, are as follows.

<u>NYCRS Group</u>	<u>FY 2025</u>
NYCERS	13%
TRS	13%
BERS	15%
POLICE	3%
FIRE	3%
TIAA	13%

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

Detailed assumptions for future Program retirees are presented below.

PLAN PARTICIPATION ASSUMPTIONS						
Benefits	NYCERS	TRS	BERS	POLICE	FIRE	TIAA
<u>Pre-Medicare</u>						
–GHI/EBCBS	75%	83%	70%	87%	87%	83%
–HIP HMO	18	6	16	7	7	6
–Other HMO	2	1	2	3	4	1
–Waiver	5	10	12	3	2	10
<u>Medicare</u>						
–GHI	75	89	80	82	81	89
–HIP HMO	16	5	13	8	9	5
–Other HMO	5	2	2	8	8	2
–Waiver	4	4	5	2	2	4
<u>Post-Medicare Migration</u>						
–Other HMO to GHI	—	—	—	—	—	—
–HIP HMO to GHI	—	20	20	—	—	20
–GHI to HIP HMO	—	—	—	—	2	—
–GHI to Other HMO	—	—	—	6	5	—
–HIP HMO to Other HMO	10	—	—	—	—	—
–Pre-Med. Waiver						
To GHI @ 65	—	50	60	—	—	50
To HIP @ 65	—	10	—	20	—	10
To Other HMO @ 65	20	—	—	10	—	—

Dependent Coverage Non-contributory Basic Medical Coverage and Part B premium reimbursement for dependents are assumed to terminate when a retiree dies, except for Line of Duty beneficiaries. Certain other survivors of POLICE, FIRE, and uniformed members of the Departments of Correction and Sanitation are eligible for a lifetime COBRA continuation benefit. These individuals contribute 102% of the premium but the valuation includes an additional estimated cost above the value of their COBRA contribution because COBRA participants typically utilize services at a much higher rate than active participants. The valuation assumes that 30% of eligible spouses will elect the lifetime continuation benefit.

Dependents Spousal Age Difference

Male retirees were assumed to be four years older than their female spouses, and female retirees were assumed to be two years younger than their male spouses; for POLICE and FIRE participants, male retirees are assumed to be two years older than their female spouses. This assumption is unchanged from the prior valuation.

Child Dependents

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

Children are assumed to be covered after retirement for the number of years shown below. This assumption has been updated for Police and Fire since the prior valuation based on a review of recent experience.

NYCRS Group	FY 2024	FY 2025
NYCERS	8 years	8 years
TRS	7 years	7 years
BERS	7 years	7 years
POLICE	11 years	13 years
FIRE	11 years	13 years
TIAA	7 years	7 years

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

Dependent Coverage Assumptions						
Group	NYCERS	TRS	BERS	POLICE	FIRE	TIAA
Male						
–Single Coverage	35%	45%	44%	17%	12%	45%
–Spouse/No Child	35	30	40	10	18	30
–Child/No Spouse	8	5	4	13	10	5
–Spouse and Child	22	20	12	60	60	20
Female						
–Single Coverage	67%	57%	60%	45%	12%	57%
–Spouse/No Child	22	30	35	7	18	30
–Child/No Spouse	7	5	2.5	33	10	5
–Spouse and Child	4	8	2.5	15	60	8

Note: For Line-of-Duty, 94% are assumed to have single coverage in FY 2025.

Demographic Assumption The actuarial assumptions used in the FY 2025 OPEB valuation are a combination of the demographic assumptions used in the NYCERS pension actuarial valuations and certain OPEB-specific assumptions, as detailed below.

NYCERS

The NYCERS' demographic assumptions (e.g., mortality, withdrawal, retirement and disability rates) and salary scale are the same as those used in the NYCERS pension actuarial valuations and are unchanged from the prior valuation.

CUNY/TIAA

CUNY/TIAA demographic assumptions are the same as those used for the TRS Pension Actuarial Valuation except for withdrawal and retirement rates which are based on a separate CUNY valuation performed by Gallagher and summarized below:

Years of Service	Withdrawal	Age	Retirement
0	15.0%	55	2.0%
1	12.0%	56	2.0%
2	11.0%	57	2.0%
3	10.0%	58	2.0%
4	9.0%	59	3.0%
5	7.0%	60	3.0%
6	6.0%	61	4.0%
7	6.0%	62	4.0%
8	6.0%	63	5.0%
9	4.0%	64	5.0%
10	4.0%	65	7.0%
11	3.0%	66	10.0%
12	3.0%	67	10.0%
13	2.0%	68	8.0%
14-19	2.0%	69	8.0%
20+	2.0%	70	10.0%
		75	15.0%
		80+	100.0%

The CUNY/TIAA OPEB valuation also assumes:

- Terminated employees with the required number of years of service for eligibility have no subsequent full-time employment at another college, university, or institution of post-secondary education.
- CUNY/TIAA participants maintain any required TIAA account balances and annuity benefits.

COBRA Benefits.	Employees and beneficiaries who enroll in COBRA coverage contribute 102% of the premium but the valuation includes an additional estimated cost above the value of their COBRA contribution because COBRA participants typically utilize services at a much higher rate than active participants. The valuation assumes 15% of employees not eligible for OPEB elect COBRA coverage for 15 months based on experience of other large employers. A lump-sum COBRA cost of \$1,825 was assumed for terminations during FY 2025. This amount is increased by the Pre-Medicare HCCTR for future years but is not adjusted for age-related morbidity. Census data was not available for surviving spouses of POLICE, FIRE, Correction, nor Sanitation members who are entitled to lifetime COBRA continuation coverage because this benefit is administered directly by the insurance carriers. The number and obligation for the surviving spouses with lifetime coverage were estimated based on current census of POLICE and FIRE retirees and the projected number of deaths that would have occurred since the inception of this benefit on November 13, 2001 (and on August 31, 2010 for the Departments of Correction and Sanitation).
Stabilization Fund	A 0.6% load is applied to the City's obligations to reflect certain benefits paid for retirees directly from the Stabilization Fund, which is unchanged from the FY 2024 OPEB valuation. The load is not applicable to Component Units. This load is based on a historical average allocation between active and retired participants. The allocation takes into consideration retirees on average are older and have costlier medical benefits than actives, and also separates out Welfare Fund contribution reimbursements from other Stabilization Fund benefits. Also, since Welfare Fund contributions reimbursed by the Stabilization Fund are considered a part of Welfare Fund benefits, they are not included in the determination of this load.
Educational Construction Fund.	The actuarial assumptions used for determining GASB 75 obligations for ECF are shown starting on page 28 of the Fiscal Year 2025 GASB 74/75 Report dated September 5, 2025. The Report is available at the Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007 and on the website of the New York City Office of the Actuary (www.nyc.gov/actuary).

5. Pensions

Plan Descriptions

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

1. New York City Employees' Retirement System (NYCERS) administers the NYCERS QPP and five VSFs. The NYCERS QPP is a cost-sharing multiple-employer pension plan that provides pension benefits for employees of the City not covered by one of the other NYCERS, and employees of certain component units of the City and certain other governmental units. NYCERS administers the following VSFs, which operate pursuant to the provisions of Title 13, Chapter 1 of the Administrative Code of The City of New York (ACNY):
 - Transit Police Officer's Variable Supplements Fund (TPOVSF), which provides supplemental benefits to NYCERS QPP members who retire from service on or after July 1, 1987 with 20 or more years of service as Transit Police Officers.
 - Transit Police Superior Officers' Variable Supplements Fund (TPSOVSF), which provides supplemental benefits to NYCERS QPP members who retire from service on or after July 1, 1987 as Transit Police Superior Officers with 20 or more years of service.

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

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

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

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

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

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

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

As of June 30, 2024 and June 30, 2023, the dates of the most recent actuarial valuations, system-wide membership data for the QPPs are as follows:

	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>Total</u>
QPP Membership at June 30, 2024						
Retirees and Beneficiaries Receiving Benefits	173,106	94,612	21,550	55,124	17,002	361,394
Deferred Vested Members Not Yet						
Receiving Benefits	30,162	22,423	3,501	1,543	55	57,684
Terminated Nonvested	39,846	29,899	9,635	2,436	2	81,818
Active Members	184,126	126,251	24,120	33,803	10,691	378,991
Total QPP Membership	<u>427,240</u>	<u>273,185</u>	<u>58,806</u>	<u>92,906</u>	<u>27,750</u>	<u>879,887</u>
	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>Total</u>
QPP Membership at June 30, 2023						
Retirees and Beneficiaries Receiving Benefits	170,396	93,759	21,216	54,321	16,871	356,563
Deferred Vested Members Not Yet						
Receiving Benefits	29,272	21,830	2,859	1,493	59	55,513
Terminated Nonvested	39,184	29,739	9,786	2,365	1	81,075
Active Members	180,354	124,368	24,619	33,800	10,720	373,861
Total QPP Membership	<u>419,206</u>	<u>269,696</u>	<u>58,480</u>	<u>91,979</u>	<u>27,651</u>	<u>867,012</u>

As of June 30, 2024 and June 30, 2023, the dates of the most recent actuarial valuations, membership data for the NYCERS VSFs are as follows:

	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>COVSF</u>	<u>Total</u>
Membership at June 30, 2024						
Retirees Receiving or Eligible to Receive Benefits . .	212	188	101	169	9,208	9,878
Active Members	—	—	—	—	5,716	5,716
Total Membership	<u>212</u>	<u>188</u>	<u>101</u>	<u>169</u>	<u>14,924</u>	<u>15,594</u>
	<u>TPOVSF</u>	<u>TPSOVSF</u>	<u>HPOVSF</u>	<u>HPSOVSF</u>	<u>COVSF</u>	<u>Total</u>
Membership at June 30, 2023						
Retirees Receiving or Eligible to Receive Benefits . .	234	194	111	179	9,148	9,866
Active Members	—	—	—	—	6,097	6,097
Total Membership	<u>234</u>	<u>194</u>	<u>111</u>	<u>179</u>	<u>15,245</u>	<u>15,963</u>

As of June 30, 2024 and 2023, the dates of the most recent actuarial valuations, membership data for the POLICE and FIRE VSFs are as follows:

	<u>PSOVSF</u>	<u>POVSF</u>	<u>Total POLICE</u>	<u>FOVSF</u>	<u>FFVSF</u>	<u>Total FIRE</u>
Membership at June 30, 2024						
Retirees Receiving or Eligible to Receive Benefits . .	22,472	14,233	36,705	1,522	3,039	4,561
Active Members	12,346	21,457	33,803	2,309	8,382	10,691
Total Membership	<u>34,818</u>	<u>35,690</u>	<u>70,508</u>	<u>3,831</u>	<u>11,421</u>	<u>15,252</u>
	<u>PSOVSF</u>	<u>POVSF</u>	<u>Total POLICE</u>	<u>FOVSF</u>	<u>FFVSF</u>	<u>Total FIRE</u>
Membership at June 30, 2023						
Retirees Receiving or Eligible to Receive Benefits . .	22,011	13,950	35,961	1,520	3,098	4,618
Active Members	11,895	21,905	33,800	2,475	8,245	10,720
Total Membership	<u>33,906</u>	<u>35,855</u>	<u>69,761</u>	<u>3,995</u>	<u>11,343</u>	<u>15,338</u>

*Summary of Plan**Benefits QPPs*

The NYCERS QPPs provide pension benefits to retired employees generally based on salary, length of service, and pension tier. For certain members of the NYCERS QPPs, voluntary member contributions also impact pension benefits provided. The NYCERS also provide automatic Cost-of-Living Adjustments (COLA) and other supplemental pension benefits to certain retirees and beneficiaries. In the event of disability during employment, participants may receive retirement allowances based on satisfaction of certain service requirements and other provisions. The NYCERS QPPs also provide death benefits. Subject to certain conditions, members become fully vested as to benefits upon the completion of 5 years of service. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions, including accumulated interest, less any outstanding loan balances.

The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983 and 2012, significant amendments made to the State Retirement and Social Security Law (RSSL) modified certain benefits for employees joining the QPPs on or after the effective date of such amendments, creating membership tiers. Currently, there are several tiers referred to as Tier I, Tier II, Tier III, Tier IV and Tier VI. Members are assigned a tier based on membership date. The specific membership dates for each tier may vary depending on the respective QPP. In particular, the Tier II Extender for POLICE, FIRE and the District Attorney Investigators ended as of June 30, 2009. As a result, new hires into the uniformed forces of the New York City Police Department and the New York City Fire Department (new members of the POLICE QPP and FIRE QPP) on or after July 1, 2009 and District Attorney Investigators who become new members of the NYCERS QPP on or after July 1, 2009 became Tier III members. Chapter 18 of the Laws of 2012 (Chapter 18/12) amended the retirement benefits of public employees who establish membership in one of the NYCERS on or after April 1, 2012. Chapter 18/12 is commonly referred to as Tier VI.

VSFs

The VSFs provide supplemental benefits for their respective eligible members at a maximum annual amount of \$12,000. For COVSF prior to Calendar Year 2019, total supplemental benefits paid, although determined in the same manner as for other VSFs, were only paid if the assets of COVSF were sufficient to pay the full amount due to all eligible retirees or if the Actuary determined that the fair value of the assets of the COVSF was greater than the actuarial present value of benefits payable through December, 2018. Scheduled benefits to COVSF participants were paid for Calendar Years 2000 to 2005, 2014, 2015, 2017, and 2018. Due to insufficient assets, no benefits were paid to COVSF participants from Calendar Year 2006 to Calendar Year 2013 and for Calendar Year 2016. For Calendar Years 2019 and later, COVSF provides for supplemental benefits to be paid regardless of the sufficiency of assets in the COVSF.

VSFs are presented with their respective retirement systems for financial reporting purposes. Instead, they provide scheduled supplemental payments, in accordance with applicable statutory provisions. While a portion of these payments are guaranteed by the City, the Legislature has reserved to itself and the State, the right and power to amend, modify, or repeal VSFs and the payments they provide. However, any assets transferred to the VSFs are held in trust solely for the benefit of its members.

TDA Programs

Benefits provided under the TRS and BERS TDA Programs are derived from members' accumulated contributions. TDA Programs are presented with their respective retirement systems for financial reporting purposes. No direct contributions are provided by employers; however certain investment options, if selected by members, may indirectly create employer financial obligations or benefits, as discussed below. A participant may withdraw all or part of the balance of his or her account at the time of retirement or termination of employment. Beginning January 1, 1989, the tax laws restricted withdrawals of tax-deferred annuity contributions and accumulated earnings thereon for reasons other than retirement or termination. Contributions made after December 31, 1988, and investment earnings credited after December 31, 1988, may only be withdrawn upon attainment of age 59½ or for reasons of hardship (as defined by Internal Revenue Service regulations). Hardship withdrawals are limited to contributions only.

When a member resigns before attaining vested rights under the respective QPP, he or she may withdraw the value of his or her TDA Program account or leave the account in the TDA Program for a period of up to seven school years after the date of resignation for TRS TDA members or for a period of up to five years after the date of resignation for BERS TDA members. If a member resigns after attaining vested rights under the respective QPP, he or she may leave his or her account in the TDA Program.

Upon retirement, a member may elect to leave his or her entire balance in the plan, elect to withdraw all or a portion of the balance, or choose to take the balance in the form of an annuity that is calculated based on a statutory rate of interest and statutory mortality assumptions, which may differ from the pension funding assumptions.

The TDA Programs have several investment options broadly categorized as fixed return funds and variable return funds. Under the fixed return funds, accounts are credited with a statutory rate of interest, currently 7% for UFT members and 8.25% for all other members (the Statutory Rates). Deposits from members' TDA Program accounts are used by the respective QPP to purchase investments; If earnings on the respective QPP are less than the amount credited to the TDA Program members' accounts, then additional payments by the City to the respective QPP, as determined by the Actuary, may be required. If the earnings are higher, then lower payments by the City to the QPP may be required.

All investment securities held in the fixed return funds are owned and reported by the QPP. A payable due from the QPP equal to the aggregate original principal amounts contributed by TDA Program members to the fixed return funds, plus accrued interest at the statutory rate, less member withdrawals, is owned by the TDA Program. The balance of TDA Program fixed return funds held by the TRS QPP as of June 30, 2025 and 2024 were \$37.7 billion and \$35.5 billion, respectively, and interest paid on TDA Program fixed return funds by the TRS QPP for the years then ended were \$2.5 billion and \$2.4 billion, respectively. The balance of TDA Program fixed return funds held by the BERS QPP as of June 30, 2025 and 2024 are \$2,944.8 million and \$2,788.7 million, respectively, and interest paid on TDA Program fixed return funds by the BERS QPP for the years then ended were \$239.5 million and \$220.8 million, respectively. Under the variable return funds, members' TDA Program accounts are adjusted for actual returns on the underlying investments of the specific fund selected. Members may switch all or a part of their TDA contributions between the fixed and variable return funds on a quarterly basis.

Contributions and Funding Policy

QPPs

The City's funding policy is to contribute actuarially required contributions (Actuarial Contributions). Actuarial Contributions for the NYCERS, determined by the Actuary in accordance with State statutes and City laws, are generally funded by the employers within the appropriate Fiscal Year. The Actuarial Contributions are determined under the One-Year Lag Methodology (OYLM). Under OYLM, the actuarial valuation date is used for calculating the Employer Contributions for the second following Fiscal Year. For example, the June 30, 2023 actuarial valuation was used for determining the Fiscal Year 2025 Actuarial Contributions. Actuarial Contributions are determined annually to be an amount that, together with member contributions and investment income, provides for QPP assets to be sufficient to pay benefits when due. The aggregate Actuarial Contributions due to each QPP from all participating employers for Fiscal Years 2025 and 2024 and the amount of the City's Actuarial and Actual contribution to each QPP for such fiscal years are as follows (in millions):

QPP	Fiscal Year 2025 Aggregate Actuarial Contribution	Fiscal Year 2025 City Actuarial/Actual Contribution	Fiscal Year 2024 Aggregate Actuarial Contribution	Fiscal Year 2024 City Actuarial/Actual Contribution
	(in millions)			
NYCERS	\$ 3,953	\$2,277	\$ 3,572	\$2,106
TRS	3,483	3,361	3,162	3,056
BERS	257	257	248	248
POLICE	2,475	2,475	2,360	2,360
FIRE	1,574	1,574	1,480	1,480
TOTAL	<u>\$11,742</u>	<u>\$9,944</u>	<u>\$10,822</u>	<u>\$9,250</u>

Member contributions are established by law and vary by QPP. In general, Tier I and Tier II member contribution rates are dependent upon the employee's age at membership and retirement plan election. In general, Tier III and Tier IV members make basic contributions of 3.0% of salary regardless of age at membership. Effective October 1, 2000, in accordance with Chapter 126 of the Laws of 2000, these members, except for certain Transit Authority employees, are not required to make basic contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. Effective December 2000, certain Transit Authority Tier III and Tier IV members make basic member contributions of 2.0% of salary in accordance with Chapter 10 of the Laws of 2000. Tier VI members contribute between 3.0% and 6.0% of salary, depending on salary level. Finally, certain special plan members of the NYCERS make additional member contributions.

VSFs

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

In addition to the Transferable Earnings, under Chapter 3 of the Laws of 2013, should the assets of the POVSF or the PSOVSF be insufficient to pay annual benefits, the POLICE QPP is required to transfer amounts sufficient to make such benefit payments. Similarly, under Chapter 3 of the Laws of 2013, should the assets of the COVSF be insufficient to pay annual benefits beginning in Calendar Year 2019, the NYCERS QPP is required to transfer amounts sufficient to make such benefit payments. Additionally, under Chapter 583 of the Laws of 1989, should the assets of the FFVSF or the FOVSF be insufficient to pay annual benefits, the City is required to transfer amounts sufficient to make such benefit payments. Further, under Chapter 255 of the Laws of 2000, the NYCERS QPP is required to make transfers to TPOVSF, TPSOVSF, HPOVSF and HPSOVSF sufficient to meet their annual benefit payments.

For Fiscal Year 2025, there are Transferable Earnings from the NYCERS QPP to COVSF equal to \$157.4 million. As a result of the unfunded actuarial present value of accumulated plan benefits being equal to \$0, there are no Transferable Earnings from the POLICE QPP to POVSF and PSOVSF and from the FIRE QPP to FFVSF and FOVSF. Additionally, in Fiscal Year 2025, the NYCERS QPP made required transfers of \$2.2 million, \$2.0 million, \$1.1 million, and \$1.9 million to TPOVSF, TPSOVSF, HPOVSF, and HPSOVSF, respectively, to fund annual benefits.

For Fiscal Year 2024, there were Transferable Earnings from the NYCERS QPP to COVSF equal to \$80.1 million and from the POLICE QPP to POVSF and PSOVSF equal to \$162.1 million and \$761.2 million, respectively. As a result of the unfunded actuarial present value of accumulated plan benefits being equal to \$0, there were no Transferable Earnings from the FIRE QPP to FFVSF and FOVSF. For Fiscal Year 2024, the NYCERS QPP made required transfers of \$3.0 million, \$2.5 million, \$1.5 million, and \$2.2 million to TPOVSF, TPSOVSF, HPOVSF, and HPSOVSF, respectively, to fund annual benefits.

The annual employer contribution calculated in conjunction with the actuarial valuation for POLICE, FIRE and NYCERS includes the cost to pay for the VSF benefits.

TDA Programs

Contributions to the TDA Programs are made by the members only and are voluntary. Active members of the respective QPP are required to submit a salary reduction agreement and an enrollment request to make contributions. A participant may elect to exclude an amount of his or her compensation from current taxable income by contributing it to the TDA Programs. The maximum amount that can be contributed is determined annually by the IRS for each calendar year. Additionally, members can elect either a fixed or variable investment program for investment of their contributions.

No employer contributions are made to the TDA Programs. However, the TDA Programs offer a fixed return investment option as discussed above which could increase or decrease the City's contribution to the respective QPPs.

Net Pension Liability

The City's net pension liabilities for each of the QPPs reported at June 30, 2025 and June 30, 2024 were measured as of those fiscal year end dates. The total pension liabilities used to calculate those net pension liabilities were determined by actuarial valuations as of June 30, 2024 and June 30, 2023, respectively, and rolled forward to the respective fiscal year-end measurement dates. Information about the fiduciary net position of each QPP and additions to and deductions from each QPP's fiduciary net position has been determined on the same basis as they are reported by the respective QPP. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the respective qualified pension plan and investments are reported at fair value.

Actuarial Assumptions

The total pension liabilities in the June 30, 2024 and June 30, 2023 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2024	June 30, 2023
<i>Investment Rate of Return</i>	<i>7.0% per annum, net of investment expenses (Actual Return for Variable Funds).</i>	<i>7.0% per annum, net of investment expenses (Actual Return for Variable Funds).</i>
<i>Post-Retirement Mortality</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries.</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries.</i>
<i>Active Service: Withdrawal, Death, Disability, Retirement</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds.</i>	<i>Tables adopted by the respective Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds.</i>
<i>Salary Increases⁽¹⁾</i>	<i>In general, Merit and Promotion increases, plus assumed General Wage Increases of 3.0% per year.</i>	<i>In general, Merit and Promotion increases, plus assumed General Wage Increases of 3.0% per year.</i>
<i>Cost-of-Living Adjustments⁽¹⁾ . . .</i>	<i>1.5% per annum for AutoCOLA. 2.5% per annum for Escalation.</i>	<i>1.5% per annum for AutoCOLA. 2.5% per annum for Escalation.</i>

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

Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded NYCERS are conducted every two years.

In accordance with the ACCNY and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCERS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Bolton, Inc. published their study in June 2019. They analyzed the experience for the 4-year and 10-year periods ended June 30, 2017, and made recommendations with respect to the actuarial assumptions and methods based on their analysis. Based, in part, on these recommendations, the Actuary proposed new assumptions and methods for use in determining Employer Contributions for Fiscal Years beginning on and after July 1, 2018. These assumptions and methods have been adopted by the Board of Trustees during Fiscal Year 2019. These assumptions and methods were revised in Fiscal Year 2021 and collectively, this current set of assumptions is known as the Revised 2021 A&M.

Milliman subsequently published their study in January 2025.

The long-term expected rate of return for each of the pension funds is 7.0% per annum. This is based upon weighted expected real arithmetic rates of return (RROR) ranging from 4.9% to 6.2% and a long-term Consumer Price Inflation assumption of 2.5% offset by investment related expenses. The target asset allocation of each of the funds and the expected RROR for each of the asset classes are summarized in the following tables:

Asset Class	NYCERS	
	Target Asset Allocation	Long-Term Expected RROR
U.S. Public Market Equities	23.5%	6.7%
Developed Public Market Equities	11.6%	7.1%
Emerging Public Market Equities	4.9%	8.3%
Fixed Income	31.0%	3.0%
Private Equity	10.0%	11.2%
Private Real Estate	8.0%	7.0%
Infrastructure	4.5%	6.3%
Opportunistic Fixed Income	6.5%	8.3%
Total	100.0%	

TRS		
Asset Class	Target Asset Allocation	Long-Term Expected RROR
U.S. Public Market Equities	24.0%	4.7%
Developed Public Market Equities	12.1%	5.4%
Emerging Public Market Equities	4.9%	6.3%
Fixed Income	30.0%	2.4%
Private Equity	10.0%	9.5%
Private Real Estate	8.0%	7.8%
Infrastructure	5.0%	7.3%
Opportunistic Fixed Income	6.0%	4.7%
Total	100.0%	
BERS		
Asset Class	Target Asset Allocation	Long-Term Expected RROR
U.S. Public Market Equities	34.0%	5.8%
Developed Public Market Equities	9.0%	5.9%
Emerging Public Market Equities	4.0%	7.1%
Fixed Income	28.0%	2.1%
Private Equity	8.0%	9.3%
Private Real Estate	8.0%	3.3%
Infrastructure	4.0%	5.8%
Opportunistic Fixed Income	5.0%	5.8%
Total	100.0%	
POLICE		
Asset Class	Target Asset Allocation	Long-Term Expected RROR
U.S. Public Market Equities	26.0%	4.9%
Developed Public Market Equities	6.5%	5.5%
Emerging Public Market Equities	3.0%	7.2%
Fixed Income	29.5%	3.1%
Private Equity	10.0%	9.1%
Private Real Estate	7.0%	5.5%
Infrastructure	4.0%	8.2%
Hedge Funds	7.0%	4.3%
Opportunistic Fixed Income	7.0%	5.9%
Total	100.0%	
FIRE		
Asset Class	Target Asset Allocation	Long-Term Expected RROR
U.S. Public Market Equities	24.5%	5.6%
Developed Public Market Equities	9.0%	7.0%
Emerging Public Market Equities	6.0%	9.2%
Fixed Income	26.5%	3.3%
Private Equity	12.0%	10.3%
Private Real Estate	7.0%	4.7%
Infrastructure	5.0%	5.3%
Hedge Funds	4.0%	4.3%
Opportunistic Fixed Income	6.0%	3.5%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability of each QPP as of June 30, 2025 and June 30, 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current tier for each member and that employer contributions will be made based on rates determined by the Actuary. Based on those assumptions, each QPP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active QPP members. Therefore, the long-term expected rate of return on QPP investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability-POLICE and FIRE

Changes in the City's net pension liability for POLICE and FIRE for the Fiscal Years ended June 30, 2025 and June 30, 2024 are as follows:

	POLICE			FIRE		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in millions)					
Balances at June 30, 2023	<u>\$63,527</u>	<u>\$54,480</u>	<u>\$ 9,047</u>	<u>\$26,701</u>	<u>\$19,439</u>	<u>\$ 7,262</u>
Changes for the Year 2024:						
Service Cost	1,408	—	1,408	602	—	602
Interest	4,400	—	4,400	1,846	—	1,846
Changes of Benefit Terms	136	—	136	71	—	71
Differences b/t Expected and Actual Experience	579	—	579	454	—	454
Changes of Assumptions	—	—	—	—	—	—
Contributions—Employer	—	2,360	(2,360)	—	1,481	(1,481)
Contributions—Employee	—	369	(369)	—	149	(149)
Net Investment Income	—	5,825	(5,825)	—	1,877	(1,877)
Benefit Payments	(4,244)	(4,244)	—	(1,851)	(1,851)	—
Administrative Expenses	—	(34)	34	—	(11)	11
Other Changes	—	3	(3)	—	2	(2)
Net Changes	<u>\$ 2,279</u>	<u>\$ 4,279</u>	<u>\$ (2,000)</u>	<u>\$ 1,122</u>	<u>\$ 1,647</u>	<u>\$ (525)</u>
Balances at June 30, 2024	<u>\$65,806</u>	<u>\$58,759</u>	<u>\$ 7,047</u>	<u>\$27,823</u>	<u>\$21,086</u>	<u>\$ 6,737</u>
Changes for the Year 2025:						
Service Cost	1,472	—	1,472	617	—	617
Interest	4,550	—	4,550	1,922	—	1,922
Changes of Benefit Terms	76	—	76	—	—	—
Differences b/t Expected and Actual Experience	430	—	430	471	—	471
Changes of Assumptions	—	—	—	—	—	—
Contributions—Employer	—	2,475	(2,475)	—	1,576	(1,576)
Contributions—Employee	—	298	(298)	—	134	(134)
Net Investment Income	—	5,543	(5,543)	—	2,098	(2,098)
Benefit Payments	(4,646)	(4,646)	—	(1,984)	(1,984)	—
Administrative Expenses	—	(32)	32	—	(12)	12
Other Changes	—	3	(3)	—	4	(4)
Net Changes	<u>\$ 1,882</u>	<u>\$ 3,641</u>	<u>\$ (1,759)</u>	<u>\$ 1,026</u>	<u>\$ 1,816</u>	<u>\$ (790)</u>
Balances at June 30, 2025	<u>\$67,688</u>	<u>\$62,400</u>	<u>\$ 5,288</u>	<u>\$28,849</u>	<u>\$22,902</u>	<u>\$5,947</u>

The following table presents the City's net pension liability for POLICE and FIRE calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	Fiscal Year 2025			Fiscal Year 2024		
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
	(in millions)					
POLICE	\$13,063	\$5,288	\$(1,190)	\$14,581	\$7,047	\$ 768
FIRE	9,179	5,947	3,228	9,858	6,737	4,113

City Proportion of Net Pension Liability-NYCERS, TRS and BERS (Excluding TDAs)

The following table presents the City's proportionate share of the net pension liability of NYCERS, TRS and BERS at June 30, 2025 and June 30, 2024, and the proportion percentage of the aggregate net pension liability allocated to the City:

	Fiscal Year 2025			Fiscal Year 2024		
	NYCERS	TRS	BERS	NYCERS	TRS	BERS
	(in millions, except for %)					
City's Proportion of the Net Pension Liability	57.60%	96.50%	99.96%	58.96%	96.65%	99.96%
City's Proportionate Share of the Net Pension Liability	\$7,652	\$8,369	\$(190)	\$9,697	\$12,006	\$180

The City's proportion of the respective net pension liability was based on actual required contributions of each of the participating employers.

The following table presents the City's proportionate share of net pension liability for NYCERS, TRS, and BERS calculated using the discount rate of 7.0%, as well as what the City's proportionate share of the respective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

QPPs	Fiscal Year 2025			Fiscal Year 2024		
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
	(in millions)					
NYCERS	\$14,494	\$7,652	\$ 1,884	\$16,467	\$ 9,697	\$3,979
TRS	25,494	8,369	(1,335)	28,181	12,006	3,053
BERS	1,357	(190)	(1,388)	1,646	180	(854)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense recognized by the City for the Fiscal Years ended June 30, 2025 and June 30, 2024 related to the NYCERS are as follows:

NYCERS	2025	2024
	(in millions)	
NYCERS	\$1,395	\$2,272
TRS	1,923	2,581
BERS	86	129
POLICE	1,336	1,911
FIRE	1,013	1,273
TOTAL	<u>\$5,753</u>	<u>\$8,166</u>

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Deferred outflows of resources and deferred inflows of resources by source reported by the City at June 30, 2025 and June 30, 2024 for each NYCERS are as follows:

	Fiscal Year 2025							
	NYCERS		TRS		BERS		POLICE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)							
Differences between expected and actual experience.	\$1,193,198	\$ 15,085	\$2,264,653	\$ 422,391	\$420,023	\$ 21,183	\$969,954	\$ —
Changes of assumptions	—	38,460	—	211,922	—	120	—	—
Net difference between projected and actual earnings on pension plan investments	—	662,422	—	6,354,727	—	500,995	—	1,091,037
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans).	(108,388)	(25,570)	(71,955)	(5,406)	15	12	—	—
Total	<u>\$1,084,810</u>	<u>\$ 690,397</u>	<u>\$2,192,698</u>	<u>\$6,983,634</u>	<u>\$420,038</u>	<u>\$522,310</u>	<u>\$969,954</u>	<u>\$1,091,037</u>
	Fiscal Year 2024							
	NYCERS		TRS		BERS		POLICE	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)							
Differences between expected and actual experience.	\$1,366,951	\$ 30,288	\$1,879,862	\$ 880,628	\$439,502	\$ 35,072	\$1,021,185	\$ —
Changes of assumptions	—	86,199	—	354,441	—	266	25,573	—
Net difference between projected and actual earnings on pension plan investments	126,465	—	—	3,224,875	—	306,358	—	547,542
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans).	195,047	14,186	(74,560)	(4,792)	(22)	11	—	—
Total	<u>\$1,688,463</u>	<u>\$130,673</u>	<u>\$1,805,302</u>	<u>\$4,455,152</u>	<u>\$439,480</u>	<u>\$341,707</u>	<u>\$1,046,758</u>	<u>\$547,542</u>

Fiscal Year 2025				
	FIRE		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)			
Differences between expected and actual experience.	\$841,349	\$ 1,991	\$5,689,177	\$ 460,650
Changes of assumptions	8,188	—	8,188	250,502
Net difference between projected and actual earnings on pension plan investments	—	289,826	—	8,899,007
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans).	—	—	(180,328)	(30,964)
Total	<u>\$849,537</u>	<u>\$291,817</u>	<u>\$5,517,037</u>	<u>\$9,579,195</u>
Fiscal Year 2024				
	FIRE		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)			
Differences between expected and actual experience.	\$658,304	\$7,095	\$5,365,804	\$ 953,083
Changes of assumptions	29,182	—	54,755	440,906
Net difference between projected and actual earnings on pension plan investments	104,740	—	231,205	4,078,775
Changes in proportion and differences between City contributions and proportionate share of contributions (cost-sharing plans).	—	—	120,465	9,405
Total	<u>\$792,226</u>	<u>\$7,095</u>	<u>\$5,772,229</u>	<u>\$5,482,169</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2025 will be recognized in pension expense as follows:

	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>	<u>POLICE</u>	<u>FIRE</u>	<u>TOTAL</u>
	(in thousands)					
Year ending June 30,						
2026.	\$1,226,596	\$ 68,725	\$ 141,796	\$1,213,471	\$612,517	\$3,263,105
2027.	(319,421)	(2,544,976)	(114,808)	(566,490)	(14,159)	(3,559,854)
2028.	(327,768)	(1,972,071)	(53,580)	(533,064)	(42,402)	(2,928,885)
2029.	(201,194)	(879,579)	(75,680)	(235,000)	(18,074)	(1,409,527)
2030.	16,200	418,720	—	—	19,838	454,758
Thereafter	—	118,245	—	—	—	118,245
Total	<u>\$ 394,413</u>	<u>\$(4,790,936)</u>	<u>\$(102,272)</u>	<u>\$ (121,083)</u>	<u>\$557,720</u>	<u>\$(4,062,158)</u>

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The City of New York

Annual Comprehensive Financial Report of the Comptroller

Part II-B

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

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

Fiscal Years Ended June 30, 2025 and 2024

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THE CITY OF NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

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

	2025	2024	2023	2022	2021
1. Total Pension Liability					
a. Service Cost	\$ 1,472,376,639	\$ 1,408,225,578	\$ 1,418,720,101	\$ 1,431,720,079	\$ 1,473,815,656
b. Interest	4,549,603,747	4,399,427,148	4,257,712,941	4,120,230,291	3,980,110,444
c. Changes of Benefit Terms	76,088,471	136,360,682	62,622,008	—	—
d. Differences b/t Expected and Actual Experience	430,444,897	578,796,759	563,620,501	473,140,931	275,949,731
e. Change of Assumptions	—	—	—	—	136,758,940
f. Benefit Payments	(4,645,757,000)	(4,244,175,000)	(4,290,430,000)	(3,813,713,000)	(3,831,639,000)
g. Net Changes	1,882,756,754	2,278,635,167	2,012,245,551	2,211,378,301	2,034,995,771
2. Total Pension Liability—Beginning	65,805,684,013	63,527,048,846	61,514,803,295	59,303,424,994	57,268,429,223
3. Total Pension Liability—Ending	67,688,440,767	65,805,684,013	63,527,048,846	61,514,803,295	59,303,424,994
4. Plan Fiduciary Net Position					
a. Contributions—Employer	2,475,228,000	2,359,792,000	2,333,707,000	2,490,134,000	2,437,728,000
b. Contributions—Employee	298,323,000	369,480,000	267,720,000	281,185,000	255,789,000
c. Net Investment Income	5,543,245,000	5,824,373,000	4,396,487,000	(4,405,904,000)	11,961,703,000
d. Benefit Payments	(4,645,757,000)	(4,244,175,000)	(4,290,430,000)	(3,813,713,000)	(3,831,639,000)
e. Administrative Expenses	(32,244,000)	(34,187,000)	(30,348,000)	(24,301,000)	(24,925,000)
f. Other Changes	3,087,000	3,389,000	4,458,000	5,301,000	4,458,000
g. Net Changes	3,641,882,000	4,278,672,000	2,681,594,000	(5,467,298,000)	10,803,114,000
5. Plan Fiduciary Net Position—Beginning	58,758,938,000	54,480,266,000	51,798,672,000	57,265,970,000	46,462,856,000
6. Plan Fiduciary Net Position—Ending	62,400,820,000	58,758,938,000	54,480,266,000	51,798,672,000	57,265,970,000
7. POLICE Net Pension Liability	\$ 5,287,620,767	\$ 7,046,746,013	\$ 9,046,782,846	\$ 9,716,131,295	\$ 2,037,454,994
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.2%	89.3%	85.8%	84.2%	96.6%
9. Covered Payroll ¹	\$ 4,556,713,572	\$ 4,345,602,880	\$ 4,316,368,272	\$ 4,262,625,521	\$ 4,299,648,848
10. POLICE Net Pension Liability as a Percentage of Covered Payroll	116.0%	162.2%	209.6%	227.9%	47.4%

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

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

	2020	2019	2018	2017	2016
1. Total Pension Liability					
a. Service Cost	\$ 1,483,109,352	\$ 1,498,909,863	\$ 1,386,278,934	\$ 1,320,416,462	\$ 1,340,614,909
b. Interest	3,833,636,348	3,782,996,761	3,649,115,174	3,524,331,362	3,441,398,429
c. Changes of Benefit Terms	—	—	104,671,094	—	—
d. Differences b/t Expected and Actual Experience	441,654,144	(818,966,821)	(144,119,939)	(645,248,116)	233,461,664
e. Change of Assumptions	—	(342,401,789)	—	—	794,679,950
f. Benefit Payments	(3,487,402,000)	(3,278,745,000)	(3,193,553,000)	(2,987,000,000)	(2,878,451,000)
g. Net Changes	2,270,997,844	841,793,014	1,802,392,263	1,212,499,708	2,931,703,952
2. Total Pension Liability—Beginning	54,997,431,379	54,155,638,365	52,353,246,102	51,140,746,394	48,209,042,442
3. Total Pension Liability—Ending	57,268,429,223	54,997,431,379	54,155,638,365	52,353,246,102	51,140,746,394
4. Plan Fiduciary Net Position					
a. Contributions—Employer	2,458,907,000	2,558,256,000	2,415,153,000	2,293,840,000	2,393,940,000
b. Contributions—Employee	280,129,000	278,087,000	267,031,000	276,301,000	249,921,000
c. Net Investment Income	2,038,305,000	2,861,544,000	3,964,010,000	4,286,894,000	403,534,000
d. Benefit Payments	(3,487,402,000)	(3,278,745,000)	(3,193,553,000)	(2,987,000,000)	(2,878,451,000)
e. Administrative Expenses	(26,803,000)	(29,005,000)	(21,146,000)	(18,917,000)	(18,478,000)
f. Other Changes	6,541,000	4,183,000	3,465,000	10,507,000	6,756,000
g. Net Changes	1,269,677,000	2,394,320,000	3,434,960,000	3,861,625,000	157,222,000
5. Plan Fiduciary Net Position—Beginning	45,193,179,000	42,798,859,000	39,363,899,000	35,502,274,000	35,345,052,000
6. Plan Fiduciary Net Position—Ending	46,462,856,000	45,193,179,000	42,798,859,000	39,363,899,000	35,502,274,000
7. POLICE Net Pension Liability	\$10,805,573,223	\$ 9,804,252,379	\$11,356,779,365	\$12,989,347,102	\$ 15,638,472,394
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.1%	82.2%	79.0%	75.2%	69.4%
9. Covered Payroll ¹	\$ 4,244,806,289	\$ 4,047,772,414	\$ 3,673,054,287	\$ 3,509,985,075	\$ 3,540,326,198
10. POLICE Net Pension Liability as a Percentage of Covered Payroll	254.6%	242.2%	309.2%	370.1%	441.7%

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

	2025	2024	2023	2022	2021
1. Total Pension Liability					
a. Service Cost	\$ 616,688,228	\$ 601,573,243	\$ 592,612,807	\$ 586,319,415	\$ 570,829,158
b. Interest	1,922,558,157	1,847,485,840	1,781,262,396	1,726,200,591	1,672,680,868
c. Changes of Benefit Terms	—	70,934,160	36,205,947	—	—
d. Differences b/t Expected and Actual Experience	470,710,353	453,979,292	340,357,109	165,148,630	(27,513,079)
e. Change of Assumptions	—	—	—	—	113,160,630
f. Benefit Payments	(1,984,076,000)	(1,851,412,000)	(1,776,549,000)	(1,620,806,000)	(1,540,705,000)
g. Net Changes	1,025,880,738	1,122,560,535	973,889,259	856,862,636	788,452,577
2. Total Pension Liability—Beginning	27,823,743,379	26,701,182,844	25,727,293,585	24,870,430,949	24,081,978,372
3. Total Pension Liability—Ending	28,849,624,117	27,823,743,379	26,701,182,844	25,727,293,585	24,870,430,949
4. Plan Fiduciary Net Position					
a. Contributions—Employer	1,575,890,000	1,481,438,000	1,423,679,000	1,446,992,000	1,436,977,000
b. Contributions—Employee	133,583,000	148,853,000	118,264,000	134,469,000	112,566,000
c. Net Investment Income	2,099,058,000	1,877,757,000	1,427,950,000	(1,582,857,000)	3,963,257,000
d. Benefit Payments	(1,984,076,000)	(1,851,412,000)	(1,776,549,000)	(1,620,806,000)	(1,540,705,000)
e. Administrative Expenses	(12,161,000)	(11,214,000)	(13,020,000)	(12,711,000)	(10,345,000)
f. Other Changes	4,299,000	2,106,000	838,000	953,000	758,000
g. Net Changes	1,816,593,000	1,647,528,000	1,181,162,000	(1,633,960,000)	3,962,508,000
5. Plan Fiduciary Net Position—Beginning	21,086,328,000	19,438,800,000	18,257,638,000	19,891,598,000	15,929,090,000
6. Plan Fiduciary Net Position—Ending	22,902,921,000	21,086,328,000	19,438,800,000	18,257,638,000	19,891,598,000
7. FIRE Net Pension Liability	<u>\$ 5,946,703,117</u>	<u>\$ 6,737,415,379</u>	<u>\$ 7,262,382,844</u>	<u>\$ 7,469,655,585</u>	<u>\$ 4,978,832,949</u>
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>79.4%</u>	<u>75.8%</u>	<u>72.8%</u>	<u>71.0%</u>	<u>80.0%</u>
9. Covered Payroll ¹	\$ 1,531,396,757	\$ 1,494,537,065	\$ 1,438,282,242	\$ 1,401,377,517	\$ 1,348,006,398
10. FIRE Net Pension Liability as a Percentage of Covered Payroll	<u>388.3%</u>	<u>450.8%</u>	<u>504.9%</u>	<u>533.0%</u>	<u>369.3%</u>

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

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

	2020	2019	2018	2017	2016
1. Total Pension Liability					
a. Service Cost	\$ 572,654,633	\$ 484,827,782	\$ 436,368,702	\$ 432,482,302	\$ 431,267,723
b. Interest	1,616,535,939	1,523,611,014	1,484,608,815	1,438,804,602	1,395,735,250
c. Changes of Benefit Terms	—	—	11,602,422	—	—
d. Differences b/t Expected and Actual Experience	143,725,611	140,780,365	124,635,710	134,478,099	323,609,267
e. Change of Assumptions	—	571,767,848	—	—	405,497,988
f. Benefit Payments	(1,517,723,000)	(1,446,114,000)	(1,379,533,000)	(1,335,343,000)	(1,359,095,000)
g. Net Changes	815,193,183	1,274,873,009	677,682,649	670,422,003	1,197,015,228
2. Total Pension Liability—Beginning	23,266,785,189	21,991,912,180	21,314,229,531	20,643,807,528	19,446,792,300
3. Total Pension Liability—Ending	24,081,978,372	23,266,785,189	21,991,912,180	21,314,229,531	20,643,807,528
4. Plan Fiduciary Net Position					
a. Contributions—Employer	1,419,270,000	1,398,565,000	1,200,417,000	1,061,170,000	1,054,478,000
b. Contributions—Employee	106,821,000	108,015,000	108,338,000	108,368,000	116,619,000
c. Net Investment Income	718,739,000	982,348,000	1,249,731,000	1,371,721,000	203,104,000
d. Benefit Payments	(1,517,723,000)	(1,446,114,000)	(1,379,533,000)	(1,335,343,000)	(1,359,095,000)
e. Administrative Expenses	(9,131,000)	(9,861,000)	(6,412,000)	—	—
f. Other Changes	2,842,000	2,057,000	9,411,000	47,284,000	43,673,000
g. Net Changes	720,818,000	1,035,010,000	1,181,952,000	1,253,200,000	58,779,000
5. Plan Fiduciary Net Position—Beginning	15,208,272,000	14,173,262,000	12,991,310,000	11,738,110,000	11,679,331,000
6. Plan Fiduciary Net Position—Ending	15,929,090,000	15,208,272,000	14,173,262,000	12,991,310,000	11,738,110,000
7. FIRE Net Pension Liability	\$ 8,152,888,372	\$ 8,058,513,189	\$ 7,818,650,180	\$ 8,322,919,531	\$ 8,905,697,528
8. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.1%	65.4%	64.4%	61.0%	56.9%
9. Covered Payroll ¹	\$ 1,336,843,002	\$ 1,302,871,992	\$ 1,164,528,195	\$ 1,145,919,396	\$ 1,129,469,957
10. FIRE Net Pension Liability as a Percentage of Covered Payroll	609.9%	618.5%	671.4%	726.3%	788.5%

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

	2025	2024	2023	2022	2021
1. NYCERS					
a. City's Proportion of the Net Pension Liability	57.60%	58.96%	59.15%	59.58%	58.94%
b. City's Proportion share of the Net Pension Liability . .	\$ 7,652.0	\$ 9,697.0	\$10,554.3	\$10,786.4	\$ 3,780.4
c. City's Covered Payroll	\$ 9,041.1	\$ 8,698.9	\$ 8,454.2	\$ 8,412.5	\$ 8,436.8
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	84.64%	111.47%	124.84%	128.22%	44.81%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.66%	84.25%	82.22%	81.28%	93.14%
2. TRS					
a. City's Proportion of the Net Pension Liability	96.50%	96.65%	96.65%	96.88%	96.93%
b. City's Proportion share of the Net Pension Liability . .	\$ 8,369.0	\$12,006.0	\$13,220.0	\$14,253.0	\$ 69.0
c. City's Covered Payroll	\$12,594.8	\$11,807.5	\$11,444.2	\$11,119.0	\$10,863.8
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	66.45%	101.68%	115.52%	128.19%	0.64%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.44%	85.71%	83.24%	81.31%	99.91%
3. BERS					
a. City's Proportion of the Net Pension Liability	99.96%	99.96%	99.96%	99.95%	99.93%
b. City's Proportion share of the Net Pension Liability . .	\$ (190.0)	\$ 180.0	\$ 73.0	\$ 124.4	\$ (1,267.3)
c. City's Covered Payroll	\$ 1,466.0	\$ 1,467.5	\$ 1,426.7	\$ 1,483.7	\$ 1,476.0
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	(12.96%)	12.27%	5.12%	8.38%	(85.86%)
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.56%	97.43%	98.83%	97.93%	121.96%

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

	2020	2019	2018	2017	2016
1. NYCERS					
a. City's Proportion of the Net Pension Liability	55.98%	55.47%	54.44%	54.33%	54.77%
b. City's Proportion share of the Net Pension Liability . .	\$11,799.2	\$10,274.3	\$ 9,898.5	\$11,281.7	\$13,307.9
c. City's Covered Payroll	\$ 8,203.9	\$ 7,833.4	\$ 6,729.9	\$ 6,556.7	\$ 6,462.2
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	143.82%	131.16%	147.08%	172.06%	205.93%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.93%	78.84%	78.82%	74.80%	69.57%
2. TRS					
a. City's Proportion of the Net Pension Liability	97.12%	97.22%	97.19%	97.62%	97.07%
b. City's Proportion share of the Net Pension Liability . .	\$15,342.1	\$14,929.0	\$18,184.9	\$22,674.0	\$25,599.9
c. City's Covered Payroll	\$10,572.4	\$10,107.6	\$ 8,961.5	\$ 8,612.8	\$ 8,039.3
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	145.11%	147.70%	202.92%	263.26%	318.43%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.97%	79.06%	74.45%	68.32%	62.33%
3. BERS					
a. City's Proportion of the Net Pension Liability	99.95%	99.98%	99.97%	99.96%	99.99%
b. City's Proportion share of the Net Pension Liability . .	\$ 277.1	\$ 274.2	\$ 501.2	\$ 973.4	\$ 1,384.1
c. City's Covered Payroll	\$ 1,352.7	\$ 1,263.5	\$ 1,101.6	\$ 1,051.6	\$ 1,007.5
d. City's Proportion share of the Net Pension Liability as a Percentage of it's Covered Payroll	20.48%	21.70%	45.50%	92.56%	137.38%
e. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.92%	94.79%	90.31%	80.81%	71.17%

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

	2025	2024	2023	2022	2021	2020	2019
	(in thousands except %)						
NYCERS							
Actuarially Determined Contribution ..	\$ 2,276,891	\$ 2,105,637	\$ 2,044,824	\$ 2,282,671	\$ 2,217,956	\$ 2,086,530	\$ 2,049,222
Contributions in relation to the Actuarially Determined contribution	\$ 2,276,891	\$ 2,105,637	\$ 2,044,824	\$ 2,282,671	\$ 2,217,956	\$ 2,086,530	\$ 2,049,222
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 9,041,097	\$ 8,698,856	\$ 8,454,187	\$ 8,412,517	\$ 8,436,814	\$ 8,203,879	\$ 7,833,362
Contributions as a percentage of covered payroll.	25.184%	24.206%	24.187%	27.134%	26.289%	25.433%	26.160%
TRS							
Actuarially Determined Contribution ..	\$ 3,361,436	\$ 3,055,957	\$ 2,982,559	\$ 3,200,858	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742
Contributions in relation to the Actuarially Determined contribution	\$ 3,361,436	\$ 3,055,957	\$ 2,982,559	\$ 3,200,858	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$12,594,792	\$11,807,476	\$11,444,231	\$11,118,967	\$10,863,830	\$10,572,449	\$10,107,561
Contributions as a percentage of covered payroll.	26.689%	25.882%	26.062%	28.787%	27.942%	32.986%	35.555%
BERS							
Actuarially Determined Contribution ..	\$ 256,621	\$ 247,633	\$ 233,452	\$ 262,279	\$ 182,855	\$ 257,367	\$ 269,594
Contributions in relation to the Actuarially Determined contribution	\$ 256,621	\$ 247,633	\$ 233,452	\$ 262,279	\$ 182,855	\$ 257,367	\$ 269,594
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 1,465,955	\$ 1,467,504	\$ 1,426,694	\$ 1,483,750	\$ 1,476,030	\$ 1,352,676	\$ 1,263,450
Contributions as a percentage of covered payroll.	17.505%	16.874%	16.363%	17.677%	12.388%	19.027%	21.338%
POLICE							
Actuarially Determined Contribution ..	\$ 2,475,228	\$ 2,359,792	\$ 2,333,707	\$ 2,490,134	\$ 2,437,728	\$ 2,458,907	\$ 2,558,256
Contributions in relation to the Actuarially Determined contribution	\$ 2,475,228	\$ 2,359,792	\$ 2,333,707	\$ 2,490,134	\$ 2,437,728	\$ 2,458,907	\$ 2,558,256
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 4,556,714	\$ 4,345,603	\$ 4,316,368	\$ 4,262,626	\$ 4,299,649	\$ 4,244,806	\$ 4,047,772
Contributions as a percentage of covered payroll.	54.320%	54.303%	54.066%	58.418%	56.696%	57.927%	63.202%
FIRE							
Actuarially Determined Contribution ..	\$ 1,574,396	\$ 1,479,615	\$ 1,423,601	\$ 1,446,992	\$ 1,436,977	\$ 1,419,270	\$ 1,398,565
Contributions in relation to the Actuarially Determined contribution	\$ 1,574,396	\$ 1,479,615	\$ 1,423,601	\$ 1,446,992	\$ 1,436,977	\$ 1,419,270	\$ 1,398,565
Contribution deficiency (excess)	—	—	—	—	—	—	—
Covered payroll	\$ 1,531,397	\$ 1,494,537	\$ 1,438,282	\$ 1,401,378	\$ 1,348,006	\$ 1,336,843	\$ 1,302,872
Contributions as a percentage of covered payroll.	102.808%	99.002%	98.979%	103.255%	106.600%	106.166%	107.345%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
NYCERS			
Actuarially Determined Contribution ...	<u>\$1,838,554</u>	<u>\$1,808,067</u>	<u>\$1,843,323</u>
Contributions in relation to the Actuarially Determined contribution	<u>\$1,838,554</u>	<u>\$1,808,067</u>	<u>\$1,843,323</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	<u>\$6,729,880</u>	<u>\$6,556,720</u>	<u>\$6,462,231</u>
Contributions as a percentage of covered payroll	<u>27.319%</u>	<u>27.576%</u>	<u>28.524%</u>
TRS			
Actuarially Determined Contribution ..	<u>\$3,779,638</u>	<u>\$3,795,657</u>	<u>\$3,594,301</u>
Contributions in relation to the Actuarially Determined contribution	<u>\$3,779,638</u>	<u>\$3,795,657</u>	<u>\$3,594,301</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	<u>\$8,961,509</u>	<u>\$8,612,809</u>	<u>\$8,039,326</u>
Contributions as a percentage of covered payroll	<u>42.176%</u>	<u>44.070%</u>	<u>44.709%</u>
BERS			
Actuarially Determined Contribution ..	<u>\$ 318,540</u>	<u>\$ 288,116</u>	<u>\$ 265,497</u>
Contributions in relation to the Actuarially Determined contribution	<u>\$ 318,540</u>	<u>\$ 288,116</u>	<u>\$ 265,497</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	<u>\$1,101,553</u>	<u>\$1,051,567</u>	<u>\$1,007,499</u>
Contributions as a percentage of covered payroll	<u>28.917%</u>	<u>27.399%</u>	<u>26.352%</u>
POLICE			
Actuarially Determined Contribution ..	<u>\$2,415,153</u>	<u>\$2,293,840</u>	<u>\$2,393,940</u>
Contributions in relation to the Actuarially Determined contribution	<u>\$2,415,153</u>	<u>\$2,293,840</u>	<u>\$2,393,940</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	<u>\$3,673,054</u>	<u>\$3,509,985</u>	<u>\$3,540,326</u>
Contributions as a percentage of covered payroll	<u>65.753%</u>	<u>65.352%</u>	<u>67.619%</u>
FIRE			
Actuarially Determined Contribution ..	<u>\$1,200,417</u>	<u>\$1,061,170</u>	<u>\$1,054,478</u>
Contributions in relation to the Actuarially Determined contribution	<u>\$1,200,417</u>	<u>\$1,061,170</u>	<u>\$1,054,478</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	<u>\$1,164,528</u>	<u>\$1,145,919</u>	<u>\$1,129,470</u>
Contributions as a percentage of covered payroll	<u>103.082%</u>	<u>92.604%</u>	<u>93.360%</u>

Notes to Schedule D:

The above actuarially determined and contractually required contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the employer contribution for the second following fiscal year (e.g. Fiscal Year 2026 contributions were determined using an actuarial valuation as of June 30, 2024). The methods and assumptions used to determine the actuarially determined and contractually required contributions are as follows:

Fiscal Year	2026	2025	2024	2023	2022	2021	2020
Valuation Dates	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial cost method ¹	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method for Unfunded Accrued Liabilities (UAL):							
Initial 2010 UAL	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments
Post-2010 UALs	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
Remaining amortization period:							
Initial 2010 UAL	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2011 (G)/L	2 Years (Closed)	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)
2012 (G)/L	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)
2013 (G)/L	4 Years (Closed)	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)
2014 (G)/L	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)
2014 Assumption Change	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)
2015 (G)/L	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 years (Closed)
2016 (G)/L	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
2017 (G)/L	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2017 Assumption Change	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)
2017 Method Change	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)
2018 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2019 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2019 Assumption Change	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2019 Method Change	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2020 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2021 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2022 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA
2023 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA	NA
2023 Plan Change	Varies by System	NA	NA	NA	NA	NA	NA
2024 (G)/L	15 Years (Closed)	NA	NA	NA	NA	NA	NA
Actuarial Asset Valuation Method ² ..	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value	6-year moving average of fair value
Actuarial assumptions:							
Assumed rate of return ³	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)
Post-retirement mortality ⁴	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019

¹ The Entry Age Normal Cost Method (EAN) of funding is utilized by the Actuary to calculate the contributions required of the Employer. Under this method, the Actuarial Present Value (APV) of Benefits (APVB) of each individual included in the actuarial valuation is allocated on a level basis over the earnings (or service) of the individual between entry age and assumed exit ages. The employer portion of this APV allocated to a valuation year is the Normal Cost. The portion of this APV not provided for at a valuation date by the APV of Future Normal Costs or future member contributions is the Accrued Liability (AL). The excess, if any, of the AL over the Actuarial Value of Assets (AVA) is the Unfunded Accrued Liability (UAL). Under this method, actuarial gains (losses), as they occur, reduce (increase) the UAL and are explicitly identified and amortized. Increases (decreases) in obligations due to benefit changes, actuarial assumption changes and/or actuarial method changes are also explicitly identified and amortized.

² Market Value Restart as of June 30, 2019. The AVA is constrained to be no more than 20% from the Market Value of Assets.

Notes to Schedule D: (Cont.)

Fiscal Year	2019	2018	2017
Valuation Dates	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial cost method ¹	Entry Age	Entry Age	Entry Age
Amortization method for Unfunded			
Accrued Liabilities (UAL):			
Initial 2010 UAL	Increasing Dollar	Increasing Dollar	Increasing Dollar
	Payments	Payments	Payments
Post-2010 UALs	Level Dollar	Level Dollar	Level Dollar
	Payments	Payments	Payments
Remaining amortization period:			
Initial 2010 UAL	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)
2011 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)
2012 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)
2013 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
2014 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2014 Assumption Change	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)
2015 (G)/L	13 years (Closed)	14 years (Closed)	15 years (Closed)
2016 (G)/L	14 Years (Closed)	15 Years (Closed)	NA
2017 (G)/L	15 Years (Closed)	NA	NA
2017 Assumption Change	20 Years (Closed)	NA	NA
2017 Method Change	20 Years (Closed)	NA	NA
2018 (G)/L	NA	NA	NA
2019 (G)/L	NA	NA	NA
2019 Assumption Change	NA	NA	NA
2019 Method Change	NA	NA	NA
2020 (G)/L	NA	NA	NA
2021 (G)/L	NA	NA	NA
2022 (G)/L	NA	NA	NA
2023 (G)/L	NA	NA	NA
2023 Plan Change	NA	NA	NA
2024 (G)/L	NA	NA	NA
Actuarial Asset Valuation Method ² ..	6-year moving	6-year moving	6-year moving
	average of	average of	average of
	fair value	fair value	fair value
Actuarial assumptions:			
Assumed rate of return ³	7.0% per annum,	7.0% per annum,	7.0% per annum,
	net of investment	net of investment	net of investment
	expenses (4.0%	expenses (4.0%	expenses (4.0%
	per annum for	per annum for	per annum for
	benefits payable	benefits payable	benefits payable
	under the variable	under the variable	under the variable
	annuity program	annuity program	annuity program
	for TRS and	for TRS and	for TRS and
	BERS)	BERS)	BERS)
Post-retirement mortality ⁴	Tables adopted	Tables adopted	Tables adopted
	by Boards of	by Boards of	by Boards of
	Trustees during	Trustees during	Trustees during
	Fiscal Year 2019	Fiscal Year 2016	Fiscal Year 2016

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

⁴ As of June 30, 2019, applied mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for deferred vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality.

Notes to Schedule D: (Cont.)

Fiscal Year	2026	2025	2024	2023	2022	2021	2020
Active service: withdrawal, death, disability, service retirement ⁴	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019	Tables adopted by Boards of Trustees during Fiscal Year 2019
Salary Increases ³	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year
Cost-of-Living Adjustments ³	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation

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

⁴ As of June 30, 2019, applied mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for deferred vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality.

Notes to Schedule D: (Cont.)

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

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

	2025	2024	2023	2022	2021
1. Total OPEB Liability					
a. Service Cost	\$ 3,939,909,397	\$ 3,909,768,918	\$ 3,726,363,061	\$ 6,252,924,365	\$ 5,574,231,539
b. Interest	4,430,464,500	4,229,675,677	3,963,214,876	2,775,746,623	3,142,299,330
c. Differences in Actual Experience	(451,857,985)	(1,246,433,908)	(1,396,055,419)	(1,809,027,928)	220,744,272
d. Change of Assumptions	(5,494,882,701)	(219,480,447)	2,633,653,342	(31,086,237,440)	3,188,999,201
e. Benefit Payments	(4,060,474,502)	(3,704,781,404)	(3,492,197,300)	(3,430,789,509)	(3,183,940,823)
f. Other Changes	—	—	—	—	—
g. Net Changes in					
Total OPEB Liability	\$ (1,636,841,291)	\$ 2,968,748,836	\$ 5,434,978,560	\$ (27,297,383,889)	\$ 8,942,333,519
2. Total OPEB Liability –					
Beginning	\$103,306,084,378	\$100,337,335,542	\$ 94,902,356,982	\$122,199,740,871	\$113,257,407,352
3. Total OPEB Liability –					
Ending	\$101,669,243,087	\$103,306,084,378	\$100,337,335,542	\$ 94,902,356,981	\$122,199,740,871
4. Plan Fiduciary Net Position					
a. Contributions – Employer	\$ 4,063,311,077	\$ 3,198,585,280	\$ 3,282,286,594	\$ 4,583,897,302	\$ 3,600,386,859
b. Contributions – Employee	—	—	—	—	—
c. Net Investment Income	184,121,280	225,925,698	152,050,807	3,112,581	3,801,273
d. Benefit Payments	(4,060,474,502)	(3,704,781,404)	(3,492,197,300)	(3,430,789,509)	(3,183,940,823)
e. Administrative Expenses	(54,000)	(54,000)	(54,000)	(54,000)	(54,000)
f. Other Changes	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
g. Net Changes in Plan					
Fiduciary Net Position	\$ 186,728,855	\$ (280,499,426)	\$ (58,088,899)	\$ 1,155,991,374	\$ 420,018,309
5. Plan Fiduciary Net Position –					
Beginning	\$ 5,037,910,519	\$ 5,318,409,945	\$ 5,376,498,844	\$ 4,220,507,470	\$ 3,800,489,161
6. Plan Fiduciary Net Position –					
Ending	\$ 5,224,639,374	\$ 5,037,910,519	\$ 5,318,409,945	\$ 5,376,498,844	\$ 4,220,507,470
7. Net OPEB Liability	\$ 96,444,603,713	\$ 98,268,173,859	\$ 95,018,925,597	\$ 89,525,858,137	\$117,979,233,401
8. Plan Fiduciary Net Position					
as a Percentage of					
Total OPEB Liability	5.1%	4.9%	5.3%	5.7%	3.5%
9. Covered Employee Payroll	\$ 34,392,220,380	\$ 32,313,944,638	\$ 31,138,638,796	\$ 28,974,273,294	\$ 29,110,588,626
10. Net OPEB Liability as a					
Percentage of Covered					
Employee Payroll	280.4%	304.1%	305.1%	309.0%	405.3%

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

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

Notes to Schedule E

- **Benefit changes:** None
- **Assumption changes:**
 - The Pre-Medicare healthcare cost trend rates were updated to an initial trend rate of 8.50% for FY 2025, decreasing by 25 basis points annually until FY 2029, then decreasing by 50 basis points thereafter until an ultimate rate of 4.50% is reached in FY 2035.
 - The Part B healthcare cost trend rates were updated to an initial trend rate of 8.00% for FY 2025, decreasing by 25 basis points annually to FY 2033, then decreasing by 50 basis points annually thereafter until an ultimate rate of 4.50% is reached in FY 2036.
 - The Part B IRMAA load was updated to 12.5%
 - The dependent child coverage period was updated for Police and Fire to 13 years.
 - The Municipal Bond 20-year index was changed from the S&P Municipal Bond 20-Year High Grade Rate Index to the Bond Buyer's 20 Bond GO Index.
 - The valuation discount rate as of June 30, 2025, was updated to 5.18% for benefits provided by the City and 5.20% for benefits provided by Component Units. The valuation discount rate as of June 30, 2024, was 4.21% for benefits provided by the City and 4.21% for benefits provided by Component Units.
 - Certain per capita claims costs were updated based on recent experience.
- **Measure of payroll:** Covered-employee payroll since the City's contributions are not based on a measure of pay.
- **Methods and Assumptions:** The methods and assumptions in the OPEB valuation are as follows:

	2025	2024	2023	2022	2021
Valuation Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Discount Rate	5.18% - City 5.20% - Component Units	4.21% - City 4.21% - Component Units	4.13% - City 4.13% - Component Units	4.09% - City 4.09% - Component Units	2.19% - City 2.18% - Component Units
Post-retirement mortality	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation
Active service: withdrawal, death, disability, service retirement	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation	Same as those used in the NYCERS pension actuarial valuation
Long-term					
Expected Rate of Return	4.0%	4.0%	4.0%	4.0%	4.0%
General Wage Increases	3.0%	3.0%	3.0%	3.0%	3.0%
Consumer Price Index	2.5%	2.5%	2.5%	2.5%	2.5%

All additional actuarial assumptions used for determining the net OPEB liability are shown starting on page 12 of the Fiscal Year 2025 GASB 74/75 Report dated September 5, 2025. The Report is available at the Office of the Comptroller, Bureau of Accountancy-Room 200 South, 1 Centre Street, New York, New York 10007 and on the website of the New York City Office of the Actuary (www.nyc.gov/actuary).

Notes to Schedule E (Cont.)

	2020	2019	2018	2017
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Discount Rate	2.68% - City 2.66% - Component Units	2.82% - City 2.79% - Component Units	3.01% - City 2.98% - Component Units	3.17% - City 3.13% - Component Units
Post-retirement mortality	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation
Active service: withdrawal, death, disability, service retirement	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation	Same as those used in the NYCRS pension actuarial valuation
Long-term				
Expected Rate of Return	4.0%	4.0%	4.0%	4.0%
General Wage Increases	3.0%	3.0%	3.0%	3.0%
Consumer Price Index	2.5%	2.5%	2.5%	2.5%