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New York City, New York

The Rating Outlook remains Negative and reflects the potential for weakening of the city's financial resilience, and uncertainty around projected expenditure savings and gap-closing solutions without a reliance on available reserves. Fitch recognizes progress in closing the FY2027 budget gap with a combination of new recurring and non-recurring revenues, elimination of the use of reserves, and improved projected FYE2026 results. Carry-forward surpluses are on a declining trend notwithstanding continued strong yoy revenue growth.

A minimum fund balance policy is being proposed, which Fitch views positively, and will be presented to voters in November for approval via referendum. Demonstrated progress in managing expenditure growth to match changes in revenues along with the implementation of cost savings measures to support improvement in available reserves and gap-closing efforts could lead to a revision of the Outlook to Stable.

The ‘AA’ Issuer Default Rating (IDR) reflects the city’s ‘aa’ financial resilience assessment, which assumes maintenance of available reserves above 7.5% of spending, supported by a history of strong budget monitoring and controls. For the purposes of the available reserves calculation, Fitch includes the FYE2025 revenue stabilization fund ($1.96 billion), the balance in the retirees' health benefits trust (RHBT; $5.2B), as well as discretionary transfers of surplus ($3.8 billion in FY25) for prepayment of certain of the following year's operating expenditures. The available balance as of FYE 2025 (ended June 30) was $11 billion, equal to 9.4% of spending. The June 2026 financial plan projects maintenance of the revenue stabilization fund and the RHBT, but a smaller yoy projected surplus carry-forward of $2 billion, which would lower available reserves to about 7.3% of fiscal 2026 spending.

The city was successful in working with state representatives to receive additional recurring revenue and reduced spending mandates to help right-size financial operations and avoid a large property tax increase and use of reserves for the fiscal 2027 budget. The fiscal year end 2026 surplus to be used as a prepayment of debt service in the fiscal 2027 adopted budget increased to $1.96 billion from earlier estimates of $74 million back in November, reflecting strong economic activity in the latter part of fiscal 2026.

The city's demographic and economic trend and level metrics are mixed relative to Fitch's local government ratings portfolio and are assessed as ‘Midrange’. High educational attainment levels and moderate income and unemployment levels mitigate the city's declining population trend since 2020.

These factors help offset the city's elevated long-term liability burden, which Fitch assesses as 'Weak' due to the very high liabilities-to-personal income metric of 23%, elevated carrying costs and moderate liabilities compared to total governmental revenues, relative to Fitch's local government rated portfolio. Fitch expects the city's long-term liabilities to remain elevated compared to personal income levels. This expectation is based on future debt needs offset by scheduled principal amortization, the status of the city's net pension liabilities (NPLs) over time (assuming actuarial assumptions are met) and anticipated increases in the resource base.

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

Rating Sensitivities

Factors that could, individually or collectively, lead to negative rating action/downgrade

- Failure to implement primarily recurring policy measures to address budget gaps contributing to a sustained erosion of the city's reserve cushion (sum of the revenue stabilization fund, plus the FYE discretionary transfer, and the RHBT fund balance) to below 7.5% of general fund spending, which would lead to a change in the financial resilience assessment to below 'aa';
- An approximate 40%-50% sustained increase in long-term liabilities associated with debt and Fitch-adjusted NPLs and carrying costs, assuming current levels of personal income and governmental resources and spending or evidence of higher growth in unfunded OPEB liabilities;
- Regular leveraging of the property tax levy close to maximum permitted levels that erodes future tax increase flexibility and results in a reduction in the assessments of revenue control and budgetary flexibility.

Factors that could, individually or collectively, lead to positive rating action/upgrade

- Credible plans for resolving out-year budget gaps through primarily recurring fiscal measures and demonstrated commitment to maintaining available reserves at no less than 7.5% of general fund spending would support a revision of the Outlook to Stable;
- An approximate 35% decrease in long-term liabilities and carrying costs, assuming current levels of personal income, governmental revenues and spending, in combination with other factors, could support an upgrade.;
- Significant improvement in the city's demographic and economic strengths metrics, evidenced by higher resident income and improved population trends, in combination with other factors, could support an upgrade.

Security

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

Fitch’s Local Government Rating Model

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

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

Rating Headroom & Positioning

New York City Model Implied Rating: 'AA' (Numerical Value: 8.61)

- Metric Profile: 'AA-' (Numerical Value: 7.61)
- Net Additional Analytical Factor Notching: +1.0

Individual Additional Analytical Notching Factors:

--Economic and Institutional Strength: +1.0

New York City's Model Implied Rating is 'AA'. The associated numerical value of 8.61 is in the middle of the 8.0 to 9.0 range for a 'AA' rating.

Current Developments

The June 2026 financial plan released by Mayor Mamdani’s administration reflects actions taken to reduce the projected budget gaps for fiscal 2026 and 2027. These include identified new agency savings, a $1.6 billion two-year commitment from the state’s governor, additional school aid, and new tax revenues estimated at $500 million associated with a new tax on high value secondary residences. The state also approved the city's plan to re-amortize a portion of its pension unfunded accrued liabilities resulting in total savings of $7 billion through FY30, including $1.6 billion in FY27.

Fiscal end 2027 general fund spending is projected to be $125.8 billion compared to $125.1 billion for FYE2026. No use of fund balances is included in the budget.

The projected future budget gaps for fiscal years 2028, 2029 and 2030 are $6.4 billion, $8.2 billion and $8.5 billion, respectively. Outyear expenditure drivers reflect higher housing voucher/rental assistance estimates based on growth in usage under the current rules, increased health insurance stabilization funds (with these costs partially offset by the savings on the NYCE PPO, a new preferred provider organization health plan implemented in Jan. 2026), mandated class size reductions (with a revised 100% compliance date extended by the state from FY2028 to FY2030), increased funding assumptions for due process cases, and increased early childhood education spending.

The city experienced record revenue performance and strong economic recovery coming out of the pandemic, as well as improvements to its financial cushion. Management is projecting revenue growth to remain strong through fiscal 2027, notwithstanding near-term economic interruptions associated with slower job growth, especially among higher-paying industries, and continued evolving tariff-related decisions by the federal government. Strong business profits and Wall Street activity are expected to drive revenue growth. Budgeted sales tax revenues are projected to grow 4.4% yoy following 6.4% growth in fiscal 2026. Property taxes are projected to grow 5.1% yoy, following a 5% yoy increase in billable assessed values.

Additional risks over the plan years include uncertainty around the effect of recent federal policy decisions, including with respect to Medicaid, on the city and city-related entities, including New York City Health and Hospitals Corporation (NYCHHC), as well as the risk of federal funding reductions or terminations affecting city-related entities. The city’s future costs associated with the expanded housing voucher/rental assistance program, which originally were anticipated to reach several hundred million dollars, have been capped at $175 million in fiscal 2027 following resolution of litigation around the expansion.

The city Police Benevolent Association's (PBA) previous labor contract expired July 31, 2025, and the union has been seeking changes in salaries for its officers. After unsuccessful rounds of bargaining, the PBA filed a Declaration of Impasse with the state’s Public Employment Relations Board (PERB) and was granted an impasse on July 15, 2026, and PERB appointed two mediation officials. Management funds its labor reserve to account for annual 1.25% salary increases associated with the new round of labor contracts. However, the ultimate outcome of labor negotiations may not be fully accounted for in the financial plan until a pattern framework has been negotiated.

Profile

Fitch considers the city's status as an international center for numerous industries and a major tourism destination, as well as its proven resilience through the pandemic-related downturn and prior severe economic disruptions, as credit strengths. The economy remained resilient during 2025 with some expectations for deceleration in job growth. However, wage growth was strong in 2025 driven by high-paying sectors. The city anticipates wage growth to continue in 2026 driven mainly by the financial activities sector. Tourism slowed in 2025 compared to 2024 with stricter immigration enforcement and shifting international sentiment toward the U.S.; however, hotel tax revenues are projected to rise moderately over the financial plan years due to higher average room rates.

The local economy and operating budget remain strongly linked to the financial activities sector, which accounts for 25% of earnings versus 10% for the U.S., according to 2024 data. Professional and business services accounted for 21% of earnings during the same period, and this sector, along with the financial activities sector, has a higher share of wage earnings than the other service-producing and governmental sectors in the city, based on 2024 data.

The city's economic profile features high wealth levels; per capita personal income was approximately 127% of the U.S. average in 2024. However, the city's above-average individual poverty rate of 17.9% exceeds the national rate of 12.5%, indicative of some income disparity and the demand for social services, as seen in other large U.S. cities.

Estimated census figures for July 2025 report New York City's population at 8,584,629, a 2.5% decrease from 2020. New York City is the most populous city in the U.S., with a larger population than the combined populations of Los Angeles and Chicago, the next two most populous cities in the nation.

Manhattan office vacancy rates remain high by historical standards, but according to management, an uptick in office leasing has contributed to a reduction in vacancy rates below its peak. In addition, the pipeline for office conversions to residential units is fairly robust, supporting future stock in new residential rental unit supply.

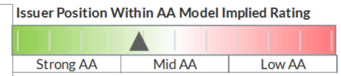
Depending on the magnitude of decline, a change in a property's market value is typically phased in over five years. The taxable billable assessed value (TBAV) is the basis for the tax levy and is based on the lower of the actual value (45% of the current year market value) or transitional assessed value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

The fiscal 2027 TBAV of $325 billion is up by 5% yoy, following growth of 3% in FY2026, 4% in fiscal 2024 and fiscal 2025, 7% in fiscal 2023 and a 5% decline in fiscal 2022 due to the pandemic. Class 4 TBAV, which consists of commercial properties such as office buildings, hotels, and retail stores, increased 1.5% in fiscal 2026 and 5.2% in fiscal 2027.

Key Drivers

Issuer: New York City (NY)		Financial Profile	0.0
Type: City General Obligation		Demographic & Economic Strength	1.0
Current: AA, RO:Neg (2026/03/20)		Long-Term Liability Burden	0.0
Fiscal Year	2025	AAF Notching Total(4)	1.0
Metric Profile	7.61	MIR - Metric	8.61
Metric Profile Mapping	AA-	MIR - Mapping	AA

Issuer Position Within AA Model Implied Rating



Rating position post application of analytical overlay

		Analyst Input	Metric		Composite		
Metric	2025	2025	Percentile	Weight	Percentile / Value	Assessment	Weight
Financial Profile							
Financial Resilience Components							
Available Reserves (FB/Expenditures: 5-Year Low) (%)	9.4						
Revenue Control Assessment	High	High					
Expenditure Control Assessment	Midrange	Midrange				aa	35%
Budgetary Flexibility	High Midrange	High Midrange					
Financial Resilience	aa	aa		100%			
Lowest Cumulative 3 Year Revenue Performance (+/-) since 2008 (%)	5.5					Strongest	0%
Revenue Volatility(1)			93%	100%			
Demographic and Economic Strength							
Trend							
Population Trend (%)(2)	-0.2	-0.3	4%	100%	4%	Weakest	8%
Unemployment Rate as Percentage of National Rate (%)(5)	120.9		26%	33%			
Population w/ Bachelor's Degree and Higher (%)(2)	41.7		77%	33%	44%	Midrange	26%
MHI as a % of the Portfolio Median (2)	86.1		28%	33%			
Concentration & Size							
Population Size(2)(3)	8,596,825	8,584,629	100%	50%	100%	Strongest	9%
Economic Concentration (%)(2)(3)		37.0	100%	50%			
Long-Term Liability Burden							
Liabilities/Personal Income (%)	22.5	23.1	2%	35%			
Liabilities/Governmental Revenues (%)(6)	148.1	151.8	63%	25%	29%	Weak	21%
Carrying Costs/Governmental Expenditures (%)	20.2	17.3	33%	40%			

(1) Model directly uses revenue volatility. Percentiles are for information only. Metric percentile represents the average of the issuer's class relative to the median revenue volatility of the total issuer portfolio.
Revenue Volatility is treated asymmetrically, where weight is marginal for issuers that exhibit low to moderate revenue volatility. For issuers with higher revenue volatility, this factor will moderately lower the metric profile, implying a somewhat reduced weighting for all other variables in these instances.
(2) Population, Concentration, MHI and Educational Attainment data is lagged by one year e.g. 2021 data is used and displayed for fiscal year 2022.
(3) Percentiles represent the class. Economic concentration is defined as the sum of the absolute deviation of the issuer from the national average proportion across major economic sectors.
Sector data is on the county level for all entities. If data is unavailable for an issuer, median figures based on reported data for all counties within the issuer's state are used as a proxy value. For entities that span multiple counties, MSA data or any other analytically appropriate proxy data is used.
(4) Additional Analytical Factors (AAF) have a potential notching range of +2/-2 for each of the three categories and an overall IDR notching range of +3/-3.
(5) County level data is used for sub-county entities when prior year's data is unavailable. If county data is unavailable, or if an entity is multi-county, MSA data or any other analytically appropriate proxy data is used.
(6) As a proxy for per capita personal income for sub-county levels of local government, Fitch calculates the ratio of money income to per capita income for the county in which the rated entity is located and applies that ratio to the entity's money income. The estimated per capita personal income figure is multiplied by population to estimate total personal income.

Source: Fitch Ratings

Financial Profile

Financial Resilience - 'aa'

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

- Revenue control assessment: High
- Expenditure control assessment: Midrange
- Budgetary flexibility assessment: High Midrange
- Minimum fund balance for current financial resilience assessment: >=7.5%
- Current year fund balance to expenditure ratio: 9.35% (2025)
- Lowest fund balance to expenditure ratio for the fiscal-year period 2021-2025: 9.35% (2025)

Revenue Volatility - 'Strongest'

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

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

- Lowest three-year revenue performance (based on revenues dating back to 2005): 5.5% increase for the three-year period ending fiscal 2011
- Median Fitch portfolio issuer decline: -3.6% (2025)

State-Specific Revenue/Expenditure Context & Budgetary Control

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

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

The city provides ongoing financial support for NYCHHC, including the non-federal share of supplemental Medicaid. Unexpected increases, particularly associated with changes in Medicaid, could speed the pace of expected spending growth and/or reduce the city's flexibility to reduce spending in an economic downturn.

The city-funded portion of medical assistance payments, inclusive of NYCHHC, is expected to be $6.7 billion in fiscal 2027. These payments primarily include the city’s capped share of local Medicaid expenditures as well as the non-federal share of supplemental Medicaid payments to NYCHHC.

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

Additional Insight

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

Demographic and Economic Strength

Population Trend - 'Weakest'

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

Population trend: -0.3% (2025) Analyst Input (4th percentile) (vs. -0.2% 2024 median of 10-year annual percentage change in population)

Unemployment, Educational Attainment and MHI Level - 'Midrange'

The overall strength of New York City's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2025 are assessed as 'Midrange' on a composite basis, performing at the 44th percentile of Fitch's local government rating portfolio. This is due to high education attainment levels offsetting low median-issuer indexed adjusted MHI and elevated unemployment rate.

- Unemployment rate as a percentage of national rate: 120.9% 2025 (26th percentile), relative to the national rate of 4.3%
- Percent of population with a bachelor's degree or higher: 41.7% (2024) (77th percentile)
- MHI as a percent of the portfolio median: 86.1% (2024) (28th percentile)

Economic Concentration and Population Size - 'Strongest'

New York City's population in 2025 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

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

- Population size: 8,584,629 (2025) Analyst Input (above the 15th percentile) (vs. 8,596,825 2024 Actual)
- Economic concentration: 37.0% Analyst Input (above the 15th percentile) (vs. 0.0% 2025 Actual)

Additional Analytical Factors and Notching

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

Fitch applied a one-notch positive Additional Analytical Factor due to the city's important role and significant contributions to the growing New York-Newark-Jersey City, NY-NJ-PA MSA. It is the largest MSA in the nation, accounts for over 10 million jobs, and is the largest job market in the nation.

Analyst Inputs to the Model

Fitch adjusted metrics to account for historical data anomalies, forward-looking performance shifts or non-recurring events that may otherwise skew the time series.

Fitch used the most recent available demographic data, including the 2025 unemployment rates from the U.S. Bureau of Labor Statistics. For population trend, Fitch used the 10-year trend through 2025.

Long-Term Liability Burden

Long-Term Liability Burden - 'Weak'

New York City's liabilities to governmental revenue remain strong while carrying costs to governmental expenditures and liabilities to personal income remain weak. The long-term liability composite metric in 2025 is at the 29th percentile, indicating a somewhat elevated liability burden relative to the Fitch's local government rating portfolio.

- Liabilities to personal income: 23.1% Analyst Input (2nd percentile) (vs. 22.5% 2025 Actual)
- Liabilities to governmental revenue: 151.8% Analyst Input (63rd percentile) (vs. 148.1% 2025 Actual)
- Carrying costs to governmental expenditures: 17.3% Analyst Input (33rd percentile) (vs. 20.2% 2025 Actual)

Pension Adjustments

On an aggregate basis for all pension plans as of the most recent measurement date, the reported asset to liability ratio was 89.3%, or an estimated 78.1%, using Fitch's standard 6% rate of return adjustment. The Fitch-adjusted NPL was equal to $63,603.7 million, or about 8.0% of personal income.

Additional Insight

The city's capital plan is extensive, and debt service costs are projected to ramp up gradually based on recent and planned issuances but remain manageable. GO bond and Transitional Finance Authority revenue debt issuance of approximately $65 billion is projected for the fiscal period 2027 through 2030. Debt issuances will be managed to ensure compliance with the city’s policy to maintain debt service costs below 15% of tax revenues, and project spending can be deferred if economic situations warrant such action.

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

The unfunded OPEB liability was approximately 12% of personal income at fiscal year-end 2025, and management established an irrevocable trust in 2006, the RHBT, to help manage these costs. Actual annual benefit costs have trended at reasonable levels when compared to the city's operating budget and represent a manageable percentage of fixed-cost spending, excluding RHBT contributions above pay-as-you-go. Efforts to control growth in these costs are ongoing. The city’s municipal labor committee approved a new health insurance plan for approximately 750,000 employees and retirees not yet eligible for Medicare, which was effective Jan. 1, 2026. Projected budget savings are $411 million in fiscal 2026 and $791 million in fiscal 2027. Fitch anticipates that the city will continue to manage these benefits to control cost growth and these long-term liabilities.

Analyst Inputs to the Model

Fitch adjusted direct debt to reflect principal amortization through the end of fiscal 2026, the current new money issuance, and non-refunding city GO bond and Transitional Finance Authority revenue bond issuances occurring after fiscal year-end 2025.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's US Public Finance Rating Criteria.

The results of our Climate.VS screener did not indicate an elevated risk for New York City, NY (General Government).

ESG Considerations

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

Financial Summary

($000, Audited Fiscal Years Ending Jun. 30)	2021	2022	2023	2024	2025
General Fund Revenues					
Property Tax	31,464,469	29,582,214	31,644,665	32,987,024	34,756,900
Sales Tax	7,602,688	10,008,292	10,585,017	10,666,812	11,264,198
Income Tax	23,734,802	26,256,890	27,541,691	26,824,409	30,221,871
Other Tax	2,731,908	3,749,483	3,665,405	3,698,485	4,072,491
Total Taxes - Undifferentiated	-	-	-	-	-
Intergovernmental	28,093,804	32,095,225	28,101,752	31,538,821	29,947,480
Other Revenue	5,554,838	5,103,421	6,241,020	6,671,856	6,945,288
Total	**99,182,509**	**106,795,525**	**107,779,550**	**112,387,407**	**117,208,228**
General Fund Expenditures					
General Government	4,429,366	4,225,605	4,388,563	4,793,947	5,111,504
Public Safety	10,548,189	11,936,786	12,069,764	12,355,921	12,838,700
Educational	**29,347,794**	**32,414,343**	**32,101,643**	**33,994,906**	**35,313,202**
Debt Service (Lease Rentals)	97,051	139,906	81,977	96,135	85,865
Capital Outlay	-	-	-	-	-
Other Expenditures	46,681,526	50,216,532	51,529,226	54,030,071	56,260,886
Total	**91,103,926**	**98,933,172**	**100,171,173**	**105,270,980**	**109,610,157**
Transfers In and Other Sources	96,428	147,672	169,391	217,898	205,907
Transfers Out and Other Sources	8,588,610	6,706,208	7,717,226	7,493,075	7,834,433
Net Transfers & Other	**(8,492,182)**	**(6,558,536)**	**(7,547,835)**	**(7,275,177)**	**(7,628,526)**
Adjustment for Bond Proceeds and Extraordinary One-Time Uses	-	-	-	-	-
Net Op. Surplus (Deficit) After Transfers	(413,599)	1,303,817	60,542	(158,750)	(30,455)
Net Op. Surplus (Deficit)/ (Total Expenditures + Transfers Out and Other Uses)(%)	-0.41	1.23	0.06	-0.14	-0.03
Total Fund Balance	2,831,502	4,135,319	4,195,861	4,037,111	4,006,656
Unrestricted Fund Balance	498,550	1,953,849	1,958,996	1,964,329	1,969,333
Other Available Fund Balances	10,327,507	11,490,499	10,797,410	9,434,911	9,011,639
Total Available Unrestricted Reserves (GF + Other)	**10,826,057**	**13,444,348**	**12,756,406**	**11,399,240**	**10,980,972**
Available Reserves as % of Spending (Adj for Bond Proceeds and Other One-Time Uses)	10.86	12.73	11.82	10.11	9.35

Sources: Fitch Ratings, Fitch Solutions, New York City (NY) [General Government]

Long-Term Liability Burden

($000,Audited Fiscal YearsEndingJun. 30)	**2025**
Direct Debt	115,728,408
Less: Self-Supporting Debt	-
Net DirectDebt	115,728,408
Fitch Adjusted NPL	63,603,673
Net Direct Debt + Fitch-Adjusted net pension liabilities (NPL)	**179,332,081**
Population	8,584,629
Per Capita Personal Income	92,674
Estimated Personal Income ($000)	795,571,908
Net Debt + Fitch-Adjusted NPL /Personal Income (%)	**22.5**
Total Governmental Revenues	121,096,241
Net Direct Debt + Fitch Adjusted NPL as Percentage of Governmental Revenue (%)	**148.09**
Debt Service (Net of State Support)	14,296,961
Actuarially Determined Pension Contributions	9,944,572
Actual OPEB Contributions	4,063,311
Total Governmental Expenditures	139,981,494
Carrying Costs/Governmental Expenditures (%)	**20.21**

Note: Figures above do not reflect any Analyst Input Adjustments.

Sources: Fitch Ratings, Fitch Solutions, New York City (NY) [General Government]

Summary

Description	Final Value
Budgetary Flexibility Assessments	
Revenue Control Assessment	High
Expenditure Control Assessment	Midrange
Collective Bargaining and Resolution Framework	Midrange
Workforce Outcomes	Midrange
Cost Drivers	Midrange
Metrics Assessments	
Financial Profile - Financial Resilience	aa
Financial Profile - Revenue Volatility	Strongest
Demographic & Economic Strength - Trend	Weakest
Demographic & Economic Strength - Level	Midrange
Demographic & Economic Strength - Concentration & Size	Strongest
Long-Term Liability Burden	Weak
Metric Profile Mapping	AA-
Metric Profile	7.61
Additional Analytical Factors	
Total Notching - capped	1
Financial Profile	

Fiscal Oversight	
Revenue Capacity	
Contingent Risks	
Non-Recurring Support or Spending Deferrals	
Political Risks	
Management Practices	
Demographic & Economic Strength	**1**
Economic and Institutional Strength	1
Revenue Concentration Risks	
School District Resources	
Long-Term Liability Burden	
Pension Funding Assumptions	
Pension Contributions	
OPEB	
Debt Structure	
Capital Demands and Affordability	
Model Implied Rating - Mapping	AA
Model Implied Rating - Metric	8.61
Outliers and Developing Situations Considerations	No
Notching Rationale - 1	
Notching Rationale - 2	
Issuer Default Rating/ Issuer Default Credit Opinion	AA

Outlook / Watch	RO: Negative

Source: Fitch Ratings

Ratings

Long-Term IDR	AA

Outlooks	
Long-Term IDR	Negative

New Issues

$1,500,000,000 General Obligation Bonds (Tax-Exempt), Fiscal 2027 Series A	AA

Sale Date

The bonds will be priced August 4th and 5th via negotiation. Proceeds of the bonds will be used for city capital purposes.

Outstanding Debt

Issuer Ratings Information

2035 Climate Vulnerability Signal	< 50
Transition (Climate.VSt)	< 50
Physical (Climate.VSp)	< 50

Applicable Criteria

U.S. Public Finance Local Government Rating Criteria (May 2026)

Related Research

Fitch Rates New York City's $1.5B Fiscal 2027 Ser A GO Bonds 'AA'; Outlook Remains Negative (July 2026)

Analysts

Kevin Dolan
+1 212 908 0538
kevin.dolan@fitchratings.com

Michael Rinaldi
+1 212 908 0833
michael.rinaldi@fitchratings.com

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